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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. BISHOP of Utah).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 20, 2004.

I hereby appoint the Honorable ROB BISHOP to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Illinois (Mr. EMANUEL) for 5 minutes.

MIDDLE CLASS SQUEEZE

Mr. EMANUEL. Mr. Speaker, the lead story in today's Wall Street Journal, "So Far, Economic Recovery Tilts to Highest Income Americans," provides further evidence of a two-track economy and an economic squeeze on middle class families.

While there has been a profits boom for corporations and a 16 percent increase in pay on Wall Street, there is a growing wage and benefits recession for the middle class of America. To those

who say redistribution of wealth is wrong, I agree, whether it is to the top 1 percent or to the bottom 25 percent.

For America's workers, a new study by the Economic Policy Institute reports that weekly earnings have fallen for 6 of the last 7 months. When the recovery began in November of 2001, hourly wages were actually higher than what those same jobs pay today.

Evidence of this two-track economy is evident throughout the country. As the article points out, while corporate profits have risen around 87 percent and sales at BMW and Nieman Marcus are booming, sales at Wal-Mart and Target are flat.

But don't take my word for it, Today's Wall Street Journal quotes J.P. Morgan Chase and the former Federal Reserve economist Dean Maki: "To date, the recovery's primary beneficiaries have been the upper income. Two of the main factors supporting spending over the past year, tax cuts and increases in stock wealth, have sharply benefited upper income households relative to others."

David Rosenberg, chief economist at Merrill Lynch, "The income from the recovery has been locked up in the corporate sector. We have had a redistribution of income to the corporate sector."

So if you sit in the board room, you are doing just right. For the rest of us, it is an economic squeeze.

With working families' household incomes down nearly \$1,500 over the last 2 years, people are working harder just to stay in the same place. And for the middle class, this has become a step master economy. All the while, the expense side of the ledger shows:

According to the Kaiser Foundation, that health care costs for a family of four have gone up from \$6,500 to \$9,000, a 49 percent increase from 2000 to 2003. And as health care costs have risen, corporations have shifted the burden to employees.

Millions of middle class families now carry, on average, the average American middle class family, \$9,000 in credit card debt and \$17,000 in overall household debt. The squeeze has resulted in 33 percent more bankruptcies for households.

One hundred eighty billion dollars has been evaporated from 401(k)s and retirement security for middle class families. College tuition costs have gone up 26 percent in the last 2 years.

With a record like this, only this admission could wave the banner "mission accomplished" above the economy.

The concentration of wealth and the two-track economy can be traced right back to President Bush's tax cuts. A study cited by The New York Times found that Americans are being taxed more than twice as heavy on earnings from work as they are on investment income, even though more than half of all investment goes to the wealthiest 5 percent of taxpayers.

The shifting of the tax burden from wealth to work is the essence of class warfare. And as Warren Buffet, the legendary investor said, "If class warfare is being waged in America, my class is clearly winning."

In the 1990s, we ended welfare as we know it because it was a failed system. Now this administration is bent on ending the middle class as we know it. This administration has two books, two sets of values, two sets of priorities, and a single economic strategy that divides this country along income.

If you want to live in a country without class divisions, we cannot deny the middle class families the same dreams of affordable health care, higher education, and a retirement that is secure. We have to give that dream to every American, not just to the wealthiest Americans.

Renowned Supreme Court Justice Louis Brandeis once said, "We can either have a democracy in this country

This symbol represents the time of day during the House proceedings, e.g., 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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or we can have a great concentration of wealth in a few hands, but we cannot have both.”

Today’s economic policies have shifted this great economy and the benefits of this great country and this economy to the wealthiest 1 percent, as today’s Wall Street Journal notes. When I look at this and think about what has happened to the middle class family, with increasing health care costs, college costs, retirement that is less secure, and jobs that pay less than they did just 3 years ago, I’m reminded, especially as I look at communities across this country, with police officers and police departments and fire departments that are under stress, schools that are closing, teachers that are being laid off, and libraries that are cutting hours, I’m reminded of when George Bush declared in 2000 that he was opposed to nation-building. Who knew it was America he was talking about.

Mr. Speaker, we have to return this economy and this country back to the people who built it and to the families and respect their values. The middle class and their values and their economic interests are under assault. It is time we turned this country around and focused our policies on the middle class and their families.

TAX SIMPLIFICATION AND REFORM WEEK

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Texas (Mr. DELAY) is recognized during morning hour debates.

Mr. DELAY. Mr. Speaker, the rhetoric of class warfare has never worked, and it certainly is not going to work today, particularly when we see opportunities proceeding for Americans all over this country.

So rather than sit back and enjoy the historic success of the 2001 and 2003 tax measures this Republican majority has passed into law, which have accounted for opportunities, certainly for more than 1.3 million new jobs already this year, we have developed legislative proposals to address longstanding impediments to prosperity in this Nation.

Rather than simply looking for new taxes to reduce, we looked around for other friction heaped upon the free market by this government, and we came up with an eight-part strategy to increase the competitiveness of our economy for years to come: The 21st Century Careers Initiative.

We began to look at ways to make the health care system even more flexible and responsive to the needs of American consumers. We began the process of reforming the way that the Federal Government regulates small businesses in this country. We began a rethinking of the role of the government in lifelong learning programs, so that Americans never stop increasing their skills and their earning power. And this week we began what we hope

will be a long debate about the future of taxation in the United States.

While tax relief has been part of the Republican agenda for decades, the time has come for us to not simply lower taxes but to reform the way people are taxed in the first place. And so we come to the Tax Simplification and Reform Week on the House floor.

We will begin with consideration of two bills that begin to fix our Tax Code so that it will make more sense for Americans. One will increase the income limit to qualify for filing the form 1040-EZ income tax return for the first time in more than 20 years. The other will create the first-ever short-form tax return specifically for seniors.

Now, the debate about tax reform and simplification, like the other components of the career initiative, is not designed to score partisan points, but, instead, to move our economy past the artificial shackles of over taxation, over regulation, and over litigation, which keep the American people from enjoying the full benefits of their economic competitiveness.

This week, Mr. Speaker, we will take another step closer to a friction-free environment that our economy demands and our people deserve.

LAGGING WAGES

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, this weekend, we had more proof that middle- and low-income workers are still feeling the economic squeeze when it comes to making ends meet. Last Friday, the Bureau of Labor Statistics reported that hourly earnings of production workers, non-management workers ranging from nurses and teachers to assembly-line workers, fell 1.1 percent last month. That is the steepest decline since the recession of 1991, and makes up the lowest level of weekly pay since October 2001.

While weekly pay is at its lowest levels in over a decade, middle- and lower-income workers are feeling the squeeze thanks to ever-increasing education, health care, and gas prices that are rising at rates much higher than the stagnant incomes.

Let us consider a middle-class nurse in my State of New Jersey whose income fell 1.1 percent last month. How can this nurse afford the average \$2,700 increase in health care premiums that New Jersey families face this year? How can this nurse and her family afford the \$1,600 increase in college tuition costs? How can this nurse afford the more than \$2,000 increase in child care costs? These increases would be difficult to keep up with if the nurse was actually receiving cost of living raises, however, it is impossible to meet with rising costs when you are actually seeing a cut in pay.

There is no doubt it is becoming more and more difficult for these middle-class families to make ends meet. You would think this disappointing news would concern President Bush. After all, he already has the dubious distinction as the only President since Herbert Hoover to lose jobs on his watch—1.8 million private sector jobs have been lost over the last 3 years thanks to the economic neglect of President Bush and Republicans here in Congress.

Instead of showing any concern, the President has said that our economy does not need boom or bust type growth. The President ought to tell that to the millions of families around America that are struggling to make ends meet.

The economic record of President Bush and the Republican House of Representatives has been an utter failure, and the President’s statement that an economic boom is not needed today shows he is clearly out of touch by the economic realities middle-class Americans presently face.

You do not have to take my word for it, Mr. Speaker, two members of the President’s own party have voiced concern about the economy and the President’s inability over the last 3 years to ease the economic concerns of both the unemployed and the middle class. Last week, Senator VOINOVICH from Ohio signaled his frustration with the Bush administration when he stated, and I want you to keep in mind this is a Republican Senator from Ohio I am quoting, “Despite these overwhelming problems facing our Nation’s manufacturers, I must say I have yet to see any significant action on behalf of the Bush administration to respond.”

Now, that is a member of the President’s own party admitting that the administration has not properly responded to the economic hardships many Americans now face. And, last week, another Republican Senator said the President’s economists gave him bad advice on the impact his tax cuts would have on the economy.

I am quoting Charles Grassley, the Republican chairman of the Senate committee that writes all the tax laws. He said, “U.S. President Bush should have been more skeptical about economic predictions regarding jobs created by tax cuts totaling \$1.7 trillion over 10 years.” Grassley continues: “His economists screwed up and Bush was not right in not questioning his economists.”

Now, again, that is a Republican Senator admitting that the tax cuts President Bush and Congressional Republicans have been touting as the answer to our Nation’s economic problems will not actually create jobs or help middle-class families.

It is nice that some within the Republican Party are finally realizing that their tax cuts for the wealthiest have not trickled down to the middle class. Maybe these statements from Republican senators will serve as a

wake-up call not only to President Bush but also to Republican leaders in Congress that our Nation needs a real economic stimulus plan.

You cannot actually fix a problem until you admit a problem. And, unfortunately, President Bush is still in denial that the economy needs fixing.

CLINTON NATIONAL SECURITY ADVISER UNDER INVESTIGATION

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Arizona (Mr. HAYWORTH) is recognized during morning hour debates for 5 minutes.

Mr. HAYWORTH. Mr. Speaker, in front of the grand edifice known as our National Archives, where this Nation's records and a good bit of its written history is kept, are these words: "What is past is prologue." And yet today, in the wake of last night's wire service and subsequent press reports, perhaps that should be amended to read, "What is past is purloined" or "What is secret is stolen."

Mr. Speaker, press accounts today indicate that former National Security Adviser Sandy Berger is the focus of a criminal investigation dealing with the theft of classified documents in the care of our National Archives. It seems that former National Security Adviser Berger, at the direction of former President Clinton, was sent to the National Archives to review documents that might be germane to the mission of the bipartisan 9/11 Commission examining the events of 9/11 and the security situation and intelligence situation which our country confronts.

Mr. Speaker, according to press accounts, former National Security Adviser Berger took copies of some documents. By some accounts he stuffed them into his pants, into his pants pockets, and he left the National Archives with secret material.

Now, Mr. Speaker, in a rather pathetic effort at defense, Mr. Berger's attorney said that his client's actions were inadvertent. I thank my colleague from Kansas for handing me the unabridged dictionary of the English language from which I will read today: "Inadvertent: Unintentional, not attentive, heedless of, pertaining to, or characterized by a lack of attention." Inadvertent.

That is curious. The former National Security Adviser inadvertently putting classified documents into his pockets; inadvertently leaving the archives with classified material? Oh yes, his legal counsel went on to say that our former National Security Adviser was sloppy. Sloppy? Inadvertent? No, Mr. Speaker, there was a purpose to what Mr. Berger did. What was Mr. Berger, Mr. Speaker, trying to keep from the American people and from the 9/11 Commission?

It seems to me, Mr. Speaker, before any report is released, we should find out exactly what documents were taken and exactly what those docu-

ments indicated. This is not an inadvertent act. This is not an act of sloppiness. It is an act that is criminal, and it carries with it not only consequences for Mr. Berger, I daresay it carries with it, sadly, perhaps even deadly consequences for the United States.

It is not sloppiness that led to a lack of security. It is not an inadvertent act. There are purposes behind those who would attempt to shield the truth, and those purposes need to be determined and the American people need to be aware of what action was taken or what action was not taken by those who served in positions of trust, by those who purport to uphold the Constitution of the United States.

And, even at this time of year, where inevitably the call from the left will be that this is some effort to politicize what has transpired, Mr. Speaker, this is too important for politics. This is national survival.

No, what is past is prologue. And, Mr. Speaker, I pray it is not prologue to yet another attack.

ECONOMIC GOOD NEWS

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Kansas (Mr. TIAHRT) is recognized during morning hour debates for 5 minutes.

Mr. TIAHRT. Mr. Speaker, we have heard a lot about how bad the economy is, but I want to tell my colleagues that there is a lot of good news out there about the economy. Since last August, we have created 1.5 million jobs. There are more new housing starts than ever before in the history of our Nation. More minorities are owning homes than ever before in the history of our Nation. More people today in America are working than ever before in the history of our Nation. The economy is strong. In fact, wages are at their highest point higher than ever before in the history of our Nation.

We have heard a lot of gloom and doom about how the President is not paying attention to the economy. Well, he has had a lot to overcome. In fact, in 1999, we had the tech bubble burst. The NASDAQ dropped by more than half its value. November 2000 the recession technically started, both before President Bush was sworn into office. Those were tremendous impacts on our economy. We had to overcome that. Then, on September 11, 2001, a fact many Democrats forget, our economy was dealt a severe blow. In fact, we lost hundreds of thousands of jobs across the Nation. In Wichita, Kansas, alone we lost 13,000 aerospace jobs following September 11, 2001.

But, Mr. Speaker, we have passed tax relief and it has strengthened our economy, but we can do much better than that. In fact, when we look at the barriers to bringing jobs into America, we see that it is not about wages, that it is not about overhead, it is not about something that CEOs or employees or

small business owners can control. Most of the barriers to bringing jobs into America were created right here on the floor of the House of Representatives over the last generation.

It started back in the 1960s, when we started piling regulation and more taxes on businesses and individuals. We started burying into the cost of building products regulations, trade policies, taxation, and medical costs. So now we have come up with a plan, the Republicans have come up with a plan to deal with these issues and help change the environment so we can bring jobs into America. In fact, we have been dealing with this for about 7 weeks.

We have broken the barriers into eight categories. Six of these categories we have confronted right here on the floor of the House, and we have passed 25 pieces of legislation. We started out with health care security. We passed legislation to help lower health care costs. Then we moved to bureaucratic red tape termination, and we passed legislation that would help cut the red tape in America and lower the cost of doing business. We then went on to lifelong learning, to prepare the workforce for the jobs we will be bringing back into America.

We then dealt with energy self-sufficiency and security. We should not be paying \$2 a gallon for gasoline when we have billions of barrels of oil on reserve, and when we have a bad economic policy where we cannot build a refinery even if we could get more oil in; or we cannot distribute it properly or bring down the cost of natural gas. So we addressed that bill during the energy self-sufficiency week with the energy bill.

We then moved on to spurring innovation through research and development so that we can continue the innovation that has been the real strength of this country over the years.

And last week we dealt with trade fairness and opportunity. We passed another free trade agreement with Australia. This week we are going to pass one with Morocco. And these are bringing down the barriers that keep us from bringing jobs into America.

So this week we are dealing with tax relief and simplification, a very important issue because our tax system buries cost into our products. U.S. corporate tax rates are the second highest in the industrialized world, after Japan. America's corporate tax rate is higher than even socialist welfare States, like France and Sweden. Our competitors, such as Germany and Russia, see the value in lowering their corporate tax burdens, and that is just what they are doing.

One study estimated that a 40 percent marginal corporate tax rate, including Federal and State taxes, has the effect of raising the cost of U.S. labor by \$1.43 an hour. So our employers are taking on these costs that they have no control over, but Congress does, and it is time we pass legislation

that will help lower this burden, especially in the area of taxes.

This week, we are going to amend the IRS code in order to simplify taxes for business. Then we are going to simplify taxes for certain individuals so they can use the 1040-EZ form. We will use the Tax Relief Simplification and Equity Act on the floor as the method of bringing down the cost of business here in America.

Republicans have a solution for the problems. It is not Benedict Arnold CEOs, it is not raising taxes on businesses or the top 1 percent in America, it is lowering taxes so that we can bring jobs back into America. That is what we need to be doing today. This is the debate we should be having, and it will be here on the floor this week.

LISTEN TO THE WOMEN OF IRAQ

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized during morning hour debates for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, in late October, I had the opportunity to be in Iraq as part of a bipartisan female congressional delegation, and to visit there with our military men and women. Also, while I was there, I had the opportunity to visit and meet some of the Iraqi women who are taking a very strong and very decisive stand for freedom in that country.

Since returning from that trip, I have participated in the Iraqi Congressional Caucus for Women's Issues, and I would commend my colleague, the gentlewoman from Washington (Ms. DUNN), for her incredible work on pulling that caucus together and for her efforts in continuing to work with and supporting the Iraqi women.

We had the opportunity last week to have some of those Iraqi women here. A group of Iraqi women were here to look at how we participate in freedom, how we learn to run for office, and how we learn to take a leadership role. They had a fantastic story to tell, and it is a story that we should be listening to. We should be participating with them in celebrating the successes that they are having and the achievements that they are making over in Iraq.

Mr. Speaker, I find it really quite amazing that much of the liberal media chooses not to communicate the story of the great successes that are taking place there in Iraq. At a policy committee last Thursday morning, we had many of these women with us and we listened to them, and it was a wonderful opportunity for our Members to ask questions of these Iraqi women. Many of them did, and the responses were phenomenal. I wish each and every Member could have heard some of these responses.

One of our colleague's asked, what do you say, what do you say when Members and constituents will say, well, I do not think we should have gone into

Iraq. What do you say? How do you reply? And the responses from those very brave and courageous Iraqi women ranged from, well, you waited too long; to, if you leave, 25 million Iraqis will be subjected to torture; to, a mother who told us about trying to take a telephone call from her son when his tongue had been cut out by Saddam's regime; and the affliction that is felt when 48 of your relatives are killed; and the sorrow you feel when a million of your fellow countrymen are missing.

These are all stories that we need to hear, and then celebrate and support the success that these women have as they are accepting the responsibility of freedom.

Mr. Speaker, I had this article forwarded to me yesterday by General David Patrias and his wonderful wife Holly. They have just left the command at Fort Campbell, Kentucky. General Patrias commanded the 101st and is now back over in Iraq. This is something that probably we are never going to see on the front page of many of our Nation's major newspapers, and certainly on many of the networks we are not going to hear this story. It comes from a military training post in Jordan, and it is a story about not the first but the second group of Iraqi women to complete military training.

This is about 39 women who have graduated from the military training camp here in Jordan on July 8. And, listen to this, all, all, each and every one of them, all, with the hope of making a difference for their country, and none thinking about that they are making history.

And look at this, the reason they are doing this. These women are committed to freedom. They know that the terrorists are now using women more often in attacks. So these women are coming forward. One of them says, "From when I was young, I dreamed of being in the military." Dreamed of fighting for her country; dreamed of fighting for freedom. "I have some fears, but we have to control them. I'm optimistic about the future."

They have such a hope for what can happen in their country, and they want to be a part of it. They want to support freedom. Then this quote I really love. "Everything starts from scratch."

They realize it is going to be a long time in coming, but they continue their commitment.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 10 a.m.

Accordingly (at 9 o'clock and 30 minutes a.m.), the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BOOZMAN) at 10 a.m.

PRAYER

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

With Your prophet Ezekiel to guide us, You ask us to be honest with ourselves and one another while looking always to You, Eternal Wisdom, for lasting vision.

With strident tone and disturbing discord, Your prophetic words rap the beat of every human heart. "Son of man, when a land sins against me by breaking faith, I stretch out my hand against it and break its staff of bread. I let famine loose upon it and cut off from it both man and beast."

Yet You, O Lord, bring the same prophet to the banks of a mighty river and ask him to remember the vision. "Have you seen this son of man?"

"Along the banks of the river I saw trees on both sides, and every sort of living creature that can multiply and live. Fruit trees of every kind were growing; and their leaves do not fade nor their fruit fall. Every month they bear fruit for they are watered by You, O Lord. Their fruit shall serve for food and their leaves for medicine."

Leave not our land as lonely dust, O Lord, so we can plant nothing and build only on sand. Rather nourish us with Your hidden spring of life now and forever. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from California (Ms. WATSON) come forward and lead the House in the Pledge of Allegiance.

Ms. WATSON led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

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

H.R. 1572. An act to designate the United States courthouse located at 100 North Palafox Street in Pensacola, Florida, as the "Winston E. Arnow United States Courthouse."

H.R. 4380. An act to designate the facility of the United States Postal Service located at 4737 Mile Stretch Drive in Holiday, Florida, as the "Sergeant First Class Paul Ray Smith Post Office Building."

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 2277. An act to amend the Act of November 2, 1966 (80 Stat. 1112), to allow binding arbitration clauses to be included in all contracts affecting the land within the Salt River Pima-Maricopa Indian Reservation.

S. 2385. An act 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. An act to designate the Federal building located at 324 Twenty-Fifth Street in Ogden, Utah, as the James V. Hansen Federal Building.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 requests for 1-minute speeches.

CELEBRATING SOUTH CAROLINA'S LOW COUNTRY

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

Mr. WILSON of South Carolina. Mr. Speaker, since 1956, residents of South Carolina's low country have gathered around the Henry C. Chambers Waterfront Park in Beaufort for a Southern celebration. This year's 49th Annual Beaufort Water Festival will attract people from all over the world to come and enjoy sailboat races, sport tournaments, arts, crafts, music and other events which display the best of South Carolina's culture.

Beaufort is South Carolina's second oldest city, is a picturesque port town with a rich history. Its beautiful views of waterways bordered by oak trees with Spanish moss and pre-Revolutionary homes have been featured in countless motion pictures and have made Beaufort a world-class vacation destination.

I look forward to joining Beaufortians this weekend in the Water Festival Parade, which moves along historic Bay Street.

I ask all of my colleagues to join me in thanking this year's commodore, Marvin Morrison, and his team of coordinators for their efforts in making the 49th Beaufort Water Festival a great success.

In conclusion, God bless our troops; and we will never forget September 11.

TAX CUTS SHORTCHANGE COPS PROGRAM

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

Ms. WATSON. Mr. Speaker, we are now almost 3 months past the deadline for Congress to pass a Federal budget. At this point, it is likely that Congress will not pass one at all. The cause of this breakdown is the ongoing misguided policies of the administration which have put irresponsible tax cuts ahead of the programs that Americans rely on to move our country forward.

One such program is COPS, or Community Oriented Policing Services. Since its inception, COPS has put more than 140,000 police officers on the streets. In Los Angeles, my hometown, that meant 240 new officers last year alone. But despite all of the talk about supporting local police, Republicans are starving the COPS program of funds. Because of their marriage to big tax cuts, Republicans have proposed cutting this vital program by over \$100 million. That means about half as many new police on the streets next year.

RETIREE HEALTH BENEFITS

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

Mr. BURGESS. Mr. Speaker, I would just remind the gentlewoman from California (Ms. WATSON) that this body passed its budget in March of this year. We are waiting for across the rotunda as usual.

Mr. Speaker, I want to talk about the Medicare Modernization Act which we passed last year. I wanted to discuss the fact that employers have been dropping health care benefits for retirees for 2 decades. This is prior to our passing the Medicare bill. A Kaiser Foundation survey notes that the percentage of all large firms offering retiree health benefits has declined from 66 percent in 1988 to 34 percent in 2002.

Rather than worsening the situation, the Medicare Modernization Act works to stop the trend of employers dropping retiree coverage. We achieve this goal by providing incentives to employers to continue offering health care to their retired employees. Employers offering retirees coverage that at least equals the Medicare benefit will receive a tax-free direct subsidy.

The Congressional Budget Office has predicted that substantially fewer employers will drop or reduce coverage under the Medicare conference report.

KERRY-EDWARDS OFFER UPLIFTING MESSAGE

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

Mr. ETHERIDGE. Mr. Speaker, I rise today to praise the middle-class values and positive vision for our country that JOHN KERRY and JOHN EDWARDS are offering America.

Yesterday, Senator EDWARDS brought the ticket's Front Porch Tour to the Triangle region of North Carolina. My North Carolina neighbors are excited about the uplifting message that the Senator presents for a better tomorrow. The Kerry-Edwards ticket offers real hope to make America stronger at home and respected throughout the world.

Unfortunately, Republicans in Washington are so afraid of running on their

record, they have launched a ferocious negative attack on JOHN EDWARDS. Just yesterday, Roll Call ran an article quoting a Republican leader saying, "It is now critical to brand JOHN EDWARDS." After 4 years of running this country into the ground, the Republican regime has nothing to offer but attack politics.

Democrats offer a better alternative. Senator JOHN KERRY plans to fully fund the No Child Left Behind Act that the Republican leadership has short-changed by \$27 billion. Senator KERRY also supports school construction legislation to build new schools and get children out of trailers. As the first member of his family to go to college, JOHN EDWARDS will work to make sure that families have opportunities for higher education.

CHARLEE PROGRAM MAKES VALUABLE CONTRIBUTIONS

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

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize Marilyn March, Mary Cagle, and the entire staff of the CHARLEE Program for their valuable contribution to the abused and neglected children in my hometown of Miami, Florida.

CHARLEE stands for Children Have All Rights, Legal, Educational and Emotional. It was established in 1983 through the efforts of the Junior League of Miami, the National Council of Jewish Women, and the Episcopal Diocese of southeast Florida.

It has an extensive history of providing critical services such as foster care and treatment services for Miami-Dade counties' neediest children.

As a mother of two teenage daughters, I realize the profound impact that a positive relationship with one's primary caregiver can have on the development of our most precious resource, our young people.

Mr. Speaker, I am proud of the work CHARLEE does, and I wish all of CHARLEE'S volunteers much future success in helping our precious children.

NATIONAL DEBT RISES

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

Mr. ALEXANDER. Mr. Speaker, it has been 1,167 days since President Bush and the Republican Party embarked on their economic plan for our country. During that time, the national debt has increased by \$1,663,467,070,131.85.

According to the Web site for the Bureau of Public Debt at the Treasury Department, yesterday the Nation's outstanding privately held debt was \$4,228,533,122,486.63.

Foreign holdings of U.S. privately held debt now total \$1.75 trillion. This

is an increase of \$740 billion since January of 2001 and is 41 percent of all privately held debt.

DRUG DISCOUNT CARDS

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

Mr. PITTS. Mr. Speaker, one of the aspects of the Medicare bill is the market-based provisions contained in the discount drug card program. These cards provide immediate help to seniors who need prescription drugs.

By bringing transparency and accountability to Medicare, the cards will help 7.3 million people with Medicare save between \$1.4 billion and \$1.8 billion altogether in discounts on their prescription. An additional feature is the \$600 credit that helps low-income cardholders buy medicine.

Individuals who make less than \$12,569 per year and couples who make less than \$16,862 are eligible for the credit. That means the first \$600 in drug costs incurred by the recipients will be covered by the Federal credits.

More than 83,000 Pennsylvania low-income seniors will benefit from the plan. There are some 40-plus cards available. Seniors can call 1-800-MEDICARE to figure out which card is best for them.

REPUBLICAN TAX REFORM HURTS SOCIAL PROGRAMS

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

Ms. SOLIS. Mr. Speaker, I rise today because I am deeply concerned that the Republican tax scheme is ignoring the real needs of American families. Day in and day out, we hear that the Republican majority wants to boost our economy by helping our working families, but the economic stimulus Republicans were supposed to deliver has not trickled down.

The median household income has declined by 3.3 percent, and there are over 3 million Americans living in poverty, and many of those are children. In addition, the average American worker is making less today than he did a year ago. Under this administration, our Nation and our budget does not have the resources to invest in making health care affordable, providing a sustainable Social Security plan for seniors, and ensuring that our environment is clean and safe for all of our families and our children.

Let us start listening to the real people, the working-class people who pay their taxes, who really deserve better treatment by this administration. Fundamental resources need to be restored to our families.

FOUNDING OF VALMONT IRRIGATION

(Mr. TERRY asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. TERRY. Mr. Speaker, 50 years ago a visionary named Robert B. Daugherty introduced the world to an extraordinary product, one that would fundamentally change how the world grows its food. Mr. Daugherty went on to found Valmont Industries, maker of the center irrigation pivot. This technology has revolutionized agricultural productivity while helping to protect our vital water resources.

Today, Valmont is the world's leader in mechanized irrigation. I am proud that this company and its primary manufacturing facilities are located in Valley, Nebraska, within the Second Congressional District. But Valmont's contributions to agriculture go far beyond Nebraska's borders.

Mr. Speaker, I commend Mogens Bay, the chairman and CEO for Valmont; as well as Terry McClain, senior vice president; and CFO, Bob Meaney, senior vice president; and Tom Spears, president of the irrigation division, for their dedication and leadership of a global corporate company. And, of course, I offer my best wishes and heartiest congratulations to the man who started it all, Bob Daugherty.

□ 1015

DISTRICT OF COLUMBIA APPROPRIATIONS

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

Mr. PENCE. Mr. Speaker, I rise this morning in support of the fiscal year 2005 District of Columbia Appropriations Act and most especially the responsible educational choice scholarship provisions that were added in just last year's bill, provisions that reflect the support and leadership of Mayor Anthony Williams of the District of Columbia.

It was decades ago that a southern governor stood in the doorway of a public school and said to young African American children, because of their race, they may not come in. For years the education establishment stood in the schoolhouse door and said to the grandchildren of many of those Americans that, in the interest of preserving the establishment, they may not come out.

That wall, that barrier, started to crack in recent years in Wisconsin and in Ohio and last year here on the floor of the Congress when millions of dollars were made available for thousands of children in inner city schools that have been failing for decades here in the District of Columbia.

We have the opportunity today to renew the second year of the District of Columbia opportunity scholarships. I am confident we will. I rise to praise the leadership of the Committee on Appropriations and District of Columbia Mayor Anthony Williams for taking

such a strong stand for educational opportunity for all the children of the District of Columbia.

THE U.S. ECONOMY

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

Mr. MCDERMOTT. Mr. Speaker, if the U.S. economy is a racehorse, this administration has led the thoroughbred into a pool of wet concrete, and it is starting to set. The speed is slower and every stride is harder to take.

The U.S. economy is not some anonymous subject. It is millions of American people. What is the health of the U.S. economy? Take the pulse of the people to find out. Over 8 million Americans are without jobs. Over 43 million Americans are without health insurance. For those Americans who are working, wages are not even keeping up, much less moving ahead. The President has lost almost 2 million jobs during his watch, a feat not seen since the Depression. The drag Republicans have placed on the economy with massive budget deficits will be felt and paid for by future generations.

The American economy is a thoroughbred. It has not lost its heart but its stride is shorter and its breathing is more labored. America does not lack for heart or for innovation. America lacks leadership. It is a shortcoming we will remedy in 105 days.

RESURRECTING THE VISION OF A SPACEFARING PEOPLE

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

Mr. FEENEY. Mr. Speaker, this is a great occasion because 35 years ago a mesmerized world watched as Americans landed on the Moon. Behind me stands a moon rock that was brought back by our Apollo astronauts, and next to me is a picture of a man standing on the Moon. Thousands viewed Apollo as their calling. They assembled and launched the Saturn V from Kennedy Space Center. They overcame the tragedy of Apollo 1 and guided Apollo 11 through harrowing moments. Many of today's science and engineering leaders throughout our country were inspired as children by this adventure.

We will be able to surpass our current discoveries. The space vision that the President has laid out will take us beyond imagination. Recently Americans watched in awe at pictures coming from the Mars rovers. Soon thousands will come to Florida's space coast to watch the Shuttle return to space.

We are a restless, inquisitive, pioneering people. We yearn to go. We yearn to explore. We are Americans.

Mr. Speaker, I rise to commemorate this great 35th anniversary of Apollo 11.

DO-NOTHING CONGRESS

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

Mr. PALLONE. Mr. Speaker, I would like to ask my Republican friends what they have accomplished here in the House this year. We have been here almost 8 months, and we have yet to pass any meaningful legislation into law.

Republicans will list off countless bills that they have passed here in the House. Some of them are actually recycled from last year. We do not actually have to vote on them again, but because Republicans do not have any new ideas, they have to bring up old bills that have already been passed but have yet to be signed into law.

House Republicans will blame the other Chamber. They will say they have passed all sorts of legislation but because the other Chamber does not see things their way, they cannot come to a suitable compromise. House Republicans can pass all sorts of legislation, but unless it becomes law it is meaningless.

Let me remind my Republican colleagues that they control the White House, the Senate and this House. Yet Congress is being forced to work without a budget because Republicans could not come to an agreement amongst themselves.

At the end of this week, Congress adjourns for 6 weeks. Yet congressional Republicans cannot point to one congressional achievement. Talk about a do-nothing Congress.

MEDICARE PRESCRIPTION DRUGS

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

Mr. WHITFIELD. Mr. Speaker, one uplifting message for the American people is the legislation that this House passed relating to the prescription drug benefit under Medicare.

This weekend I hosted three meetings in my district. Vicki Mayes came to one of those meetings. This was what she said. When she used her Medicare-approved drug discount card for the first time a week and a half ago, she was shocked. Drugs that normally cost her \$50 cost her only \$2.90. On Thursday when she went to the pharmacy for two more refills, drugs that would normally cost her \$54 cost her \$16.90.

All of us can be proud of this new prescription drug benefit passed by this Congress. As President Bush said, it was the most important expansion of Medicare that we have had since the inception of the Medicare program.

MEDICARE PRESCRIPTION DRUGS

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

Mr. BEAUPREZ. Mr. Speaker, as my colleague, the previous speaker, just mentioned, today America's seniors are receiving significant discounts on their prescription medications for the first time in the history of Medicare. Discounts range from approximately 20 percent for brand-name drugs to as much as 60 percent on mail order prescriptions. These savings can be seen all across the country.

My own parents, for example, back home in Colorado can save a combined \$1,300 a year on their prescription medications. The money they are saving goes a long way toward helping them with their retirement savings or, more, to be generous with their grandchildren and great-grandchildren.

I am told that certain low-income seniors are realizing even greater savings from this program. Qualifying Medicare beneficiaries can save as much as 86 percent, as we just heard, on what they currently pay for prescription drugs. Millions of seniors are already enjoying these significant savings from their Medicare prescription drug cards.

I commend the Members of this House and the President for passing this legacy legislation.

PROVIDING FOR CONSIDERATION OF H.R. 3574, STOCK OPTION ACCOUNTING REFORM ACT

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 725 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 725

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3574) to require the mandatory expensing of stock options granted to executive officers, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such 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 as read, shall be 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

in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BOOZMAN). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us is a well-balanced, structured rule that makes in order a manager's amendment and three amendments offered by members of the minority, including a minority amendment in the nature of a substitute. It provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services.

The rule waives all points of order against consideration of the bill and provides that the amendment in the nature of a substitute recommended by the Committee on Financial Services, now printed in the bill, shall be considered as an original bill for the purpose of amendment, and shall be considered as read.

It makes in order only those amendments printed in the Committee on Rules report accompanying the resolution, and provides that the amendments printed in the report may be considered only in the order printed in the report, and may only be offered by a Member designated in the report. They shall be considered as read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, not be subject to amendment, and not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

Finally, the rules waive all points of order against the amendments printed in the report, and provides one motion to recommit with or without instructions.

Mr. Speaker, I rise today in strong support of the rule for H.R. 3574 as well as the underlying legislation. This bill offered by my good friend from Louisiana (Mr. BAKER) is carefully constructed legislation that will help the United States to retain its global dominance in the biotechnology and high-technology sectors while creating new jobs, fostering innovation and enhancing productivity. It will also empower rank-and-file employees to share in the

benefits of their hard work by allowing them to earn an equity stake in the companies where they work every day to create new products and technologies keeping America one step ahead of the rest of the world in technological advances and competitiveness.

H.R. 3574 achieves this worthy goal by bringing some common sense and discipline back to the debate over stock options expensing. First, it requires the immediate expensing of the stock options granted to the CEO and the next four most highly compensated executives of a company, consistent with information that must be filed with the SEC.

Second, it requires that options granted to the five top senior executives be valued in such a way that mitigates some of the most severe problems with FASB's expected valuation models which are based on valuation models for a type of option that differs fundamentally from stock options by virtue of being freely traded on open exchanges.

Third, it exempts certain small businesses from what we call the top five rule expensing requirement and delays option expensing for small business issuers until 3 years after an initial public offering has taken place, allowing a small business' stock to settle down from the initial volatility of the initial public offering.

Fourth, it prohibits the SEC from recognizing any stock option expensing accounting standard until the standard recognizes the true expense of the stock option on a company's financial statement when the option is exercised, expires or is forfeited, and a comprehensive economic impact study has been completed by the Secretary of Commerce and the Secretary of Labor.

□ 1030

Finally, this legislation improves corporate governance and transparency by requiring the SEC to issue a rule mandating that public companies include more detailed information on stock option and stock purchase plans in their public periodic reports, such as plain-English descriptions that describe the effect that stock options will have on earnings per share and the number of outstanding stock options.

Throughout the 108th Congress, the Republican majority in this House has championed and advanced a legislative program full of efforts to improve economic growth, corporate governance, and transparency on behalf of investors across the United States. Unfortunately, the Financial Accounting Standards Board's recent recommendation to mandate the expensing of stock option runs contrary to this pro-investor agenda. It represents a step in the wrong direction by providing investors with less accurate information about public-traded companies which will lead investors to a distorted picture of a company's financial performance. Even worse, the mandatory expensing

proposal threatens to destroy broad-based plans and the productivity, innovation, and economic growth they currently generate.

I do not believe that Congress should replace FASB or become suddenly interested in micromanaging accounting standards; however, the proposal to expense all stock options does not simply have an academic outcome. It would have a negative real-world policy impact by destroying the American partnership culture of distributing stock options to our entire workforce. I believe that allowing such a proposal to go forward will choke off job growth, innovation, and entrepreneurship that broad-based ownership generates; and Congress does have a very real and immediate response to prevent this from happening.

The research behind the economic benefits of stock options support this view. As two Rutgers researchers recently concluded "... using broad-based options to create a partnership model of the corporation will, over the long run, help to make most companies more competitive and create more wealth for shareholders."

Research also shows that companies with stock-based option plans receive a one-time, but permanent, boost to their productivity of about 4 percent compared to what productivity would have been without entrepreneurship and employee ownership. More importantly, total shareholder returns go up by an average of about 2 percent. This kind of growth is vital to improving our economy and creating jobs; and I believe this kind of incentive should be nurtured, not eliminated.

Data on stock ownership also shows that the 100 largest high-tech firms that focus on the Internet, average employees hold approximately 19 percent of their company's stock, 17 percent accumulated through stock options. Top executives hold only 14 percent, demonstrating that stock options have empowered rank-and-file employees and low-level managers to acquire a stake in their work by accumulating more ownership in their companies than their bosses. Ninety-eight of these 100 companies provide options to them or to most of their employees. In Intel's case, for example, 98 percent of the options granted between 1998 and 2002 went to employees other than the top five executives.

More than 200 companies from more than 29 States have filed public comments opposing mandatory expensing. The NASDAQ, which lists 3,600 companies, opposes expensing, and opposition to FASB's proposal comes not only from the high-tech and biotech sectors but also from other areas of our economy, such as from the National Association of Manufacturers, the U.S. Chamber, America's Community Bankers, the Business Roundtable, and the Association of Financial Professionals.

I would like to thank the gentleman from Louisiana (Mr. BAKER), the Committee on Financial Services chair-

man; the gentleman from Ohio (Mr. OXLEY); and the gentleman from California (Mr. DREIER), the young chairman of the Committee on Rules, for all of their hard work, their vision, and leadership on this issue on behalf of American workers and investors. I believe this legislation improves the financial information available to investing for the public while ensuring that rank-and-file employees and middle management can still participate in the great American tradition of a broad-based employee ownership of their company.

The choice presented by this legislation is very stark and clear: Should Congress allow inside-the-beltway accounting technicians to implement standards with severe negative economic consequences, or should we develop policies that encourage economic growth, job creation, and international competitiveness? I say yes. I believe the choice is clear and that Congress should take this opportunity to stand up for American workers and business. I encourage all of my colleagues to support this rule and the underlying legislation.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time.

Mr. Speaker, while I would prefer that this be an open rule, I rise today in support of the rule, as it makes in order those amendments which were submitted yesterday evening during the Committee on Rules hearing.

I note that this is the 149th rule that this body has considered in the 108th Congress. Of those 149 rules, 18 have been procedural. Of the remaining 131 rules, 106, or more than 83 percent, have been closed or restricted. One can only hope that the majority will use this rule as the template for future rules.

As my colleague from the majority pointed out, the underlying legislation blocks the implementation of new accounting standards recently proposed by the Financial Accounting Standards Board. These new standards would require companies to deduct from their profits the value of the stock options they issue to employees and executives.

Supporters of the Stock Option Accounting Reform Act will note that their bill includes a compromise, requiring the inclusion of stock options afforded to a company's top five executives in that company's profits. The Wall Street Journal, however, has noted that such disclosure would not adequately reflect a company's true profits. Top executives of companies which offer stock options to their employees typically only receive 2 percent of the options that are issued.

Another study found that in the year 2003, only 18 percent of the options provided by the S&P 500 companies went

to the top five executives. The standard included in the underlying legislation potentially leaves anywhere between 82 and 98 percent of a company's stock option expenses hidden from the public. This failure to disclose runs the grave risk of inflating a company's profits and misleading investors.

For example, if this bill were law in 2003, Intel would have deducted \$3.5 million from its 2003 profits, although it actually doled out more than \$990 million in options.

Investors have a right to know the true profits and total expenses of the companies in which they invest. The underlying legislation fails them, in my judgment, in this arena.

In addition to my concerns about the policy of the underlying legislation, I am equally concerned about the implications of Congress overriding the rulings of the Financial Accounting Standards Board, an independent governing authority. I echo the comments that have already been made by the chairman of the Senate's Banking, Housing and Urban Affairs Committee, who has noted that Congress has no business undermining the Accounting Standards Board.

Independent boards, such as FASB and the Securities Exchange Commission, exist to ensure the veracity of the financial services industry. Efforts on the part of Congress to undermine their decisions compromise the integrity and reliability of the industry. When congressional pressure, political ideology, or legislative fixes play a role in the decisions of boards such as the FASB and SEC, these boards will cease to be independent.

The gentleman from Pennsylvania (Mr. KANJORSKI), ranking Democrat of the Capital Markets, Insurance and Government Sponsored Enterprises Subcommittee, as well as the gentleman from Delaware (Mr. CASTLE) will offer an amendment in the nature of a substitute that I intend to support. Their substitute recognizes the roles of the FASB and SEC as independent boards, and I urge my colleagues to support it.

Mr. Speaker, Congress has a role to play to regulate and observe the financial services industry. The underlying legislation, however, runs the risk of crossing the line that currently exists. I urge my colleagues to strongly consider the implications of the underlying legislation.

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

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

What this legislation does do is run the risk of encouraging entrepreneurs and companies and people to work harder, produce better products for this country, to do the right thing for the investor, but mostly it runs the risk of making sure that the person who would get that stock option is able to then take advantage of that and better their life and to better the life of America by making sure that people have money in

their pockets to where they can make their own decisions.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS), my friend, for his fine management of this rule and his commitment to the structure which will encourage innovation and creativity.

We are on the verge of yet another very important bipartisan victory for this institution and, most important, for the American people.

Mr. Speaker, I would like to begin my comments by extending my appreciation to a couple of Californians on the other side of the aisle who have played a very important role in getting us to the point where we are. First and foremost, the gentlewoman from California (Ms. ESHOO), my great friend with whom I have been privileged to work on this issue for literally years now as we have been trying to tackle and deal with this very important challenge. And also I would like to praise the gentlewoman from California (Ms. PELOSI), our minority leader, my fellow Californian who has joined as a cosponsor of this legislation and understands how important it is not only for our State of California and for the area that is represented by the gentlewoman from California (Ms. ESHOO) and the gentlewoman from California (Ms. PELOSI), but for the overall concept of encouraging innovation and creativity. And I do know that we have a wide range of other Members on the other side of the aisle who have followed the lead of the gentlewoman from California (Ms. ESHOO) and the gentlewoman from California (Ms. PELOSI) on this issue.

I also want to say, Mr. Speaker, that on our side of the aisle there have been a number of people who have been great champions in this. First of all, I want to express appreciation to the gentleman from Illinois (Speaker HASTERT) and the gentleman from Texas (Mr. DELAY), majority leader, for working closely with me and ensuring that we would have an opportunity to bring this measure to the floor; also to the two committee chairmen who have been very involved in this.

The prime committee of jurisdiction is the Committee on Financial Services. I would like to congratulate the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) and other members of that committee, including the gentleman from California (Mr. ROYCE) and the gentleman from California (Mr. OSE) and the gentleman from Arizona (Mr. SHADEGG), who have worked very hard on this issue. And also I would like to express appreciation to the gentleman from Texas (Mr. BARTON), who has just recently become the chairman of the Committee on Energy and Commerce and is doing a great job and joins with us in support of this important legislation.

I should also say that there are a number of staff people who have been very involved as well, Mr. Speaker. I see a number of them on the floor, but I do want to specifically mention the staff director of the Committee on Rules, Mr. Pitts; and from the Speaker's office, Seth Webb; and from the majority leader's office, Brett Shogren, who worked very hard with us in making sure that we got to the point where we are today, because this has been a difficult and a real challenge for us, but it is the right thing for us to do.

Mr. Speaker, I want to state for the record that I am an ardent opponent of mandatory stock option expensing.

□ 1045

With all due respect to the wonderful people who are supporting the Financial Accounting Standards Board's expensing proposal, the notion that stock options are an expense is absolutely absurd. You do not have to be an accountant to clearly understand that stock options result in no cash outflows from a company, nor do they add to its financial liabilities. But I recognize that in the wake of the corporate accounting scandals, and I know many people are going to be talking about that as we begin debate on this issue, a whole new environment does now exist.

In this arena, those who have long opposed the use of employee stock options, and recognize, there are many people, Mr. Speaker, who have long been opponents of the utilization of employee stock options, they have been able to artificially link the public's legitimate hunger to rein in corporate abuse with their desire to kill the use of employee stock options.

Let me say that again. We all are outraged at the corporate abuse that we have seen over the past few years, but it is, to me, very troubling that a number of people who are opponents of the utilization of employee stock options are using that shared concern that we all have to try and limit the opportunity for stock options to exist. In effect, they are trying to use an accounting sleight of hand to eliminate stock options in the name of investor interests and open corporate reporting.

If stock option opponents succeed, innovation and ingenuity, the indisputable drivers of our 21st century economy, will be unquestionably undermined. Millions and millions of rank and file employees will lose their ability to hold stakes in their company's future successes. A troublesome precedent will have been set in the promulgation of accounting standards.

Expensing proponents have successfully used what is supposed to be a technical, a technical, determination of an accounting standard to obtain what is really a corporate governance policy decision. That is why I want to applaud, as I said earlier, the gentleman from Louisiana (Chairman BAKER) for crafting a bill that achieves a critical balance.

H.R. 3574, the Stock Options Accounting Reform Act, while implementing stock option expensing for, as

has been pointed out by my colleague the gentleman from Texas (Mr. SESSIONS), for the company's top five executives, does so in a way that will preserve the continued viability of broad-based employee stock option plans. It is one of two critical reasons why I am a proud cosponsor of this Baker-Eshoo bill.

It is that latter objective, giving workers on the lower rungs of the corporate ladder the opportunity to own a piece of the company pie, that is so important to the health and growth of our ingenuity-driven economy.

Remember, it is the estimated 14 million workers, 90 percent of whom hold nonmanagement positions, who would be immediately affected by a mandatory expensing standard. These are the rank-and-file workers, the Americans who have invested their sweat equity in the hope, not the guarantee, but the hope that their investment will provide future retirement funds, college tuition or a housing downpayment.

I am reminded how my friend, the gentlewoman from California (Ms. ESHOO), and I joined in getting a wide range of employees, from Sun, Cisco, Intel and other companies, who have talked about the fact that their opportunity to own a home, to pay for their college education for their children, has come from the existence of these options.

Many argue that expensing will prevent CEOs from abusing stock options. That is simply untrue, Mr. Speaker. Illegal accounting tactics are just that, they are illegal. An accounting standard is not going to stop an individual who is intent on breaking the law. Instead, FASB's proposed accounting standard will eliminate what has been a valuable employee incentive tool. That will not help the top managers. Similar to what traditional companies, like Coca-Cola do now, we know that executives will continue to receive stock options even with mandatory expensing.

Speaking more broadly, if high-growth industries lose their flexibility to use broad-based stock options, we will all lose. Stock options align the employee interests with the company interest, and that produces a motivated worker. Nowhere has that formula proven more effective than in the technology sector of our economy, particularly in California's Silicon Valley.

No matter what area of technology you look at, you will find that the common thread to a company's success has been employee stock options. Without that flexibility, we would lose a key motivator for would-be entrepreneurs and existing innovative companies to take risks and transform new ideas into industry. New industries create new jobs, higher wages and increased standards of living.

That brings me to my other primary reason for supporting this legislation, and that is the investor. Expensing proponents cite time and time again the urgency of giving investors accu-

rate information about a company's use of stock options. I absolutely agree with that goal, Mr. Speaker. Investors need meaningful and transparent information. However, the real investor class issue here is a corporate reporting issue, not an accounting issue. Options do not cost a company money, but they do have an impact on share value.

We must stand on the side of investors and ensure that they have clear and accurate information about how stock options dilute the value of their shares. I want to commend the gentleman from Ohio (Chairman OXLEY) for adding provisions to this measure that will do just that. His language will expand required disclosures to include plain English discussion of the dilutive effects of stock option plans, increased comparability information, the number of outstanding stock options and the estimated number of outstanding stock options that will vest in each year.

Many of us, Mr. Speaker, may have been following this issue closely over the past few years. Actually, I know a number of our colleagues, frankly, have not been following this issue in great detail over the last couple of years, so it is for that reason I think it is important to explain why stock option expensing will do everything but bring clarity and accuracy to corporate financial statements.

The inability to correctly value options that have not been exercised, may never be exercised and are not tradable in open markets means investors will necessarily get wrong information from expensing. Why? Because no one has been able to figure out how to value these options. That, in and of itself, should make anyone question FASB's fundamental premise that stock options are a corporate expense.

FASB set up an options valuation group earlier this year to come up with one single method, but the group was unable to do so. FASB now is preparing to recommend allowing companies to choose from two different valuation models in its pending proposal.

Mr. Speaker, Professor William Sahlman from Harvard, commenting on the Black-Scholes model said, "If anything, expensing options may lead to an even more distorted picture of a company's economic position and cash flows than financial statements currently paint."

One of the inventors of the other model, the binomial method, recently said, "I was one of the inventors of the board-proposed model, and I say: Don't use it. It doesn't work."

Mr. Speaker, I want to close my remarks by doing what I did when the gentlewoman from California (Ms. ESHOO) and I testified before the Committee on Financial Services subcommittee on this issue by taking us back nearly two millennia to around 100 A.D.

During that time, a brilliant mathematician, astronomer and geographer

named Claudius Ptolemy, wrote a 13-volume treatise entitled *The Mathematical Compilation*. It is also known as the *Almagest*. It explained the movements of the sun, moon and five planets around the center of the Earth.

For nearly 15 centuries, his work was the leading scientific explanation of that "truth." And based on the fact that the Earth was at the center of the universe, scientists of that time developed very complicated and precise answers to all types of questions, such as why the visible planets take certain paths around the sky.

Mr. Speaker, geniuses like Nicolaus Copernicus improved on the Ptolemaic work by proposing that the sun and Earth revolved around a point near the sun. And Tycho Brahe explained how the planets revolved around the sun, and the sun and planets revolved around the Earth. Even Galileo did not break completely from the intellectual view underpinning the 15 centuries of Ptolemy's astronomy.

What does Ptolemy have to do with stock options, expensing and the FASB? Mr. Speaker, the accountants at FASB, good people that they are, are determined to fit the entire universe around a world view that in the end is flawed as much as Ptolemy's universe was. Their view is that everything must be able to be scored and placed on a corporate balance sheet. Well, the Earth is not the center of the universe, and everything does not belong on a balance sheet.

That is not to say that given enough hard thinking, a smart person could not figure out a way to put everything on a balance sheet. Utterly brilliant people figured out a way to explain with amazing precision how and why the sun and planets revolved around the Earth. You can explain just about anything with mathematical precision, but that does not make it true.

FASB is not populated by Ptolemy, Copernicus, Brahe or Galileo, and you do not have to be a Johannes Kepler to know that FASB is just plain wrong when it comes to stock option expensing.

Mr. Speaker, the Stock Options Accounting Reform Act is one of the most important proeconomic growth, proemployee ownership bills that we will consider in this Congress. Unlike the FASB, and I do recognize their independence, we as elected officials have an obligation to American workers and investors to preserve an environment that allows entrepreneurs to grow our economy. A potential change in accounting treatment may be arcane to some, but it is in the real world that the negative impact of mandatory expensing will hurt the risk-takers who are creating jobs and wealth in this country.

Mr. Speaker, we have made a rule in order that will allow for consideration of all the amendments that have been submitted to us, but I want to urge my colleagues to vote in opposition to those amendments that could in any

way undermine the basis of this very important legislation.

So I urge my colleagues to support the rule and, of course, enthusiastically support this measure as it comes to passage, and enjoy a strong bipartisan victory at the end of the day.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman has certainly given us an enlightened view of the universe. I want to remind him that the Vatican did not agree with much of what he talked about. But Ptolemy, I did not know he was going to wind up being here with us on this important subject.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK), a good friend of all of us, to enlighten us perhaps in yet another of the universal aspects of this business.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

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

I really meant to talk about celebrating the 35th anniversary of Apollo 11, but I can see that my distinguished colleague from California was there with me. I thought we were really talking about accounting, and we are talking about H.R. 3574, which is appropriate, because it is sheer lunacy.

While our soldiers are fighting overseas, our children are crying out for better schools, 45 million people have no health insurance, we have set the goal today of "Let's help the rich get richer." Yes, sir, Mr. Speaker, let us give more money to the millionaires.

Frankly speaking, do you know how high gas prices have gone? Do you know how much jet fuel costs? Do you know how much private jet pilots earn? We must help those people so they do not have to go from \$4,000 to \$5,000 to fly those little things. And that is what this bill today is doing.

I am glad to see we are helping. Why? Right now, corporations can deduct stock options for tax purposes, ha-ha, and not pay the income tax, but they do not have to report those expenses to shareholders on their SEC financial statements. That is what I call sleight of hand.

You cannot have it both ways. If you want to not deduct options, then do not take them off your income tax. It makes some sense.

This accounting loophole was encouraged by companies like Enron and Cisco to artificially inflate the value of their company while deceiving their investors and evading corporate income tax. It is much simpler than moving to Bermuda. Even Alan Greenspan has criticized this practice.

To fix this problem, the FASB board has drafted a rule requiring that we expense the options. It makes some sense. But rather than following FASB, a board made up of professional accountants, I might add, to implement a sensible rule, why, Congress has decided to use their accounting expertise.

I look around the room at my fellow Congressmen, and wonder how many of them have taken the accounting course I took?

□ 1100

And if they did, they all know that debits are in the column next to the windows, except as one looks around this Chamber, there are windows on four sides. No wonder we are confused.

So let the FASB rule be damned; we are going to set some rules of our own about accounting around here. Do my colleagues know what? They anticipate that there will be criticism that lets rich corporate executives off the hook, so they are going to limit it to the top five executives. I say to my colleagues, nice try, but as Warren Buffett points out, that is like saying in a large company which gives everyone a bonus, only five bonuses have to be expensed.

This bill requires companies to assume also that stocks have zero volatility. Stocks with zero volatility? Now, that does not pass the laugh test. Ask Martha Stewart about stocks with no volatility. She knows something about stock volatility. I suspect Ken Lay could tell us that it is a real phenomenon that we cannot do away with by legislation.

So the bill perpetuates the Bush administration's failed economic policies, while simultaneously lining the pockets of their fat cat friends. And the sponsors of this bill should be proud. It increases the deficit, it falsifies corporate earnings, and it serves the millionaires in this country well.

Mr. SESSIONS. Mr. Speaker, I would like to notify my colleague, the gentleman from Florida (Mr. HASTINGS), that at this time the majority does not have additional speakers. I believe I have approximately 5 minutes remaining, and I would encourage him to utilize that time that is necessary for him to close, and then I will do so myself.

Mr. HASTINGS of Florida. Mr. Speaker, just so that we can accurately record it so that I may dispense time on our side, how much time remains for both sides?

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Florida (Mr. HASTINGS) has 21½ minutes remaining; the gentleman from Texas (Mr. SESSIONS) has 5 minutes remaining.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from California (Ms. ESHOO), my good friend, who is an original cosponsor of this legislation; and she and I came to Congress together, and she has worked actively. The first bill that she introduced was a measure dealing with what we are discussing today.

Ms. ESHOO. Mr. Speaker, I thank the gentleman from Florida (Mr. HASTINGS), my good friend and classmate, for yielding me this time.

I am very proud to be the Democratic lead sponsor of the Stock Option Accounting Reform Act, and I want to

thank the gentleman from California (Chairman DREIER) for his partnership and his hard work, and the gentleman from Louisiana (Chairman Baker), as well as colleagues from both sides of the aisle for the work that they have done to bring this issue forward so that we can take this up on the floor of the House today.

The Financial Accounting Standards Board, FASB, has sought for years to force public companies to expense stock options from their earnings, and Congress has consistently turned away these efforts. This is not the first time. I hope it will be the last time, but it is not the first time.

Now, the board has seized on the recent corporate scandals to push this controversial proposal through. But supporters of the FASB rule, including FASB itself, are unable to identify a single instance where the accounting treatment of broad-based stock option plans for rank-and-file employees has contributed to corporate misconduct or shareholder fraud. Stock options are already fully disclosed in corporate financial treatments. They are not, however, deducted from earnings.

The reason most companies reject the expensing of stock options is that their actual cost is highly speculative and extremely difficult to measure. Options have a direct impact on the dilution of shareholder value, but the actual cost to the company is uncertain. Furthermore, valuation of employee options is highly inaccurate, and FASB has yet to come up with an acceptable means for estimating their value.

That is why this legislation is needed. It is needed to prevent FASB's new rules from taking effect later this year, causing substantial disarray in corporate accounting. Implementation of these new accounting rules would have a disastrous impact on American companies and, most importantly, American workers. If companies are forced to expense stock options, most likely they will drop broad-based stock option plans because of the prospect of taking a huge and misleading charge against their bottom line.

So while corporate executives will undoubtedly continue to receive lucrative compensation, rank-and-file employees will lose the benefits of these employee ownership programs.

Congress, I believe, has the responsibility to ensure that a major change in corporate accounting is appropriate and that it is implemented prudently. Why? Because impacts on our national economy are the business of the Congress. We would not have stepped in before, and I would not be offering this legislation were this not the case. FASB has acknowledged that to us, that they are in charge of accounting rules; but they do not take into consideration the economic impacts.

So I urge my colleagues to look at this carefully. There are many, many complications to this. More than anything else, this is not for corporate executives. This is for rank-and-file employees who take a risk in start-up

companies and say that when the risk is realized in a positive way that everyone wins. Let us protect that, especially at a time where our national economy needs to protect something that we know works.

Mr. HASTINGS of Florida. Mr. Speaker, at this time I am pleased to yield 2½ minutes to my good friend, the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in yielding me this time, and I rise in strong support of the sentiments just expressed by my good friend, the gentlewoman from California (Ms. ESHOO).

This is about fundamental policy, not just accounting standards. I am as reluctant as any to have Congress meddle in regulatory affairs, but this legislation is most decidedly not about helping rich people. Enron did not have a broad-based stock option program. Indeed, the evidence is those companies that have broad-based stock option programs have a countervailing force that militates against this sort of abuse.

I personally am not worried about the investor class. They hire smart people to check what is already a part of company financial records. The mutual funds, the pension funds, the venture capitalists all know the status. Expensing would have a negative impact on the value of these companies who use broad-based stock options, and retroactive application would make it even worse. It would make it much less likely that we are going to have these programs in the future, and many current programs will be eliminated. This is a fundamental issue of policy that Congress can and should be involved with.

I take modest disagreement with some sentiments that were expressed here earlier. I do not know anybody who is against stock options per se. I do not think Warren Buffett is a part of a conspiracy to eliminate stock options, and there are legitimate issues about how they are taxed.

But my concern is making sure that we have an entrepreneurial tool that is available for start-up enterprises, particularly in high tech, where people can invest their sweat equity, that are broad based, and help not just the top of the financial heap. The top executives are going to be taken care of one way or another. The enactment of this standard is simply going to take it away from the vast majority of employees in the broad-based program.

I think it is important for us to maintain this tool. It is currently used by a minority of companies with no evidence of abuse. Strong support here from Congress in being able to keep this going is going to be good for the economy, it is going to be good for these entrepreneurial efforts; and, indeed, the extent to which we transition to broad-based stock options, I think it will be a tool against abuse in the future.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 3½ minutes to the gentlewoman from New York (Mrs. MALONEY), my good friend, who represents the financial district of this country.

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

I am pleased that the Committee on Rules has decided to allow my amendment to protect investors by making companies show their true earnings in their public filings, and I am pleased that they have placed this in order. This amendment keeps whole the authority of the SEC to regulate the contents of public filings by companies issuing stock. The SEC has had that authority since its inception, and for good reason, to protect investors, to protect stockholders, and to protect the safety and soundness of our financial institutions.

This bill would remove the SEC's existing power to regulate whether stock options are shown as an expense. Simply put, a stock option is either an expense, or it is not an expense. My amendment preserves present law and the policy that Congress has followed since 1934, of letting an independent agency make the rules about what information companies must tell their investors and their filings. It preserves transparency to the investing public.

Accounting standards, like interest rates, should not be set by Congress, although we do have oversight. A host of the biggest names in financial policy have spoken out against this bill and in support of my amendment and in favor of preserving independent standard-setting for corporate accounting: Alan Greenspan, Arthur Levitt, William Donaldson, Warren Buffett, John Bogle; and the list goes on and on. Many editorials across this country have come out against the bill that is before us today. I will include the statements of these individuals and the editorials in the RECORD.

Expensing is the overwhelming view of financial experts, even before Enron. A 2001 survey of over 18,000 analysts and portfolio managers showed that 83 percent agreed that stock options must be expensed. None of these authorities stand to make a dime off expensing. They are standing up for the right thing to do for investors and shareholders in our country.

On the other hand, we have the corporate views of Cisco, Intel, and others who will lose, at least on paper, a cool billion-plus each if they have to show their options as expenses. Now, whose interests do they have at heart? Is it the investors? I do not think so.

It is a tragedy that these few corporations have set up a false war between investors and employees. Nothing in the FASB standard prevents expensing. Over 600 companies in America voluntarily expense. These companies tell the truth about the expense of stock options, but still give them to employees. Other companies can do the

same. Is showing the true cost of stock options so damaging to these companies that no one should know how much they are spending for them?

I have received several letters from employees. They say that they need these options because they do not have pension plans or health care plans; and I ask my colleagues, is this what we want to encourage? Employees deserve pensions and health care. Hidden stock options should not be used as a substitute.

Expensing stock options is the right thing to do for both investors and employees; and as Arthur Levitt said, finally and plainly put, this bill hurts investors and the financial markets of America.

I urge a "no" vote on this bill and a "yes" on the amendment.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 3 minutes to the gentlewoman from Oregon (Ms. HOOLEY), my good friend.

□ 1115

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

I rise in support of the legislation before us today. I would like to give special thanks to the gentlewoman from California (Ms. ESHOO) for working on this important legislation.

The legislation before us today is in response to FASB's proposed rules that would require the expensing of all stock options. First, let me quickly touch on the specific issue of accounting accuracy, which proponents of the FASB rule argue is a primary motivation. They claim that expensing options is right because in the accounting world, it is the accurate way to do things. Well, this is wrong in two ways.

First, it is impossible to accurately value the expense of stock options. That fact is indisputable.

Second, options are already reflected in the earnings per share calculation with before-and-after dilution. Requiring expensing options would be double-charging their issuance, once as an expense and the second time as a dilution.

In a broader sense and somewhat separate from the accounting issue is the larger problem with FASB's proposal, and that is why, by all appearances, they have given no consideration toward the economic consequences. Their proposal would seriously jeopardize the health of the American economy. The issuance of stock options has allowed small start-up companies to present the motivation, an essential tool for new recruits. These new employees are literally given a piece of the company, and consequently, they have a vested interest in the success of that company.

The stock options have helped new businesses. They have helped start-up companies. In fact, that is one of the ways that really makes those companies go.

People have accused supporters of this legislation as being in the pocket

of huge technology companies. Well, nothing could be further from the truth. The fact is that when I talk to companies at home about stock options, it is the small companies, it is the start-up companies, it is the innovators that say we would be lost without this.

And it makes sense. Large companies already have the capital to recruit the best and the brightest, and they do not really need to offer stock options as an incentive, but the small companies, the new start-ups who are struggling to meet the day-to-day costs, they are the ones to rely on the prospect of future successes of the company. That is the heart of this debate.

Preserving stock options is preserving an optimism in the growth of our economy and our Nation. Stock options we know have increased productivity. We know they have increased innovativeness, and they were a large part of the emergence of the new economy in the 1990s. When we are striving to have an economic recovery, the last thing we need is a proposal to stifle the growth, productivity and the innovativeness that stock options have provided. This bill is a vehicle to protect the safety of the American economy, and it is vital that we support it today.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Massachusetts (Mr. MARKEY).

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

The problem with this bill is that it has so many flaws in it that it just would not work in the real world. How can there possibly be an argument made that the four highest paid executives, plus the chief executive of a company, their stock options would be counted one way and all the other stock options of the other employees would be counted another way inside of the same company? It makes no sense at all.

But the biggest detour into accounting Never-Never Land that the bill provides is when a company is calculating the expense of the options to these five executives, it must assume that the stock price has zero volatility. That is right, zero.

So let me read the language, which appears on page 4 of the bill. "To the extent that an option pricing model is used to determine the fair value of an option, the assumed volatility of the underlying stock shall be zero." It will be zero. Volatility for stocks is zero. We are legislating that here on the floor of Congress today.

Now, there are lots of assumptions, which this Congress could actually begin to write right into the law, and I am sure the Republicans would like to do that. When it comes to the budget, the Republican Party is a great proponent of dynamic scoring as a way of getting the numbers to come out right. Here is an alternative, static scoring, no volatility whatsoever. Let us just legislate that.

How about the cost of the war in Iraq? We could assume that the volatility is zero. It would be zero, after all, if we simply assumed that we have already won the war, transformed Iraq into a pluralistic, secular, capitalistic democracy. So easy, we just declare the war won and we go home. No messy occupation, no truck bombs, no terrorism. Just hold a big parade to celebrate.

Hey, I have got an idea for the banner too. It could just read, "Mission Accomplished." No volatility in Iraq. Let us just legislate that out here on the floor as well.

Al Qaeda, pay no attention to Al-Jazeera broadcast. We just assume that terrorism has ended as well. We will just legislate. No volatility in terrorism.

And while we are at it, let us just legislate that if we have a couple of hot fudge sundaes every day, it will have no impact on our weight, no volatility in our weight. We will just legislate it down here. Let us just legislate.

That is what they are saying today, that stocks have no volatility. Tell them who tune into CNBC and Bloomberg all day long with their eyes glued to the set, no volatility.

What are we doing here in Congress? We have no right, we have no right, ladies and gentlemen, in making that assumption for all of the investors in our country.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes and 15 seconds to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Speaker, I rise today in support of the rule and in support of the Stock Option Accounting Reform Act. This bipartisan legislation has widespread support on both sides of the aisle. This bill is all about maintaining the leadership role of the United States in emerging industries such as high technology and biotechnology and by recruiting and sustaining the best available workforce. This bill is about giving employees an incentive to be the best that they can be and encouraging small companies, not stifling them.

Mr. Speaker, this legislation ensures that the rank-and-file employees who have benefited from broad-based stock option plans in the past can continue to reap these benefits in the future. Broad-based employee stock option plans benefit middle-class and younger workers who have taken a chance on smaller companies right out of school with the opportunity and promise to grow with that company and share in its success professionally and financially.

In my congressional district, companies such as American Airlines, Verizon, Time Warner and Jet Blue are just a few of the companies that provide stock options as a benefit to their employees. And throughout this debate, some have claimed that stock option benefits only benefit senior corporate executives. The facts say other-

wise; 14.6 million American workers held stock options in 2002, representing 13 percent of private sector workers nationwide. Eighty-five percent of stock options are held by nonmanagement workers, and one out of eight employee option-holders is either a union member or married to someone who is. And 39 percent of the employees earning stock options earn only \$30,000 to \$75,000 a year.

Meanwhile, this bill is also about combating abuse in executive compensation. The bill immediately requires the expensing of all stock options given to the top five executives of a company, but exempts small companies from this requirement for 3 years so that they do not get penalized disproportionately, a balanced and fair compromise.

There are undoubtedly reservations about having Congress enact accounting laws, and I share these reservations and counsel that we should be prudent in our approach. However, the granting of stock options to certain employees in the early and growth stages of a company, particularly in a technological industry, has been a critical component and the success of many technological companies and technological innovations that many Americans utilize, including the devices we carry around with us in the House.

Mr. Speaker, this is bipartisan legislation which reflects the kinds of issues that this Congress needs to address to jump-start our economy with quality jobs for all of American workers. I urge my colleagues to join me in voting for this bill.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes and 15 seconds to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I thank my colleague from Florida for yielding me the time.

Mr. Speaker, I had an amendment to the Committee on Rules that unfortunately did not get a part in this debate process. My amendment to the bill of the gentleman from Louisiana (Mr. BAKER) would allow companies that voluntarily expense all employees' options to continue doing so. I contend, and I submit, that the original bill, H.R. 3574, would bar them from that practice.

At a recent hearing I held as chairman of the Committee on Energy and Commerce Subcommittee on Commerce, Trade, and Consumer Protection with jurisdiction over FASB, the Financial Accounting Standards Board, the chairman of FASB said that 576 companies are currently expensing options. Think of that, 576 are expensing options, and as it now stands, H.R. 3574 would prevent these companies from continuing to voluntarily expense stock options.

Now, my amendment would correct that, and I believe congressional interference into FASB rule-making sets a

dangerous standard and a precedent and that the process should be left to independent experts. And as the bill now stands, that is not true. We hope we can correct it, but my amendment was not included as part of this debate.

And I filed this amendment in the Committee on Rules to correct it, and subsequent to that, I think the proponents of this legislation realized the wisdom of my amendment. In fact, I think they have adopted it as their own in the manager's amendment, and I consider that high flattery that they would take what we offered and adopt it as a manager's amendment, but I still believe that this stand-alone amendment would make a better point in this case for why FASB should be left intact, and we should not, as Members of Congress, go about the process of instituting, by statute, written accounting rules.

In fact, I know of no occasion in history in which Congress, by statute, has written an accounting rule, and so I do not think Members are that confident that they can go ahead and disregard the unanimous advice of the President's leading economic advisers and the most famous investor in history.

When we think about it, the most famous investor in the country indicated that in a sense this bill H.R. 3574 sets an accounting rule that is in direct contradiction to the treatment of the same item in the Tax Code. So Warren Buffett has 62 years of investing experience. That seems to be a lot, a lot more, perhaps, than many of us here in the House, and I think if his recommendation is that we not institute a statute which changes the accounting rule, we should also abide by what he is talking about.

We saw what happened with Enron and WorldCom, and they paid themselves tens of billions of dollars in stock options. And they were never accounted for, and I do not think this bill is going to do it. And I think my amendment would have helped.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

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

I thank you for your indulgence in hearing this debate today and for your wisdom and hard work to be with us through this process.

Mr. Speaker, what we have heard today is, Members of Congress from all across this great country, California, Oregon, Florida, Texas and other places, who have talked about the need and the desire for us to pass this legislation that we have before us.

I am proud that our speaker, the gentleman from Illinois (Mr. HASTERT) and our majority leader, the gentleman from Texas (Mr. DELAY) are fully in support of this bipartisan legislation, legislation that has been brought to the floor through the leadership of the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) and the gentleman from Texas

(Mr. BARTON), who is the chairman of the Committee on Energy and Commerce, and certainly the words from the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules, in talking about how this excites America and workers to achieve not only dedication and hard work, but also encourages biotech firms.

I think this is exciting. I think this is the right thing. I think this is what Congress should be doing in the leadership of the gentleman from Texas (Mr. DELAY) and the gentleman from Illinois (Mr. HASTERT) to make sure this kind of legislation consumes our time, is important to America and our future.

In 2002, nearly 15 million Americans held stock options, about 13 percent of private sector workers nationwide. About 85 percent of the existing stock options are held by nonmanagement workers. This is a whole lot to do about allowing people who get up and go to work every day, Mr. Speaker, who care about not only this country and about their families, but this offers them to protect that nest egg that grows.

I am proud of what the Republican Party is doing by bringing this legislation to the floor. I am equally as proud that it is bipartisan, because it is doing the right thing for people, and I stand in support of this, encourage my colleagues to support the underlying legislation in the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1130

PROVIDING FOR CONSIDERATION OF H.R. 4850, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2005

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 724 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 724

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4850) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2005, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be

considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except: sections 116, 126, 130, and 131. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. BONILLA). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

H. Res. 724 provides for consideration of H.R. 4850, the District of Columbia Appropriations Act of 2005, under an open rule, as is customary with most annual appropriations measures.

I am very pleased that the normal, open amendment process outlined in H. Res. 724 will allow a Member to offer any amendment to the bill, as long as it complies with the standing rules of the House.

The rule provides 1 hour of debate in the House on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The resolution waives all points of order against consideration of the bill.

H. Res. 724 waives points of order against provisions in the bill for failure to comply with clause 2 of rule XXI, which prohibits unauthorized appropriations or legislative provisions in an appropriations bill, except as specified in the resolution.

H. Res. 724 also authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. This procedure will help the House in considering amendments in a more orderly manner. Finally, H. Res. 724 provides for one motion to recommit with or without instructions.

Mr. Speaker, with respect to the underlying legislation, I want to begin by commending the chairman of the Subcommittee on the District of Columbia of the Committee on Appropriations, the gentleman from New Jersey (Mr. FRELINGHUYSEN). He has done a good job in working with the gentleman from Pennsylvania (Mr. FATTAH) in crafting H.R. 4850, and the bill deserves the support of the House today.

This provides the District of Columbia with a \$560 million Federal payment, and it provides \$8.2 billion in

funds for the District of Columbia's governmental activities. Both of these figures match the President's budget request.

On a parenthetical note, I would note that the county in which I live, Gwinnett County, Georgia, has 50 percent more citizens than the District of Columbia and provides all the same services with the exception of welfare, and it does it for \$1 billion a year.

Mr. Speaker, this rule provides for an open amendment process for consideration of the FY 2005 District of Columbia appropriations bill. I urge my colleagues to support this fair rule.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for the time.

Mr. Speaker, this rule is typical for most appropriations bills, and I would support it. I rise today, albeit reluctantly, in support of the District of Columbia appropriations bill for fiscal year 2005.

Mr. Speaker, as there is no perfect legislation and certainly not when it comes to funding matters, I would be remiss if I did not say that the bill includes provisions that are controversial and detrimental, in my view, to the District's residents and the country as a whole. I do not have to tell any of my colleagues about the uniqueness of the District of Columbia as a Federal city.

It is the only place in the Nation where constitutionally Congress can exercise micromanagement at the highest and lowest levels. It is the petri dish of the country where the ideological differences of those in this body wreak havoc on the lives of some 560,000-plus District of Columbia residents.

Taking into consideration the fact that the District of Columbia has no voting representation in Congress, we should be mindful of the privileged duties and be careful not to put our own parochial agendas on the table when considering this legislation. The underlying legislation includes a direct Federal funding increase for the District of \$18 million over last year. A large part of the increase will go towards paying the cost of the District's court system as well as related criminal justice programs.

The bill also provides for direct appropriations for the Resident Tuition Support program and \$13 million for District of Columbia charter schools. It also includes \$14 million for school vouchers, despite the fact that a significant portion of the funds appropriated last year for this controversial program went unused.

The underlying legislation also includes legislative riders that prohibit the use of funds for abortions, registering same-sex couples. And for the distribution of clean needles and sy-

ringes. This bill has quickly become a smorgasbord of controversy.

Hot-button social issues should not enter into play when considering the needs and lives of the residents of the Nation's capital. It is high time that we as lawmakers in this great body stop playing political chess games with our responsibility to this process. We should allow the people of Washington, D.C. to govern themselves.

Funding for the education of the Nation's children and the overall healthy well-being of its citizens should be our primary focus and goal. The District of Columbia appropriations bill is not the stage to act out experimental projects that will not necessarily prove beneficial in the end. We must be mindful of the District's citizens that we have been given charge of. They are silenced in this process by the Constitution, and we must be responsible in our actions on their behalf.

I urge my colleagues to consider this responsibility when voting on the underlying legislation.

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

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield such time as she may consume to the gentleman from the District of Columbia (Ms. NORTON), who knows more about this appropriations measure and about the things of which I just spoke.

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me time. I thank the gentleman from Georgia (Mr. LINDER) and the gentleman from Florida (Mr. HASTINGS) for their work in the Committee on Rules on this bill.

Everything is relative in the Congress and, I appreciate the bill that has been brought forward this year, particularly when I compare the time that this body has had to take up on the smallest appropriations in prior years, and so I thank both of the gentlemen for their work. I want to thank and congratulate the full committee chairman, the gentleman from Florida (Mr. YOUNG), and the full committee ranking member, the gentleman from Wisconsin (Mr. OBEY), for the way in which they urge and guide our appropriations bill through, because of their concern for the process and their respect for self-government in the District of Columbia. And their guidance has been, I think, heard and felt this year.

I am particularly grateful to the gentleman from New Jersey (Mr. FRELINGHUYSEN) and the ranking member, the gentleman from Pennsylvania (Mr. FATTAH), who did all the heavy lifting on this work. I am grateful for their bipartisan efficiencies and cooperation in handling this appropriations. They have been mindful of the fact that Members are here appropriating funds for a city, not a Federal agency; and that makes all the difference in the world.

First, most of the money comes from the taxpayers of the District of Colum-

bia. This is one of the great anomalies that the Congress has thrust on itself to force taxpayer funds from the District of Columbia to come here and be blessed. And by the way, I thank the committee that from time immemorial the committee does not, in fact, go into the body of the District of Columbia budget. Everybody understands that that would be treacherous. So mostly it comes here for oversight and for attachments that the ranking member spoke of, attachments that would never be abided in Members' own districts. But I am very pleased to simply have this money get out of here with the kind of rule that the Committee on Rules has come forward with this year.

There are huge hardships in any delay in the District of Columbia appropriations, hardships, chaos in city operations, hardships on District of Columbia residents. When our appropriations do not go smoothly and it has to go back and forth, the biggest hit is taken by school children and the schools of the District of Columbia. All manner of problem breaks out with ordering school books, with having to send supplies back because the appropriations is not out yet. I will not regale you with those problems this year, particularly since the Committee on Rules and the Committee on Appropriations have worked so hard to bring this forward.

I do note for Members, particularly those Members who have not had to go through this ordeal before, who are scratching their heads saying, what am I doing here considering the appropriations of a city, that this appropriations has had the oversight of the authorizing committee, the Committee on Government Reform, whose chairman is the gentleman from Virginia (Mr. TOM DAVIS) and the ranking member is the gentleman from California (HENRY WAXMAN).

It has had the oversight of, of course, the Committee on Rules, and I thank them for the way they have done the rule this year. And, of course, it has gone through the subcommittee and the full Committee on Appropriations.

Let us look and see what these three committees have come forward to recommend to this body. I will call it a clean bill because everything is relative, and this is a clean dirty bill; but it is the kind of bill, perhaps the best bill, that one could get from this House.

Now, all the old attachments are there, and the ranking member has spelled out some of them. I cannot say enough about how much those attachments are resented in the District of Columbia. I cannot say enough about the price residents pay for them. Perhaps the worst price is paid for the needle exchange attachment where none of our own money, there is some private money, but none of our own money can be used to save the lives of men, women, and children with AIDS now

being spread in the District of Columbia faster than in any other jurisdiction in the United States, most of it intravenously; and we cannot do what I must tell you dozens and dozens of jurisdictions do and have done with great effect in halting AIDS, and that is to professionally use needle exchange programs now recommended by literally all the great scientific authorities.

The attachment forbidding abortions for poor women when hundreds of jurisdictions all over the United States, in fact, fund abortions for poor women speaks for itself. Why should one jurisdiction be the exception in the United States of America?

□ 1145

Of course, I suppose the House should really think about how to hang its head in shame, that there is an attachment that bars the District of Columbia from using its own money to lobby for its own rights. George Washington, Thomas Jefferson, try not to turn over in your graves. In the year 2004, we have the Congress saying that American citizens cannot use their own tax money to lobby their own Congress where they have no vote for their own rights.

My colleagues heard me. I hope they will not hear me have to say this again. I do not think that anyone in this House has anything to fear from hearing from elected officials and from the residents of the District of Columbia using their own money to petition their government for their basic rights. It is one of the great shames of this bill, and one that I cannot believe today enjoys majority support of Members of this House.

So I am asking, in short, the House to respect the work of the Committee on Rules, the work of the Committee on Appropriations, and yes, by direction the work of the Committee on Government Reform, and in doing so, I am going to lead by example.

I am asking Members not to come forward with amendments. I am going to lead by example because there is an amendment that I feel strongly about. Again, the gentleman from Florida (Mr. HASTINGS) spoke of that amendment as well, and that is an amendment I fought in this House with a lot of Republican support last year, when I sought to keep the House from imposing vouchers against the will of a supermajority of the elected officials, the great majority of the people of the District of Columbia, and yet, this was done to the District what has not been done to any other district.

I intended to come forward with an amendment, even if I had to withdraw it, and I would have had to withdraw it because it would have been out of order, to take the \$4 million that is lying on the table, that cannot be used for vouchers because not enough residents came forward in the grades that the bill calls for in order to take up the vouchers. All along we had said that what District residents want is charter

schools if there is to be an alternative. They have our D.C. public schools. We have the largest number of charter schools per capita in the United States, and I think that is shown by the fact that the waiting lists continue to grow in charter schools. Yet there is \$4 million left on the table that has not been used for school vouchers.

So I intended to come forward and say, Pick that money up off of the table, and let it be used by the children of the District of Columbia; but I am going to respect the work of the Committee on Rules, I am going to respect the work of the Committee on Appropriations because they have come forward with a bill without additional attachments, and I am not going to offer that amendment. It particularly would have been subject to a point of order or would have drawn people down here to talk about it.

But if the point is to compliment the Committee on Rules and the Committee on Appropriations for the efficiency with which they have handled this committee, then I think I ought to get in line with what they have done, and I will, therefore, not come forward with such an amendment during the debate.

The matter never passed in the Senate. It passed here by one vote. This was the test vote for the prescription drug vote. This was the vote that was kept open over 40 minutes while they flipped somebody in order to let vouchers go through. It never did get through in the Senate. It was simply attached to an omnibus bill.

This is the great hall of democracy, great Congress of democracy. So I feel strongly about it, but I also feel strongly about the way in which the Committee on Appropriations and the Committee on Rules have accommodated the District of Columbia during this appropriations process, and I am not going to waste the time of this body, and I ask other Members not to waste the time of this body.

I understand a letter went around concerned that a Council member had put a bill in to allow noncitizens to vote in local elections. I do want Members to know that that was put in on the last day of the Council. Everybody went home, taking no action on it, and this is an election year.

One of the things we ought not to do is rise to every bait. Obviously, this is not a bill that was considered serious, certainly not at the moment, because it would have been introduced earlier and there would have been some action on it. If we really feel so moved to come to the floor, it seems to me we ought to wait and see if the District of Columbia, in fact, is going to act on the matter or if there, in their own Council, they can dispose of the matter. At least give us that respect.

Just like there were Members who were concerned about slots. Boy, they could not have been more concerned about slots, as I am. I am with my good friend, the gentleman from Virginia

(Mr. WOLF), when it comes to gambling. I am kind of an extremist on the question of gambling. I consider the kind of gambling that goes on, in slots especially, a kind of tax on the poor.

They tell people it is going to be used for their schools. Fine, well, let people who can afford in a progressive fashion to pay for schools do it. It is a real game played on the poor. I could not hate it more. The people who bring it forward in this city are playing a game on the city, particularly on the poor people of the city.

This is basically a class matter. Better-educated people look at the odds and tend not to play these slots. Poor people who, after all, do not have the same opportunities, who cannot see any other way for their ship to come in, are most vulnerable to certain kinds of gambling measures.

So this matter has come forward in the District. Guess what, the majority of the City Council has already said they are going to overturn it.

Suppose we had jumped up here and run to the Committee on Rules and run to the Committee on Appropriations without giving the sensible Council of the District of Columbia the right to say, Slots is not economic development, and we do not want that sleazy stuff in the District of Columbia. We do not want it even if we were not the capital of the United States, but we certainly do not want it, not in the capital of the United States.

We understand who we are, and I am saying to other Members, who would be inclined to come down and offer amendments, to give us the opportunity to consider these matters. My colleagues can always have their opportunity because there is always another appropriation, so they can always come forward with the very same matter. At least give us the respect of dealing with the matter ourselves, particularly if it is a bill that has only been introduced at the end of the session, then everybody went home.

Note that all of the committees I have cited have come to the same conclusions, have come forward with a cleaner bill than I have seen in some time. These are only the committees that spend any time on the District of Columbia, and I apologize to all Members that we are having to spend any time whatsoever on an appropriation that, if it means anything to them, they are in trouble because when the people back home find out they are spending any but the time that they are committed to spend by law on somebody else's money, and almost all of this is our money, I do not think they would be very pleased.

Anything that would be, shall we say, "untoward" had opportunity to come to the attention of the Committee on Appropriations, the authorization committee, and the Committee on Rules, and they have put forward the bill that we see before us; and I ask my colleagues to pass the bill we see before us.

Finally, Mr. Speaker, I have to certainly say that while I have apologized that Members are having to consider this matter at all, and I do apologize for it, at the same time I want to say this is a burden that they could relieve themselves of. This entire process violates the most basic American idea, that is, the idea of Federalism. It is the idea of local control on local matters.

The gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentleman from Pennsylvania (Mr. FATTAH) have worked very hard to make this process no worse than it already is by doing it as the law requires. I ask my colleagues to respect their work. I ask them to respect the people of the District of Columbia. I ask my colleagues to pass this rule so that we can get the District's own taxpayer-raised money to the District of Columbia.

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

Mr. LINDER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3574, the Stock Option Accounting Reform Act.

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

There was no objection.

STOCK OPTION ACCOUNTING REFORM ACT

The SPEAKER pro tempore. Pursuant to House Resolution 725 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. 3574.

The Chair designates the gentleman from Iowa (Mr. LATHAM) as chairman of the Committee of the Whole, and requests the gentleman from Texas (Mr. BONILLA) to assume the chair temporarily.

□ 1156

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. 3574) to require the mandatory expensing of stock options granted to executive officers, and for other purposes, with Mr. BONILLA (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 Ohio (Mr. OXLEY) and the gentleman from Pennsylvania (Mr. KANJORSKI) each will control 30 minutes.

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

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

I would like to commend the gentleman from Louisiana (Mr. BAKER), the chairman of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, for his great leadership on the Stock Option Accounting Reform Act. His legislation strikes a significant compromise between those who believe that expensing options will help prevent some of the corporate governance abuses we have seen in the last few years and those who believe that expensing options will harm our most innovative companies, especially those in the high-tech industry, but not exclusive to them.

Requiring publicly held companies to record as an expense options granted to the chief executive and the next four most highly compensated officers will help preserve broad-based employee stock options and, at the same time, addresses the corporate governance concerns voiced by advocates of expensing.

Our most successful enterprises, many of which are small businesses and venture capital companies, would not be as successful as they are today but for their ability to attract and retain talented employees by giving them ownership in that endeavor. Ownership rewards due to one's personal contribution to a successful enterprise is the ethos of our capital markets system.

While I have been, and continue to be, a strong supporter of FASB's independence, I am supportive of the gentleman from Louisiana's (Chairman BAKER) legislation because I believe FASB's proposal, as currently drafted, would do harm to our most innovative companies. While I believe that FASB should be separated from the political process, and I have supported FASB's independence during all of my 20-plus years here in the Congress, its authority is subject to review by the Congress.

In extraordinary circumstances, and I believe this is one of those rare occasions, FASB's rule-making should be halted when its proposal will do harm to our economy, and I believe that is the case here. The Congress is ultimately responsible for the economic well-being of this country. Policies that could create an environment that is hostile to innovation and entrepreneurship must be reviewed and altered accordingly.

Therefore, I urge all of my colleagues to support the gentleman from Louisiana's (Chairman BAKER) important legislation.

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

□ 1200

Mr. KANJORSKI. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, we are unfortunately meeting today to consider the Stock Option Accounting Reform Act. This bill would begin the process of repealing the reforms we enacted in the historic Sarbanes-Oxley Act just 2 years ago. As I repeatedly noted during the Committee on Financial Services' consideration of these matters, deciding what should be accounted for and how it should be accounted for is the job of the Financial Accounting Standards Board, not the Congress.

Nevertheless, I recognize the strong feelings and deep concerns expressed by the parties on the other side of this contentious issue. The accounting treatment of stock options has caused significant controversy for more than a decade and FASB's decision to revisit this matter has rekindled a fiery debate.

Although I have great sympathy for those individuals in the high-tech community who have raised considerable reservations about the expensing of stock options and the effects on business operations and compensation plans, H.R. 3574 would interfere with FASB's independence. It could also undermine the credibility of financial reports.

We need to work in Washington, particularly in the wake of recent accounting scandals, to improve the transparency of financial reporting statements in order to help average investors make better decisions. A decade ago, the Congress strong-armed FASB into abandoning an effort to adopt a rule requiring stock option expensing. We now know that this retreat helped contribute to a recent financial storm on Wall Street. In fact, a recent study by economists at Texas A&M found that companies where CEOs had options equal to 52 times their annual salary were 70 percent more likely to have a restatement than similar-sized companies in similar industries where CEO had little option wealth.

In considering this bill today, we may, therefore, ultimately allow history to repeat itself. We would for the first time also be making the Congress an appeals board for the development of accounting standards. Support in the business community for mandatory expensing has increased significantly in the wake of the recent tidal wave of accounting scandals. A Merrill Lynch study found more than 90 percent of institutional investors want stock options expensed. This view is shared by the American Institute of Certified Public Accountants, the Investment Company Institute, and the Council for Institutional Investors. Our largest accounting firms have also called for the expensing of stock options.

In addition, nearly 600 companies have already voluntarily adopted or are in the process of adopting fair-value expensing of stock options. Respected corporations like Home Depot, General Motors, General Electric, Wal-Mart, Microsoft, and Amazon have all decided to treat stock options as expenses.

In a recent letter to FASB, Citigroup emphasized its “strong support for private sector standard setting” and “its opposition to congressional intervention on the accounting for stock options.”

Furthermore, in recent proxy votes at IBM, Peoplesoft, Hewlett-Packard, and Texas Instruments, the shareholders of these leading high-tech companies have voted in favor of stock options expensing. Moreover, in May the shareholders of Intel approved a proposal asking the company to expense stock options. This proposal passed with 54 percent of the 5.7 billion votes cast. To date, however, Intel’s management has disregarded the decision of its stockholders.

Numerous consumer groups, including the Consumer Federation of America, Consumers Union, and Consumer Action, are also supporting the expensing of stock options. They have determined that the legislation we are considering would deprive investors of comprehensive and transparent financial transactions. Many in the labor movement share these concerns. These entities include the AFL-CIO, the Teamsters, and AFSCME, among others. Each of these groups has called on us to reject H.R. 3574.

Additionally, our Nation’s leading financial regulators have previously made the case for options expensing and recently advised us to preserve FASB’s independence. In a recent letter to me, SEC Chairman Donaldson notes his strong support for an independent and open standard-setting process for establishing accounting standards.

At a congressional hearing in April, Federal Reserve Chairman Alan Greenspan said, “I think the Congress would err in going forward and endeavoring to impede FASB,” in its consideration of stock options expensing rule.

Moreover, leaders on Capitol Hill have already opined on the need to protect FASB’s independence. In a recent op-ed in the Wall Street Journal, the chairman of the Senate Banking Committee asserted that Congress should “stay out of FASB’s rulemaking, and let the experts do their job.” Because many of his colleagues in the other body on both sides of the aisle agree with this assessment, this legislation seems unlikely to become law.

In sum, Mr. Chairman, I agree with the assessments of my esteemed colleagues, leading regulators, reputable financial experts, concerned consumer groups, interested labor leaders, and a growing number in the business community regarding the need to protect FASB’s independence.

To strengthen investor confidence and promote the international convergence of corporate reporting standards, FASB must proceed with diligence, and without political interference, in its consideration of a rule proposal on the mandatory expensing of stock options. I urge my colleagues to reject H.R. 3574.

Mr. OXLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Louisiana (Mr. BAKER) be permitted to control the remainder of my time for consideration of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BAKER. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

(Mr. INSLEE asked and was given permission to revise and extend his remarks.)

Mr. INSLEE. Mr. Chairman, I speak in favor of this bill for the fundamental reason that this protects an extremely successful tenet of the American innovation economy. I look around my district and what I see is a collection of companies, 10, 20, 30 employees doing incredible things and frequently using stock options. These are companies which may be on the cusp of actually developing a cure for diabetes, a company with a couple dozen employees which may develop a cure for stroke, a company with a couple dozen employees that have a solution so you cannot see muzzle fire from our soldiers’ rifles. These type of companies use this system to bring in talent, and bringing in talent is absolutely fundamental to the innovation economy of America.

Stock options have been one of the most successful mechanisms to make sure that when someone has a good idea, they can marry it with good brains around them who can come in without a paycheck. Let us preserve and protect the ability to use stock options.

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

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

Mr. Chairman, I wish to acknowledge at this time the leadership of the gentleman from Ohio (Chairman OXLEY) on this most important and difficult matter. Over the course of the past months, the committee has engaged in numerous hearings and roundtables to discuss the advisability of FASB’s recommendation and to craft the appropriate remedy given the committee’s concerns. The chairman at all times has been insistent on a balanced analytical process to afford all stakeholders the ability to be heard.

I certainly would also wish to extend my appreciation to the leader on the Democratic side, the gentlewoman from California (Ms. PELOSI); and the gentlewoman from California (Ms. ESHOO), who have been at the forefront of leading the charge from their perspective on what they both believe to be an important economic tool for job creation.

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

Mr. KANJORSKI. Mr. Chairman, I yield 4 minutes to the gentlewoman from California (Ms. ESHOO), a chief sponsor of the bill.

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. KANJORSKI) for yielding me this time.

I am very proud to be the lead Democratic sponsor of this bill. My partner, the gentleman from Louisiana (Mr. BAKER), the gentleman from California (Mr. DREIER) before him, and colleagues from both sides of the aisle, this is a true bipartisan effort: over 100 cosponsors, including leadership from the Democratic side, our distinguished leader, the gentlewoman from California (Ms. PELOSI), as well as from the Republican side. This is not a partisan issue, nor should it be.

What this debate is about is not simply the grays and the green eye shade issues of accounting. What stands front and center in this issue is the American economy and how we continue to spur it. There are three major ingredients that other countries around the world have come to understand because they have studied it, and it has been part of our success: venture capital, the protection of intellectual property, and stock options. Why stock options? Because it is a magnet that attracts workers to a company; and with that magnet it is stated, yes, we are willing to take a risk and make this company grow. And when we do, we will all share in the rewards. That is intrinsically American.

Now, have there been people who have abused stock options at the top? Sadly, that was the case. And the Congress stepped in because the SEC needed us to step in. The SEC did not do what it was supposed to do, and the Sarbanes-Oxley legislation was passed. So in terms of the debate, leave the SEC alone, leave the FASB alone, we should not interfere, we should not step in, that case is absolutely blown by having adopted Sarbanes-Oxley.

The FASB has put out an accounting standard. They understand that they have nothing to do with the economy, and they are proud of saying that. The Congress does have a responsibility for anything that impinges on our economy. There are institutional investors in this country that are not interested in individual stakes and shareholders. That is all right; it is the view that they hold.

So this debate today, and make no mistake about it, listen carefully, this is about protecting a tool that has paid off for rank-and-file workers across the country. This is not only about high technology and biotechnology. In fact, most of the stock option holders’ rank-and-file are outside of those two industries, and they represent 14.6 million workers in our country.

Now why expense the people at the top? Because they come to their compensation package differently. Rank-and-file workers do not negotiate with a board of directors; the top five in the company do. This is balanced. This is important. This is essential. Do not wreck one of the most valuable tools that we have in our country today to expand our economy, to expand new businesses and to have a stake in the future of America. I urge my colleagues to support H.R. 3574.

Mr. Chairman, I'm proud to be the lead Democratic sponsor of the Stock Option Accounting Reform Act, and thank Chairman BAKER for his leadership, moving it through the Financial Services Committee with such strong support. The legislation is urgently needed to avert the implementation of new accounting rules that would have a disastrous impact on American companies, and more importantly, American workers.

The Financial Accounting Standards Board (FASB) has long threatened to require stock options to be deducted from a company's earnings, and this bill would prevent FASB from implementing this requirement for many critical reasons. Mandatory expensing of stock options would have a terrible impact on companies that rely on options to recruit and retain the most talented employees. Without stock options, many of these companies—including some of the most successful high-tech and biotech firms—would not even exist today.

Stock options have become associated with corporate scandals and excessive executive compensation, leading to a call for expensing as the ultimate prescription for these problems. But stock options were not the cause of the recent corporate accounting scandals, and eliminating stock options would do nothing to instill corporate responsibility or accountability. The crimes committed at Enron, Tyco, and other companies would not have been prevented if expensing was the accounting rule of the day.

The Sarbanes-Oxley legislation, which I was proud to support, was passed to prevent future corporate swindles. If companies are forced to expense stock options, most will drop broad-based option plans because of the prospect of taking a huge and misleading charge against their bottom line in accounting statements.

Make no mistake about it. Stock option plans or some other form of lucrative compensation for senior executives will undoubtedly continue to be offered. Consider this: Only a small portion of employee-held options—about 15 percent—are held by corporate management. 14.6 million American workers—13 percent of private-sector workers nationwide—held stock options in 2002.

It's ironic that many are calling for the expensing of stock options in order to reign in executive compensation, when expensing stock options would do little to accomplish this. Rather rank and file employees would be the ones to lose, because they don't get to negotiate with a Board of Directors for their compensation package.

H.R. 3574 also answers many of the critics of stock options who maintain (wrongly) that this compensation is an "executive perk" and a tool to avoid reporting executive salaries. The Stock Option Accounting Reform Act requires companies to expense options granted to the CEO and the next four highest paid officers. Small businesses are exempted from this requirement and cannot be required to expense options for the 3 years following an initial public offering.

The bill would also enact new disclosure rules for companies who offer stock options, requiring them to disclose additional information regarding share value dilution and other stock option-related information.

Some have also argued that FASB's independence must be protected and accounting standards—like other technical rules—should

not be set by Congress. While in general this is the case, there are many occasions when expert bodies fail to fully protect the public interest and it's incumbent on Congress to step in. For example, the Securities and Exchange Commission—an independent, expert agency—failed to adequately protect investors and the public from the corporate scandals of recent years: Congress stepped in to enact the reforms of Sarbanes-Oxley.

Recently, a "determination on drug safety" was made by the Food and Drug Administration which found that the morning-after birth control pill was not safe enough to approve for over-the-counter sale, despite ample evidence to the contrary. I would hope that if the FDA does not change its position on the morning-after pill, we will act to overturn this decision as well.

Even the Chairman of FASB recently acknowledged that the Board has proceeded too quickly and the implementation of the new expensing rules may need to be delayed. H.R. 3574 would simply ensure that the rules are not implemented for at least a year, pending economic impact studies by the Commerce and Labor Departments.

Given the radical change the new rules would establish and the potentially devastating impact on employee ownership programs, Congress has the responsibility to make sure that these rules are appropriate and implemented responsibly. I urge my colleagues to support this legislation and protect broad-based employee ownership programs.

Mr. BAKER. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, the illusion that stock options only benefit fat-cat corporate executives is just that, an illusion. Fifty-three percent of companies that offer stock option plans offer them to all employees. Within the tech sector, 88 percent offer them to all employees. With start-ups it is even more important. According to the National Venture Capital Association, more than 70 percent of venture-backed companies award stock options to all employees.

As my colleague, the gentlewoman from California (Ms. ESHOO), has noted, this is an essential component to the innovation economy that really is pulling the entire American economy forward, but that does not seem to matter to FASB.

□ 1215

When stock options that have a strike price of \$40 are being traded at \$18 and the FASB accounting system accounts for that as a valuable option, there is something wrong with the standards that they are using. We need to study this matter and to make sure that in our efforts to be clear, we do not destroy the tech economy.

Mr. KANJORSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. GILLMOR).

Mr. GILLMOR. I thank the gentleman for yielding time.

Mr. Chairman, I rise today in strong opposition to this legislation and in support of the Kanjorski amendment which is going to be offered later.

The real issue we are debating today is whether or not we in the House want to set a dangerous precedent and politicize the process of setting accounting standards. The Financial Accounting Standards rule does not in any way, despite the implication of some other statements, prevent the issuance of stock options. It just says you have to honestly tell the shareholders what their real cost is.

If we pass this bill and prevent the SEC from adopting FASB's draft rule, American workers and other investors may invest their pensions and other retirement incomes in unprofitable companies because they will continue to be given misleading financial statements.

Under our current accounting standards, companies are allowed to choose whether or not to expense stock options, and many have chosen not to report any expense of this compensation, even when they claim stock option expenses on their tax returns. Stock options are the only form of compensation that may be omitted from a corporation's financial statements. The issue is not whether these forms of compensation provide useful incentives, but whether all of them should be reflected honestly on company financial records as company expenses.

Objective observers are virtually unanimous in calling for expensing of stock options. They include Federal Reserve Chairman Alan Greenspan, Treasury Secretary John Snow, SEC Chairman William Donaldson, Public Company Accounting Oversight Board Chairman William McDonough, former SEC Chairman Arthur Levitt, and investor Warren Buffett, who in a July 6, 2004 editorial gave, quote, this bill's opponents an "A" for imagination and a flat-out "F" for logic.

It is also supported by the Council of Institutional Investors, the Investment Company Institute, Financial Services Forum and the Consumer Federation of America. The FASB standards are about having honest and not misleading reporting to people who have invested in a company.

I urge my colleagues to oppose this legislation.

Mr. BAKER. Mr. Chairman, I yield 1½ minutes to the gentleman from New York (Mr. CROWLEY).

(Mr. CROWLEY asked and was given permission to revise and extend his remarks.)

Mr. CROWLEY. I thank the gentleman from Louisiana for yielding me this time.

Mr. Chairman, I rise in strong support of the Stock Option Accounting Reform Act, and I urge my colleagues on both sides of the aisle to support this bill without any damaging amendments. This legislation is a necessary response to proposed damaging regulations by the Financial Accounting Standards Board which threaten broad-based employee stock options. This bill will not cloud basic accounting principles as investors and analysts who are interested in adjusting an issuer's

income statements for the cost of stock options already have the necessary information available to them.

This FASB rule will lead to greater confusion for investors as this rule actually allows corporate accountants to pick and choose their expensing methods instead of implementing a uniform standard.

This FASB rule will effectively destroy broad-based stock option plans, plans that have spread real wealth creation among employees as opposed to the consolidation of wealth at the top of a corporate pyramid.

The FASB rule hurts the ability of high-tech firms to recruit and retain good personnel as stock options were and still are used by start-up and venture capital firms to attract the talent that is needed when capital is sparse.

Finally, FASB, by definition, does not take economic impacts into effect when issuing its regulations, meaning they did not take into consideration the negative effects of this bill when drafting this rule. This bill also actually allows for transparency at the top, the top five individuals of a corporation, those who are most at risk in putting a company in danger when they play around with stock options.

Mr. Chairman, for all those reasons I urge my colleagues to support this balanced approach to the issue of stock options.

Mr. KANJORSKI. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

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

Ms. SCHAKOWSKY. Mr. Chairman, I rise today to oppose H.R. 3574, the so-called Stock Option Accounting Reform Act. The bill will actually take away the power from the Financial Accounting Standards Board, an independent agency, to protect investors, pension holders and workers by requiring corporations to expense stock options.

In the wake of Enron and other corporate scandals, this is the wrong message to be sending to all those workers and investors who lost their life savings and retirement security, and it is the wrong policy to pursue if we want to boost consumer confidence and improve our economy.

We know from all the corporate scandals that have come to light that accurate and transparent accounting is vital to corporate accountability and shareholder confidence. Yet the accounting treatment of stock options allows corporations to continue to distort their true financial standing.

Stock options make up 80 percent of compensation packages for corporate managers. In 2003, CEO pay at 350 major U.S. public companies averaged \$8 million, with stock options as the largest component. Despite those facts, stock options are the only form of compensation that may be completely absent from corporate financial statements.

H.R. 3574, a supposed compromise from the FASB rule, only counts stock options given to the top five executives, when calculated using what Warren Buffett describes as “fuzzy math,” in the bottom line but not those options given to all the other employees.

The special accounting treatment of stock options which this bill would allow to continue has fueled abuses linked to excessive executive pay, inflated earnings, dishonest accounting and corporate misconduct. Nobel prize winner Joseph Stiglitz believes that the absence of stock option expensing requirements has “played an important part in the spread of other forms of financial chicanery.”

A report by a blue-ribbon panel of the Conference Board found that the current treatment of stock options has fostered a vicious cycle of increasing short-term pressures to manipulate earnings to bolster stock price so that those receiving options could cash in, take the money and run.

FASB is currently working to address this problem, yet Congress with the passage of this bill will undercut its effort. I would suggest that we let FASB do its job and oppose this legislation that would eliminate the possibility of the transparency that stockholders and pension recipients need.

Mr. Chairman, I rise today to oppose H.R. 3574, the so-called Stock Option Accounting Reform Act. This bill will take away Financial Accounting Standard's Bd., FASB's, an independent agency, power to protect investors, pension holders, and workers by requiring corporations to expense stock options. In the wake of Enron, and other corporate scandals, this is the wrong message to be sending to all those workers and investors who lost their lives' savings and retirement security, and it is the wrong policy to pursue if we want to boost consumer confidence and improve our economy.

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The special accounting treatment of stock options which this bill would allow to continue, has fueled abuses linked to excessive executive pay, inflated earnings, dishonest accounting, and corporate misconduct. Nobel Prize winner, Joseph Stiglitz, believes that the absence of stock option expensing requirements has “played an important part in the spread of other forms of financial chicanery” where cor-

porate energy and creativity was “directed less and less into new products and services, and more and more into new ways of maximizing executives' gains at unwary investors' expense.” A report by a blue-ribbon panel of the Conference Board found that the current treatment of stock options has fostered a vicious cycle of increasing short-term pressures to manipulate earnings to bolster stock price so that those receiving options could cash-in, take the money, and run.

FASB is currently working to address this problem, yet Congress, with the passage of this bill, will undercut its effort. FASB's proposed rule would remove the perverse incentives to manipulate earnings and help bring transparency to corporate financial statements. FASB is trying to close an accounting loophole that has allowed corporations to understate executive compensation and distort the companies' financial standing. Investors and pension plan managers want the kind of accurate financial information that FASB's rule would provide: it would help them make informed investment decisions about retirement security. Let us let FASB do its job.

Two years ago, when we passed the Sarbanes-Oxley Act, we recognized the need to protect the Financial Accounting Standards Board, or FASB's, independence for setting accounting standards. We knew then that if we wanted true corporate accountability, if we wanted to protect investors and pension holders, then we needed to make sure that an independent body was overseeing accounting standards to which corporations had to adhere, and FASB's independence became an important part of the Act. We knew that then, but how soon we forget. As Consumers Union states, “Those reforms (to hold corporations accountable) will have proven to be all but meaningless if less than two years after they were enacted, Congress reneges on its promise and subjects the independent, standard-setting process to political interference.” That is exactly what we will do—render meaningless our own reforms—if we pass H.R. 3574.

As Alan Greenspan recently said, “With respect to stock options, I think it would be a bad mistake for the Congress to impede FASB in this regard. And in this regard, as best I can judge, the FASB changes in recommendations with respect to accounting procedures strike me as correct, and it's not clear to me what the purpose of the Congress is in this particular procedure.” It is not clear to me either. What is clear is that if this bill passes, we are telling investors, pension holders, and workers that Congress believes it is fine to keep them in the dark, and that corporations can continue to hide their true financial standing. I urge my colleagues to vote no on H.R. 3574.

Mr. BAKER. Mr. Chairman, I yield 2½ minutes to the gentleman from Arizona (Mr. SHADEGG), a member of the committee and an interested party in this most important issue.

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding time and I rise in strong support of H.R. 3574, the Stock Option Accounting Reform Act.

Let me make it very clear, this is not a technical issue which Congress should leave to FASB. This is not how do we account for something. Indeed, that issue presents itself here, and no

one can agree on how we should account for the expensing of stock options.

But the issue that brings us here is not a technical FASB issue; the issue that brings us here is one that has great implications on public policy. That is, do we continue to incent companies to use stock options to give employees a stake in their company, which I believe all Americans want and is the key to our Nation's vibrant economy, or do we squelch that by allowing a technical rule to go into place forcing the expensing of all stock options the minute they are issued.

I submit to my colleagues that it is FASB that is acting too fast. It is FASB that is acting imprudently and without taking the time to study this area closely. Indeed, there has been no study yet of the impact on our economy were we to suddenly jump forward and require the expensing of all stock options immediately. This economy is beginning to emerge from a recession and is getting stronger every day, but it is critically important that we allow America's companies to continue to give incentives to their employees.

This is particularly true of start-ups. It may be that the big companies, those with billions of dollars in assets, can handle this requirement, but the little start-ups, the small companies that bring ingenuity to the marketplace and challenge the existing large companies in the market and our high-tech industry, have survived and indeed prospered by using stock options. They are confident that this will damage them immensely.

Harvard professor William Sahlman has said, "If the advocates of expensing win their small point and the spotlight on corporate America fades away as a result, I fear that we will end up having done nothing at all to prevent unscrupulous executives from yet again stealing their investors' money."

It is absolutely critical that we not allow FASB to treat this as a technical issue. There is not yet an agreed-upon best or even good method for calculating the value of stock options. Expensing will not make our corporate expenditures more clear or bring greater clarity to investors. It solves nothing.

I urge my colleagues to oppose it because it will hurt start-ups and it will hurt high-tech companies.

Mr. KANJORSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. FRANK), the ranking member of the Committee on Financial Services.

Mr. FRANK of Massachusetts. Mr. Chairman, I appreciate the leadership the ranking member of our subcommittee is showing here. I am somewhat torn on this bill because I do agree, it is certainly beyond question, that the granting of stock options in the high technology industry, especially for start-up companies, has been enormously beneficial, and I do not want to see it changed. I do not even

want to take the strong risk of it being changed, so if I were in charge of the Financial Accounting Standards Board, I would defer this. But I am not, and I do not want to be.

We are in danger, I think, on this and on other issues of collapsing entirely the notion of a kind of respect for procedures. It is a mistake for this body always to legislate to get the specific outcome it wants on a particular issue without regard to the institutional frameworks. I think the institutional framework of a separate and independent and autonomous Financial Accounting Standards Board is a valuable asset. I do not want to impinge upon it.

Members of this body are well aware that we never do anything only once. Maybe you can eat one potato chip, but you cannot overrule a board once only. If we set the precedent today of dictating to the Financial Accounting Standards Board what the accounting standards ought to be, I believe we will live to regret it.

With regard to the options, here is the issue. I think they are a good thing in companies, particularly young start-ups. They ought to be able to give them. I guess if you are an old start-up, you ought to get out of the business. Young start-ups ought to be able to continue to give them.

Here is the argument, because nothing in what FASB says says you cannot do them. What we are talking about is this: If companies are mandated to change the way in which they do the accounting on this, no change in the reality, but they change the accounting, will this leave the investment community to abandon a whole class of investments? I do not think a large number of people are now misled because it is in the footnote. I would assume if you are going to invest, you read the footnotes. But neither do I think that people will abandon the whole class of investments because when the accounting changes and it goes in the footnote to an expense, some of these companies will have gone from having shown a profit in one form of accounting to showing a loss.

That is the argument. The argument is because nothing is being proposed. It would ban stock options from being done.

What we are being told by the high-tech community, and I understand their fears, they do not want to take this risk. They are arguing that the investment community is apparently pretty dense and as long as the options are put into a footnote and they show a profit, they will invest. But if we change the accounting, the reality has not changed one iota, they will walk away from the whole class of places.

Where is the gentleman from Texas, the former majority leader, Mr. Arme? Because he is the one who said, government is stupid and markets are smart. Would he please explain to them that markets are not stupid?

In this case, he may have been right, because this is the argument. The crux

of the argument is that if you change the accounting and do not change the reality, you will collapse investor interest in this whole class of industry, and I think that is wrong.

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

I wish to speak to the issue of FASB's independence and their track record on matters of financial accounting standards. It was in the fall of 1998 when FASB issued a statement relative to concerns about earnings manipulations by registrants in a number of industries, specifically banks, in the treatment of what was called loan loss reserves.

□ 1230

The allegation was that executives were exacerbating the amount of reserves necessary in order to offset potential volatility in financial institutions' earnings. Suffice it to say, it is a technical issue, again beginning in fall of 1998. I reference testimony of Governor Lawrence Meyer, member of the Federal Reserve, speaking on behalf of the Federal Reserve and all finance regulators. Six years later a letter issued then by the FDIC indicated that institutions should continue to determine the appropriateness of all their loan loss reserves on the basis of existing guidance set forth in GAAP and in the agency's supervisory guidance. Translation: they should ignore what FASB started 6 years earlier as an ill-conceived modification of safety and soundness provisions.

The point of this historic analysis is to provide the Congress with the understanding that FASB does not always get it right. I join with many Members of Congress in that era in expressing concerns about the unintended consequences of the implementation of FASB's rule should it be implemented.

Let us talk about what FASB has done in the course of the consideration of the issue currently at hand. The board announced their positions before a single comment from the public was solicited. The board disinvited comments on key issues of the current matter. The board disregarded the overwhelming majority of comments solicited. The board created an option valuation group to discuss valuation.

After all was said and done, apparently FASB did not find the board's work to be of much use since it decided to revert to the same valuation models before appointing the board. FASB refuses to conduct road tests of actual valuation models, meaning it is not trying out to see what the real-world consequence is of its valuation methodology. It has refused to respond to industry presentations on the existing valuation methodologies. It has refused to respond to recommended alternatives and compromises.

What has the board done? I alert the Members who have not yet received it to an e-mail distributed by a representative of FASB's foundation, I assume an independent arm of an independent

agency prescribed with the responsibility of engaging in political correspondence. What is a sad note about this particular e-mail, if one goes to the two phone numbers listed at the bottom of the e-mail, which is probably in all Members' offices, and they call those numbers, they can then refer themselves to directory assistance and ask for FASB's telephone numbers.

The two numbers cited in this independent political correspondence are numbers listed as FASB's official phone numbers. If one were to apply their own standards of financial transparency to their own e-mail, it should say FASB is now lobbying the Congress and using our phone numbers for ones to respond and make significant inquiry into the matter. It would appear although they find political interference a sullied and tawdry business, they have now engaged in such practice in attempting to influence the Congress on the direction of appropriate conduct.

What is an option, and what does it mean to our economic direction? Assume for the moment we are trying to gather a half dozen young bright people into a garage at someone's home to construct a new innovative product and we bring these people in without sufficient cash to pay them salary; but we offer them the opportunity, should their intellectual prowess be sufficient in building value to a company, to one day cash in on the options we are giving them as a piece of their investment. Assume for the moment the value of the options are \$20. Things go awry. Things go poorly. Six months hence the stock price may be worth \$10. The employees will not cash in their right to those options because they are called, in the terms of the industry, underwater. They are not worth what they were when they were granted. The employee may leave and go elsewhere. Without the passage of this bill, what would FASB require them to do? To expense that option at the time of granting even though it were later not exercised. The result: an underreporting of financial value of corporate value. That seems to me to be just as big a problem as what those opponents allege is some grand misrepresentation of current financial condition.

Options are reported today in the footnotes. One who persists can find out the dilutive effect on other shareholders. Translation: one can find out the facts about accurate financial condition if they choose to seek it out in currently published information.

It is quite clear that many have accused the current administration and others of finding ourselves in a jobless economic recovery. Were that to be the case, which I certainly dispute, there is no dispute that the granting of options to a broad base of employees has been and remains a very strong component of job creation within our economy. Does it make sense for those who criticize a jobless economic recovery to

take away one of the proven tools that does create jobs when they are so badly needed? I think not.

So where are we to go? The identified problem was that a handful of executives were manipulating the granting of options for their personal financial gain. I, frankly, do not think the bill before us is a perfect remedy. I think it is a flawed remedy because the valuation of the option cannot be accurately predicted. But in response to the critics, we have said those top five must expense their options. Let us make them accountable for the reported wrongdoings of the past, but please do not affect adversely the broad-based stock option plans for the vast numbers of employees who have gained from their hard work, shared in the dynamic capital enhancement of corporations, and, yes, made money.

I am one of those staunch advocates in the Congress who believe that money is the cure to poverty. And by allowing employees to invest and work and believe in the great American Dream that one day they can have a part of it, stock options represent a magnificent tool of economic opportunity.

I urge this Congress to adopt H.R. 3574 as balanced; fair; transparent; and, most importantly, important for our economy.

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

Mr. KANJORSKI. Mr. Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Chairman, I rise in opposition to the bill.

And let me talk to my good friend from Louisiana. I heard him say in his statement that this bill is a flawed remedy. That is what I heard him say. And I agree with him. The bill is flawed.

He mentions the footnotes. During the oversight hearings on Enron, we had the dean of the Dartmouth School of Business spend 3 weeks looking at the footnotes of Enron. He could not, he could not understand them, and he said nobody in their right mind could understand the footnotes. We could go from Enron across any of these corporations and see the lack of clarity in their corporate footnotes. WorldCom is another one, where Bernie Ebbers paid himself tens of millions of dollars in stock options, and they were never accounted for. People are not going to find them in the footnotes.

This legislation is attacking accounting standards, and he is criticizing FASB. Certainly one could criticize the Securities and Exchange Commission. Where were they during all this corporate corruption?

Options are immensely valuable to those who receive them, and we all agree options are good. That is not the debate. The debate is what this bill is about. Options are fully deductible

against corporate income tax. A congressional mandate to ignore economic reality does not change economic reality.

If my colleagues are thinking of voting for this legislation, they should ask themselves why Congress should forbid that stock options be deducted from corporate income when reporting to investors but fully deductible against income when paying corporate taxes. It is a distinction that makes no sense.

Listening to the debate today, we know that this legislation is opposed by Allen Greenspan; Treasury Secretary John Snow; SEC Chairman Bill Donaldson, the chairman of the SEC. Warren Buffet has ridiculed this legislation, saying it is absolutely flawed, it makes no sense.

I know of no occasion in history in which the United States Congress by statute has written an accounting rule, and that is what we are doing today. Are Members so confident in this body in their knowledge of accounting and financial markets that they will disregard the unanimous advice of the President's leading economic indicators, advisers, and the most famous investor in history? He has had 62 years of investing. How many of us have done that? He has ridiculed and said this bill is flawed.

Obviously, we should make some change to FASB. I agree with that, and I believe we are missing an opportunity today because there is another way to approach the problem of accounting for options that would be less heavy handed and might improve the quality of information investors receive so when they go to the footnotes, they will be there and they can actually understand what the stock options are all about.

U.S. GAAP is very detail oriented. It needs to be changed. On that I agree with my colleague from Louisiana. We learned from our investigation of Enron and WorldCom that the very complexity of GAAP itself can be exploited by those who obscure rather than enlighten. The legislation we are considering today mandates a dictatorial rule grafted on to the current GAAP regime that needs change, that simply forbids expensing except for the top five executives. Why is that so sacrosanct that we take just the top five? What about six? What about seven? What about eight? What about four? What about three? No. Just the top five. And then so long as those executives can significantly undervalue their options. If my colleagues stand for a rigorous accounting, oppose this bill.

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

Mrs. MALONEY. Mr. Chairman, I thank the gentleman for his leadership and for yielding me this time.

I rise in opposition to this bill and in support of the amendments by the gentleman from California (Mr. SHERMAN) and the gentleman from Pennsylvania

(Mr. KANJORSKI) and me. And in opposition to this bill, I am joined with comments from Arthur Levitt, John Bogle, Warren Buffet, Allen Greenspan, John Snow, SEC Chairman Donaldson, and many others. Their comments I will include for the RECORD.

Some of my colleagues today have said that it is necessary for companies to not show the cost of stock options to investors in order to encourage innovation. So my question is why is it necessary for companies to hide an expense to innovate? Why in the world is this good public policy? On the contrary, this accounting loophole encourages companies like Enron and WorldCom to artificially inflate the value of their stock, deceive investors, and evade corporate income taxes. Many large companies have employee stock options and expense them, including Home Depot, Microsoft, Netflix. We should continue and have one standard.

In understanding stock options and their use, there is probably no greater authority than the indicted Enron president and CEO, Jeffrey Skilling. This is what Jeffrey Skilling has to say about stock options when he testified before the Senate: "Because stock options are not required to be disclosed as an expense on public filings, corporations use them to hide expenses and inflate the balance sheet. You issue stock options to reduce compensation expense and therefore increase your profitability." He ought to know, and he is going to jail.

Hidden stock options encourage accounting fraud. End of story. I urge a "no" vote on the underlying bill.

Mr. BAKER. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. COX), a respected Member on matters of financial reporting.

Mr. COX. Mr. Chairman, I thank the gentleman from Louisiana (Mr. BAKER) for bringing this bill to the floor.

It is vitally important because I agree with the last speaker, hidden stock options are a tool of fraud artists. What we are about to do at FASB is give corporate managers, the new Jeff Skillings, an opportunity to manipulate earnings because, by choosing whether or not to issue stock options, they will now be able to do what they cannot do today, and that is fudge the earnings figure. Currently, stock options are not run through the income statement. But if we make this change where we imagine a notional value for stock options, where nobody real knows really what they are worth, run them not through the balance sheet but through the income statement, we have now got a new tool to manage earnings. That is exactly what Enron taught us we should not do.

We should fully disclose stock options, and there is ample evidence that we can do much better in disclosing to investors stock option costs to the company, to the shareholders, and the place we do that is on the balance sheet.

□ 1245

The issuance of stock and the issuance of an option on stock is a dilution event. It is an adjustment to the capital accounts. It belongs on the balance sheet; it does not belong on the income statement.

The FASB chairman testified before the Committee on Energy and Commerce 2 weeks ago that FASB wants to make this change not because it is technically correct or professionally sound, but rather "because of the high level of public concern expressed by investors."

But during the most recent proxy season, shareholders across the country are rejecting proposals to expense stock options. Shareholders of Gillette where Warren Buffett, the champion of stock option expensing on the income statement, sits on the board and controls nearly 10 percent of the shares, voted against expensing on the income statement.

The people for whom FASB claims to be acting, the people with money at stake, are not only not convinced, but they recognize if FASB goes forward with this, it is going to be a new tool for manipulation.

Let us keep the earnings statement honest. Let us vote for the bill.

Mr. KANJORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. MARSHALL).

Mr. MARSHALL. Mr. Chairman, I spent a lot of my career as a lawyer representing small banks and small businesses and individuals that felt that they had been defrauded as a result of false financial statements that had been provided them in order to induce investment or induce credit.

Most folks who are watching this understand that they cannot file a false financial statement in order to get a credit card, that they cannot file a false financial statement in order to get a loan. They have got to comply to the letter with the information that is requested and provide that information, failing which they could end up in jail. That, I think, is largely what is going on here.

The question is whether or not we are going to defer to the Financial Accounting Standards Board, which historically has set the standard for providing the financial statements of a corporation, whether we are going to defer to that body so that that body can figure out what kind of information must be provided so that the financial statements of a corporation fairly reflect the condition of the corporation, or are we going to interfere and essentially enable start-up venture capital corporations to mislead those who are investing in those businesses.

Now, most investors are sophisticated enough they are going to read the footnotes and understand that there are stock options that have been granted, and that consequently the value of the corporation and its earnings have been affected as a result of that. But some are not.

We should leave it to the experts, independent experts that do not have a dog in this fight as far as money is concerned, to try to come up with the standards that are appropriate in order to assure that the best kind of financial reporting is available to those who are investors, to those who are shareholders.

It is no different really than seeking a credit card, wanting to get money from an investment company, wanting to get money from a bank, wanting to get money from somebody else, and having to fill out a financial statement. It is as simple as that. We ought not to be interfering.

Mr. BAKER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. BOEHNER), a staunch defender of free enterprise.

Mr. BOEHNER. Mr. Chairman, I rise before my colleagues today to urge support for the bill offered by the gentleman from Louisiana (Mr. BAKER).

In many respects, the use of broad-based stock options reflects what we have come to understand about our new economy, that is, that economic growth and opportunity are all about unleashing the talents, ideas and knowledge of workers who create constant improvements and constant innovation. The employers who have best answered this call and who have best generated the kinds of jobs that our workers need are those who have understood that these products and services come from bright, enterprising workers who will share their imagination and experience with their employers. That is why stock options have become such a fixture of economic growth, and it is important that we preserve the ability of employers to give their employees a stake in the success of their organization.

Regrettably, instead of recognizing stock option plans for what they are, incentive plans, FASB has deemed them a net cost to the company and supports requiring these firms to calculate and deduct those costs from corporate earnings. If companies do, the real losers in this will be American workers and the U.S. economy.

Who knows at what value companies will be required to charge their earnings? I think the point that was made by the gentleman from Louisiana (Mr. BAKER) and the gentleman from California (Mr. COX) that the ability of corporate managers to manipulate earnings based on the value of their stock options is in fact a real concern.

So, while we can get hung up on whether we should interfere with FASB or not, we are elected by the American people to represent their interests; and I believe when you look at the use of broad-based stock options in the American economy, it really is the incentive that is driving many companies and their employees to be creative, to be inventive and to continue to be the real leaders in the world economy.

Mr. BAKER. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. GOODLATTE).

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Louisiana (Chairman BAKER) for his leadership on this issue, and I rise in strong support of H.R. 3574, the Stock Option Accounting Reform Act.

For years, companies in the U.S. have been using stock options to attract the most skilled applicants in the world. Because many new companies do not have the financial resources to attract the best qualified candidates, stock options provide a much-needed incentive for the brightest workers to work for them.

Not only do stock options hold the potential of additional income for employees, but they create a sense of ownership that helps workers recognize they have a stake in the company.

Now is not the time to bind the hands of America's technology companies by imposing additional layers of red tape on them. If U.S. companies are to continue to win the global competition for tech talent, they need to have the most flexibility to run their companies, including the flexibility to offer innovative compensation and benefits packages like stock options.

H.R. 3574, the Stock Option Accounting Reform Act, would allow companies to continue their practices of offering stock options to employees as a method of attracting the best and brightest workers without mandating that companies expense these stock options in annual reports.

There are also important safeguards in the Stock Option Accounting Reform Act to guard against corporate fraud. While companies would not have to expense the stock options given to rank-and-file employees, they would have to expense any stock option given to the chief executive officer and the next four most highly compensated executive officers of the company. In addition, this legislation requires companies to clearly disclose all information related to stock options in plain English in their financial statements.

H.R. 3574 protects an important tool that small businesses and start-up companies use to compete with others all over the world to bring the most skilled employees to work in the U.S. With companies in China and other competitors using stock option compensation packages to attract workers, we must ensure our government does not impede the ability of U.S. companies to compete in the highly-skilled labor market.

H.R. 3574 contains important safeguards against corporate fraud and ensures that American businesses have the tools they need to compete in the global marketplace.

Mr. Chairman, I urge each of my colleagues to support this important legislation.

Mr. BAKER. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota (Mr. KENNEDY), a member of the committee.

Mr. KENNEDY of Minnesota. Mr. Chairman, I too rise in support of the Stock Option Accounting Reform Act. This is about innovation that drives our economy. So many businesses have stock options as a primary tool to get the innovative juices of their employees going. It also really helps align the employees of the company with the interests of the company, moving it forward, helping it to be competitive.

This is a prime source of our innovation and success here in America. We do not need to limit it beyond the top five officers, as this does. If we went ahead with expensing stock options, the volatility and uncertainty, I think, would end the use of stock options and be detrimental to our economy.

So I do believe that we have to move forward to protect this innovative source of energy in our economy, keep our small businesses creating the new jobs of the future, keep America at the cutting edge, keep employees motivated and aligned with the interests of their enterprises, and this, in the end, will be good for America and good for the American economy.

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

Mr. BAKER. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I rise as a cosponsor and a strong supporter of H.R. 3574, the Stock Option Accounting Reform Act.

Stock options are extremely important to America's economic growth. They allow companies, particularly start-ups, to recruit and retain top-flight talent when the salaries they offer cannot compare with more established competitors. This is particularly important since the majority of the new jobs in the economy come from start-ups, and that issuance of stock options did not lead to corporate corruption.

The mandatory expensing of stock options as proposed by the Financial Accounting Standards Board will result in stock options being offered to only the most senior managers, if at all. Requiring the expenses of all stock options will make companies less inclined to offer such options to employees and thereby hamper the ability of companies that currently offer options to attract and retain talented employees.

Because options are used extensively by small innovative start-up companies, requiring expensing would have an adverse impact on innovation, economic growth and competitiveness.

It will confuse investors, because they cannot be accurately valued and do not reflect a cash cost. The expensing of stock options reflects a desire to reduce all potential liabilities to a single number in a company's earnings statement. However, GAAP earnings are only one measure to which investors should be looking.

Mr. BAKER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ), the chairman of the Democratic Caucus.

Mr. MENENDEZ. I thank the gentleman for yielding me time.

Mr. Chairman, I rise today in strong support of H.R. 3574, the Stock Option Accounting Reform Act. This bill I believe is proworker and corporate accountability. It is a true compromise that will protect broad-based stock options for rank-and-file workers, while ensuring accountability and transparency of the top corporate executives.

This bill requires stock option expensing of the top five corporate executives, which ensures public disclosure of executive compensation packages. So there is full disclosure and full transparency for corporate executives. At the same time, the bill protects the stock options that rank-and-file workers currently receive.

More than 14 million U.S. workers receive stock options and 15 percent of union workers receive stock options. That means that rank-and-file workers, not just corporate executives, are sharing in the benefit of stock options. These options are crucial to the global competitiveness of high-growth industries in this country. Companies such as the high-tech industry have to rely on stock options to recruit and retain high-skilled workers, very often keeping these good-paying jobs in the United States, rather than sending them overseas.

Stock options also give employees a stake in their company, creating incentives for every employee to work hard and ensure that the company succeeds. That gives U.S. companies an additional competitive advantage over their foreign competitors.

Some have argued that this bill just benefits fat-cat executives, but I believe nothing could be further from the truth. No one should be fooled into thinking that this bill lets corporate executives off the hook, because it does not. It actually requires the expensing and full accounting of the top executives' stock options.

It is naive to think if we require the expensing of all stock options, that suddenly executive compensation packages are going to be reduced or eliminated. That simply is not going to happen. What will happen if this bill is not passed, however, is that the stock options of 14 million rank-and-file workers will be in jeopardy. I encourage my colleagues to support the bill.

Mr. BAKER. Mr. Chairman, I yield 1 minute to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to comment briefly.

I want to make three points: One, WorldCom and Enron, some of the abusers that we have talked about here, did not have broad-based stock option programs. If you have listened carefully to the debate, no one has given an example of abuse from any broad-based company scheme. Indeed, the fact that they are broad-based makes it less likely that they will be abused.

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Second, cash poor, innovative companies deserve this tool. This is how they can compete with the more mature companies that the Warren Buffetts of this world invest in, where cash is king.

Third, contrary to what some of my friends have asserted, if one talks to investors, employees in these companies, and executives, they all agree that the highly variable balance sheet values that will be produced by this scheme will have a very negative impact on the perceptions of these companies, making it much less likely that they will use this technique.

The consensus is clear, and I hope my colleagues will approve the legislation.

Mr. BAKER. Mr. Chairman, I yield to the gentleman from Michigan (Mr. SMITH) for the purpose of making a unanimous consent request.

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Chairman, I rise to oppose the bill and ask that my "no" vote be submitted in the RECORD at this point because of the uniqueness of the intrusion of the Federal Government in demanding accounting principles.

I oppose H.R. 3574 for two reasons. First, it would set a precedent of Congress interfering in accounting minutia. According to CRS, Congress has never passed a law telling the private sector how to do accounting other than taxes. Second, if this bill were to become law, it would require different accounting standards for the United States and the rest of the world. It would, in effect, require two different accounting numbers for international companies, one with U.S. standards and one with international standards, as set by the International Accounting Standards Board (IASB). FASB, Federal Reserve Chairman Greenspan, SEC Chairman Donaldson, and many others have said that this type of rule change may harm the transparency of American accounting rules.

Mr. Chairman, I add to my "no" vote explanation, comments by some financial experts:

The Honorable Alan Greenspan, Chairman, Federal Reserve System, April 21, 2004

With respect to stock options, I think it would be a bad mistake for the Congress to impede FASB in this regard. And in this regard, as best I can judge the FASB changes in recommendations with respect to accounting procedures strike me as correct, and it's not clear to me what the purpose of Congress is in this particular procedure. I think the Congress would err in going forward and endeavoring to impede FASB in its particular activities:

William H. Donaldson, Chairman, United States Securities and Exchange Commission, May 3, 2004

For the policy reasons described above, recently underscored by the Sarbanes-Oxley Act, I strongly support an independent and open standard-setting process for establishing accounting principles for U.S. public companies. Accordingly, I believe that the process established by the FASB to consider the pending stock option proposal should be allowed to run its course:

The Honorable Paul A. Volcker, Chairman of the Trustees of the International Account-

ing Standards Committee Foundation, and former Chairman of the Federal Reserve System, April 20, 2004

I suggest that, before acting, Senators and Congressmen ask themselves two simple questions: Do I really want to substitute my judgment on an important but highly technical accounting principle for the collective judgment of a body carefully constructed to assure professional integrity, relevant experience, and independence from parochial and political pressures? Have I taken into account the adverse impact of overruling FASB on the carefully constructed effort to meet the need, in a world of globalized finance, for a common set of international standards?

Warren Buffett, Chairman and CEO, Berkshire Hathaway, May 1, 2004

Write your congresspeople giving them your views on whether options should be expensed. . . . It was a disgrace 10 years ago when Congress bludgeoned the SEC and the [Financial] Accounting Standards Board to override FASB's decision to expense options. It accelerated the anything-goes mentality of the 1990s.

The Honorable Richard C. Shelby, Chairman of the Committee on Banking, Housing, and Urban Affairs, United States Senate, June 30, 2003

I don't think we should make those rules in the Banking Committee or even in Congress. . . . [FASB] understands the implications. There are economic implications here, but it also gets into corporate governance and honesty in financial statements.

In conclusion Mr. Chairman, options clearly have a value and failing to expense them, despite the difficulty of doing so, distorts financial statements and is misleading and unfair to the casual investor.

Mr. BAKER. Mr. Chairman, I yield reluctantly only 1 minute, because of time limitations, to the gentleman from Texas (Mr. BARTON), the chairman of the Committee on Commerce.

Mr. BARTON of Texas. Mr. Chairman, I thank the distinguished subcommittee chairman, the gentleman from Louisiana (Mr. BAKER); and I want to commend the full committee chairman, the gentleman from Ohio (Mr. OXLEY), for bringing this bill to the floor.

There have been some issues about how to get it to the floor, and I am happy to report that we were able to work those out. The committee I chair was given a sequential referral, which we handled very expeditiously on Friday while we were not in session, so we were able to move on this bill.

I think the policies in the bill are a fair compromise between those who think all stock options should be expensed and those who think no stock options should be expensed. The gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) and others on the Committee on Financial Services have given us a compromise that sets a finite number of the most senior management team whose options should be expensed.

So I am happy to support the bill. I would encourage all Members to vote for the bill and hope that we can move it to the other body and hopefully get a positive vote on this piece of legislation in the other body.

So on behalf of the Committee on Energy and Commerce, we are happy to

cooperate with our friends on the Committee on Financial Services to bring this bill to the floor.

Mr. KANJORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

(Mr. SHERMAN asked and was given permission to revise and extend his remarks.)

Mr. SHERMAN. Mr. Chairman, I come here as a CPA to fight for the independence of the FASB, an independent board that has given us generally accepted accounting principles which this bill would change to generally political accounting principles. America has to fight in the world for capital.

In China, domestic companies just report pretty much whatever they want on their financial statements. America competes with tough, transparent, enforced, nonpolitical accounting standards. That image has been recently tarnished by recent scandals, and now we are being told to adopt generally political accounting principles that will further tarnish our image.

We are told that it is difficult to estimate the expense amount of stock options, that accountants cannot do it. Well, it is actually a lot easier than things accountants have been doing for centuries involving amortization, obsolescence, depreciation, and dozens of other estimates. We are talking here about executive compensation, some \$40 billion a year.

Now, imagine if you gave a crumb to 999 people and a giant cake to one person. You could then come to the floor and talk about a broad-based distribution of carbohydrates. That is in effect what we have here.

When the academics came before our committee, they explained roughly 30 percent of all stock options are in the hands of the top five executives, and the remaining 70 percent is spread very narrowly among other top executives. We have crumbs for the rank-and-file, almost all the options in the hands of the top executives. That is why 80 percent of CEO compensation in this country is in the form of stock options.

Let us say, even though that phoney accounting was good, should we not do it for health care instead of executive compensation? Why not have an accounting principle that says companies can provide employee health care, and we are going to encourage them to do so, and they do not have to list it as an expense on their income statement? The users of accounting information do not want this bill. The Investment Company Institute representing the mutual funds, and Alan Greenspan, for example, have come out against it.

Finally, this bill is absurd politics. It will hurt America in the fight for capital around the world.

This bill, for the first time in history, would overrule the FASB. Let us vote it down.

Mr. BAKER. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. HENSARLING), a member of the

committee and an outspoken advocate for the bill.

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding me this time, and I thank the gentleman from Louisiana (Chairman BAKER) and the gentleman from Ohio (Chairman OXLEY) for their work on this compromise legislation that is so important to our economy.

H.R. 3574 would prevent the proposed FASB rule from hurting start-ups and other small companies who very often rely on stock options as an incentive to hire and retain employees. If FASB is permitted to require these companies to report their options as an expense, the result will be a distorted view of earnings by investors and less confidence in our markets.

This bill will help improve the transparency and disclosure of stock options, while not negatively impacting the ability of businesses to provide this valuable incentive to their employees.

As our economy continues to improve and investor confidence rises, we must be careful not to place any excessive burdens on private business or act in any way that would reduce confidence in our markets.

If expensing options is mandated, I believe inaccurate and certainly misleading information will be produced, leaving investors with more questions than answers about a company's financial statements and economic conditions.

Also, Mr. Chairman, studies have shown that companies with broad-based option plans are generally more productive, and I urge my colleagues to support this legislation.

Mr. KANJORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Chairman, I rise in strong support of the bipartisan Kanjorski-Castle substitute and oppose the underlying bill.

I find it ironic, on a day in which the Wall Street Journal reports in its lead story about the disparity in the economy between the top 1 percent who are benefiting from this economy and the middle class who are hitting a dry hole as it relates to income costs, college costs, savings and retirement, here we are on the floor debating a bill in which the bulk of the benefits go to the top 1 percent.

Eighty percent of the compensation for CEOs is in the form of stock options. This is the year in which we are supposed to debate a higher education reauthorization bill. We do not do it. This is the year in which 44 million Americans are without health insurance, 33 million who work full-time. We do not debate it. So what does this Congress do? Rather than do the things it is supposed to be involved in, it is involving itself in the things that we should not be involved in. I wonder why the American people are so cynical about what we do around here.

The fact is, let me give Warren Buffett's quote about expensing stock

options, with all due respect to the intelligence and the wisdom of 435 Members when it comes to the private sector. Warren Buffett says, if options are not a form of compensation, what are they? And if compensation is not an expense, what is it? And if expenses should not go into the calculation of earnings, where in the world should they go?

That was Warren Buffett's analysis. That is why he believes this is the right thing for FASB to do.

The fact is, FASB was right to say that there should be expensing of options. What they need to continue to work on is how we come up with the issue of value and how we evaluate them. The work of FASB on this issue is not done, but they are right when it comes to the issue of expensing. It is time for Congress to return to the work of focusing on the middle-class families who are facing squeezes as it relates to their income that has been stagnated, college costs that have gone up by 26 percent, health care costs that have risen by 33 percent, 44 million Americans who are without health care, rather than get sidetracked into issues that do not relate to middle-class families and the forces of this economy on their living standards.

I support and ask Members to support the Kanjorski bill and not the underlying legislation.

Mr. BAKER. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, under the current FASB proposal, one would either use the binomial or the Black-Scholes methodology to determine the valuation of a stock option. During the intervening period, staff has calculated the remaining debate time available to me to close through both Black-Scholes and binomial, and the result has come out anywhere from zero to an hour and a half. Recognizing we have a commonsense limit of 1 minute, I shall proceed diligently.

The current proposal under H.R. 3574 would lead us to a transparent disclosure regime. It would continue a very important job-creation tool to our free enterprise system. It would allow employees to share in the free-enterprise dream of participating in the growth and ultimate financial profitability in the corporation for which they work.

Make no mistake: this bill nails those executives who have been held up as the abusive forces within our system by requiring the top five to expense their options granted.

The solution is not perfect; frankly, I would not require expensing at all. But it is a response to the critics who said executives have abused their privilege. For commonsense job creation and reform, I urge this body to support H.R. 3574.

Mr. UDALL of Colorado. Mr. Chairman, I rise in reluctant support of this bill.

I support what the bill attempts to preserve. Stock options have been an important way for companies to attract and retain talented workers. Many small, start-up companies—com-

peting for employees with larger firms that can pay more—have been able to offset the advantage of these larger firms by offering stock options to their employees.

I am not opposed to companies electing to expense stock options voluntarily—in fact, I voted for Representative OXLEY's amendment today that clarifies the right of those companies to continue to do so. But with so many millions of our workers still depending on these options at a time when we need entrepreneurship and innovation more than ever, I believe that if we are going to require the expensing of options, we have to make sure it is done right.

I am not an accountant, so I don't claim to know what is the "right" way to value options. The Financial Accounting Standards Board (FASB)—not Congress—is the appropriate institution to be addressing that question.

I do know, however, that I have heard from constituents, business leaders, and small and large companies alike representing many industry sectors that they are concerned about how FASB's current proposal would value options. One business leader wrote to me that "the FASB rule in its current form is unworkable, complex, extremely hard for investors to understand—let alone management to certify—and costly to implement."

I also know that I have heard many concerns expressed about FASB's process in formulating the stock options expensing rule, and many calls for Congress to intervene to prevent FASB's current proposal from taking effect. Many expressing those concerns think that FASB strayed from its own mission to be objective in its decisionmaking.

Mr. Chairman, this has left me and some of my colleagues in a quandary. While requiring the expensing of stock options might be the right course, it is the wrong course if it is done the wrong way. And with FASB moving ahead on its rule, I believe it is important to support this bill to send the message that FASB needs to slow down and work to come up with a standard that has broader support.

So let me be clear that my support for this bill is based less on the bill's provisions than it is on what I believe are the inadequacies of the FASB proposal. A better bill would provide investors with the information they need, but without penalizing the entrepreneurial spirit and employee ownership that stock options make possible. The bill we are considering today does not include these improvements.

Mr. Chairman, I strongly support making financial statements more accurate and transparent. But I also strongly believe that companies in Colorado and throughout this country have been able to innovate and contribute to the growth of our economy in part because of the stock option plans they have been able to offer to their employees. We must find the right way to value these options so as not to put this country's workers, their employees, and the economy in jeopardy.

Mr. SMITH of Texas. Mr. Chairman, I support H.R. 3574, the Stock Option Accounting Reform Act, which preserves broad-based stock options. It is vital that we preserve these incentives to promote stock ownership for millions of workers as we try to fulfill President Bush's goal of creating an "ownership society."

In my home state of Texas, numerous high-tech companies offer stock options to attract the best and the brightest employees. Options

have become a vital tool used to attract educated and highly-skilled employees to companies both in Texas and elsewhere.

Broad-based employee stock option plans give employees at all levels a chance to own a "piece of the rock." This in turn fuels innovation and the entrepreneurial spirit and increases productivity, because employees feel as though they have a vested interest in the success of the company.

However, the Financial Accounting Standards Board wants to change the rules in a way that would make it more difficult for companies to continue offering stock options to their rank-and-file employees.

Passage of H.R. 3574 is essential in our efforts to create more jobs and growth in the high tech sector of our economy. It would be a huge mistake to discourage companies from offering stock options. Many of our international competitors are increasing the use of stock options to gain competitive advantage. So they are a vital tool to recruit and retain high tech workers in America.

Mr. KIND. Mr. Chairman, I rise today in strong support of H.R. 3574, the Stock Option Accounting Reform Act. I believe it is extremely important to the nearly 15 million Americans who hold stock options that we pass this legislation.

As a member of the New Democrat Coalition, I have always supported protecting stock options. The promotion of stock options is an important tool for businesses seeking to recruit and keep employees. Innovative, creative companies have recognized that a key component to keeping the brightest and most talented workers is giving employees a stake in their company. The increasing accumulation of stock options by American workers has proved a financial success for employees and an important tool in helping the economy.

Another mark of the success of stock options is that employees at all ranks of companies hold them. Contrary to popular belief, it is not only corporate executives who hold stock options; rather, 85 percent of stock options are held by non-management workers. H.R. 3574 simply assures that these rank-and-file workers will have continued access to an important benefit. At a time when Americans are increasingly worried about losing jobs overseas and many small businesses are struggling, the protection of stock options is crucial to helping this country's economy.

Employee stock options are threatened, however, by a Financial Accounting Standards Board (FASB) proposed standard that would require companies to expense all employee stock options. This decision was made over the objection of numerous businesses and despite the likely negative economic consequences of the proposed standard. If Congress does not react, we run the risk of allowing millions of hard-working Americans to lose the financial benefit they have enjoyed from stock options as well as hurting small and large businesses throughout the country.

Clearly, there is a great need for the Stock Option Accounting Reform Act, which would require that stock options given to the top five executives of a company be expensed and require a study to review the possible implications of the FASB proposal on workers, businesses, and the American economy. The FASB ruling has the potential to do great harm to our country's economy and its workers. To prevent such harm, I urge my colleagues to

support this bipartisan bill that is so important to American workers.

Mr. HONDA. Mr. Chairman, as a Member of the Silicon Valley Congressional Delegation, I fully support H.R. 3574, the Stock Option Accounting Reform Act.

This sensible and balanced legislation promotes corporate transparency while protecting broad-based employee stock option plans. Such plans are good for workers, good for business and good for our Nation!

I would caution my colleagues against believing that stock options are bestowed upon a privileged few. A 2002 study concluded that 13 percent of American workers held stock options. That equals 14.6 million Americans, 85 percent of whom are in non-management positions.

It is no wonder then that workers are some of the most vocal opponents to expensing of stock options.

Just consider the comments submitted to FASB by one San Jose employee, "I have never felt the same ownership as I do now because of stock options. I am not an executive in the company but a supervisor-level engineer. This sense of ownership is true even for the entry-level technicians who also receive options."

Another high tech employee rightly concludes, "Making stock options less available only hurts the little guys—your constituents."

I ask my colleagues to act in the best interests of their constituents. Rather than allow FASB's rules to take effect, Congress should encourage more companies to offer stock options, so that thousands more can enjoy the financial security realized by 13 percent of American workers that have taken advantage of stock option purchase plans.

Employee stock option plans set our country apart from others; they reward hard work, ingenuity and dedication—the very qualities that have helped make our Nation the success story that it is. This bill is critical to preserving this important tradition.

I urge my colleagues to support H.R. 3574.

Mr. DINGELL. Mr. Chairman, the House should be ashamed today.

Two years after Jeff Skilling of Enron testified before the Congress about how stock option accounting can be abused to overstate earnings, and two years after we passed the Sarbanes-Oxley Act to clean up corporate and accounting fraud, the House has come to this Floor to pass legislation sanctifying phony accounting. We told the Financial Accounting Standards board (FASB) to fix this problem—now we're telling them, and investors, that the political fix is in.

H.R. 3574 is a bad bill. Federal Reserve Board Chairman Alan Greenspan warned in Congress that "it would be a bad mistake for the Congress to impede FASB" because the proposed FASB changes to accounting for stock options "strike me as correct."

Famed investor Warren Buffett says the legislation is "nonsensical" based on "fuzzy math" and "Alice-in-Wonderland assumptions."

Why does he say that? Well the bill mandates that, when a company is calculating the expense of the options given to the five highest paid executives—the only ones allowed to be expensed—it must assume that the stock price has zero volatility, i.e., it never goes up or down. As Buffett notes, the only reason for making such an assumption is to "significantly

understate" the value of the few options the bill allows to be accounted "to enable chief executives to lie about what they are truly being paid and to overstate the earnings of the companies they run."

The Chairman of the Securities and Exchange Commission (SEC) also opposes this legislation: it runs counter to the SEC's mandate to protect investors and to make sure that companies provide honest and transparent information.

The bill gets worse. Not content to sprinkle holy water on bad numbers, it goes on to prohibit the voluntary expensing of stock options by companies that want to present honest accounts. There are currently over 575 companies, including Ford, General Motors, Microsoft, and Citigroup, voluntarily expensing their options at fair value. If this bill were enacted in the form reported by the Committee on Financial Services, they would have to cease doing so and restate their financials at substantial cost and disruption to the market. Only after a hearing on the subject before the Committee on Energy and Commerce did the manager of the bill produce a Floor amendment to fix this flaw.

Finally, H.R. 3574 is opposed by FACTS (the Financial Accounting Coalition for Truthful Statements), a broad coalition of 30 pension funds, consumer groups, labor unions, and investors. Their July 19, 2004, statement to the House warns that "the proposed legislation is worse than current accounting practice."

I urge my colleagues to vote "yes" on the Kanjorski substitute, which affirms the independence of FASB and the importance of honest and credible accounting standards. If it fails, vote "no" on H.R. 3574.

The CHAIRMAN pro tempore (Mr. LAHOOD). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 3574

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 "Stock Option Accounting Reform Act".

SEC. 2. MANDATORY EXPENSING OF STOCK OPTIONS HELD BY HIGHLY COMPENSATED OFFICERS.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:

"(m) MANDATORY EXPENSING OF STOCK OPTIONS.—

"(1) NAMED EXECUTIVE OFFICER.—As used in this subsection, the term 'named executive officer' means—

"(A) all individuals serving as the chief executive officer of an issuer, or acting in a similar capacity, during the most recent fiscal year, regardless of compensation level; and

"(B) the 4 most highly compensated executive officers, other than an individual identified under subparagraph (A), that were serving as executive officers of an issuer at the end of the most recent fiscal year.

"(2) IN GENERAL.—Subject to paragraph (4), every issuer of a security registered pursuant to section 12 shall show as an expense in the annual report of such issuer filed under subsection (a)(2), the fair value of all options to purchase

the stock of the issuer granted after December 31, 2004, to a named executive officer of the issuer.

“(3) FAIR VALUE.—

“(A) IN GENERAL.—The fair value of an option to purchase the stock of the issuer that is subject to paragraph (2) shall—

“(i) be equal to the value that would be agreed upon by a willing buyer and seller of such option, who are not under any compulsion to buy or sell such option; and

“(ii) take into account all of the characteristics and restrictions imposed upon the option.

“(B) PRICING MODEL.—To the extent that an option pricing model, such as the Black-Scholes method or a binomial model, is used to determine the fair value of an option, the assumed volatility of the underlying stock shall be zero.

“(4) EXEMPTIONS.—

“(A) SMALL BUSINESS ISSUERS.—This subsection shall not apply to an issuer, if—

“(i) the issuer has annual revenues of less than \$25,000,000;

“(ii) the issuer is organized under the laws of the United States, Canada, or Mexico;

“(iii) the issuer is not an investment company (as such term is defined under section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3));

“(iv) the aggregate value of the outstanding voting and non-voting common equity securities of the issuer held by non-affiliated parties is less than \$25,000,000; and

“(v) in the case of an issuer that meets the criteria in clauses (i) through (iv) and is a majority-owned subsidiary, the parent of the issuer meets the requirements of this paragraph.

“(B) DELAYED EFFECTIVENESS.—The requirements of this subsection shall not apply to an issuer before the end of the 3-year period beginning on the date of the completion of the initial public offering of the securities of the issuer, and shall only apply to an option to purchase the stock of an issuer granted after such date.”.

SEC. 3. PROHIBITION ON EXPENSING AND ECONOMIC IMPACT STUDY.

(a) PROHIBITION.—Section 19(b) of the Securities Act of 1933 (15 U.S.C. 77s(b)) is amended by adding at the end the following:

“(3) PROHIBITION ON EXPENSING STANDARDS.—

“(A) IN GENERAL.—The Commission shall not recognize as ‘generally accepted’ any accounting principle relating to the expensing of stock options unless—

“(i) it complies with the requirements of subparagraph (B); and

“(ii) the economic impact study required under section 3(b) of the Stock Option Accounting Reform Act has been completed.

“(B) REQUIREMENTS.—A standard referred to in subparagraph (A) shall require that—

“(i) if an option to purchase the stock of an issuer that is subject to the requirements of section 13(m) of the Securities Exchange Act of 1934 is exercised—

“(I) any expense that had been reported under that section 13(m) with respect to such option shall be recomputed as of the date of exercise and shall be equal to the difference between the price of the underlying stock and the exercise price; and

“(II) to the extent the recomputed amount differs from the amount previously reported under section 13(m) with respect to such option, the difference shall be reported in the fiscal year in which the option is exercised as a reduction or increase, as the case may be, of the total expense required to be reported under that section 13(m) during that fiscal year;

“(ii) if an option to purchase the stock of an issuer that is subject to the requirements of section 13(m) of the Securities Exchange Act of 1934 is forfeited or expires unexercised, any expense that had been reported under that section 13(m) with respect to such option shall be reported in the fiscal year in which the option expires or is forfeited as a reduction of the total expense required to be reported under that section 13(m) during that fiscal year; and

“(iii) to the extent that any reduction required under clause (i) or (ii) exceeds total option expenses for any fiscal year, such excess shall be reported as income with respect to options to purchase the stock of the issuer.”.

(b) ECONOMIC IMPACT STUDY.—Not later than 1 year after the date of enactment of this Act, the Secretary of Commerce and the Secretary of Labor shall conduct and complete a joint study on the economic impact of the mandatory expensing of all employee stock options, including the impact upon—

(1) the use of broad-based stock option plans in expanding employee corporate ownership to workers at a wide range of income levels, with particular focus upon non-executive employees;

(2) the role of such plans in the recruitment and retention of skilled workers;

(3) the role of such plans in stimulating research and innovation;

(4) the effect of such plans in stimulating the economic growth of the United States; and

(5) the role of such plans in strengthening the international competitiveness of businesses organized under the laws of the United States.

SEC. 4. IMPROVED EMPLOYEE STOCK OPTION TRANSPARENCY AND REPORTING DISCLOSURES.

(a) ENHANCED DISCLOSURES REQUIRED.—Not later than 180 days after the date of enactment of this Act, the Commission shall, by rule, require each issuer filing a periodic report under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)) to include in such report more detailed information regarding stock option plans, stock purchase plans, and other arrangements involving an employee acquisition of an equity interest in the company. Such information shall include—

(1) a discussion, written in “plain English”, in accordance with the Plain English Handbook published by the Office of Investor Education and Assistance of the Commission, of the dilutive effect of stock option plans, including tables or graphic illustrations of such dilutive effects;

(2) expanded disclosure of the dilutive effect of employee stock options on the issuer’s earnings per share;

(3) prominent placement and increased comparability and uniformity of all stock option related information;

(4) the number of outstanding stock options;

(5) the weighted average exercise price of all outstanding stock options; and

(6) the estimated number of stock options outstanding that will vest in each year.

(b) DEFINITIONS.—As used in this section:

(1) COMMISSION.—The term “Commission” means the Securities and Exchange Commission.

(2) ISSUER.—The term “issuer” has the meaning provided in section 2(a)(7) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201(a)(7)).

(3) EQUITY INTEREST.—The term “equity interest” includes common stock, preferred stock, stock appreciation rights, phantom stock, and any other security that replicates the investment characteristics of such securities, and any right or option to acquire any such security.

SEC. 5. PRESERVATION OF AUTHORITY.

Nothing in this Act shall be construed to limit the authority over the setting of accounting principles by any accounting standard setting body whose principles are recognized by the Securities and Exchange Commission under section 19(b)(1) of the Securities Act of 1933 (15 U.S.C. 77s(b)(1)).

The CHAIRMAN pro tempore. No amendment to the committee amendment is in order except those printed in House Report 108-616. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by a proponent

and an opponent, shall not be subject to amendment, and shall not be subject to demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 108-616.

AMENDMENT NO. 1 OFFERED BY MR. OXLEY

Mr. OXLEY. 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. 1 offered by Mr. OXLEY:

At the end of subsection (m)(4)(B) of the matter proposed to be inserted by section 2 of the bill, strike the close quotation mark and following period and insert the following:

“(5) VOLUNTARY EXPENSING.—Notwithstanding the requirements of this subsection, issuers may elect to expense the fair value of all officer and employee stock options in the annual report of such issuer under subsection (a)(2), in accordance with the expensing alternative of Statement of Financial Accounting Standards Number 123, and any such issuer making such election in the annual report for a fiscal year shall not be subject to paragraphs (2) through (4) of this subsection for such fiscal year.”.

At the end of paragraph (3)(B) of the matter proposed to be inserted by section 3 of the bill, strike the close quotation mark and following period and insert the following:

“(C) EXCEPTION FOR VOLUNTARY EXPENSING.—Nothing in this paragraph or in any other provision of the Stock Option Accounting Reform Act shall prevent the Commission from continuing to recognize the expensing alternative of Statement of Financial Accounting Standards Number 123 as part of generally accepted accounting principles for issuers that elect to expense the fair value of all officer and employee stock options in the annual report of such issuer pursuant to section 13(m)(5) of the Securities Exchange Act of 1934.”.

The CHAIRMAN pro tempore. Pursuant to House Resolution 725, the gentleman from Ohio (Mr. OXLEY) and a Member opposed each will control 5 minutes.

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

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

The manager’s amendment to H.R. 3574 makes an important clarification to the bill as reported by the Committee on Financial Services. The bill was never designed to prevent any company that either currently expends its employee stock options or wishes to do so in the future from doing so. The manager’s amendment makes it explicit that a company that wishes to voluntarily expense its employee stock options may do so based on the expensing rules that companies are using today to expense their stock options.

The bill’s requirement that companies expense the employee stock options with the five top executives would not apply to any company that voluntarily expends all of its employee stock options under current rules.

Mr. Chairman, this is an important distinction, because if companies feel

it is important to expense these stock options, if they feel they may perhaps have a competitive advantage over competitors, they may choose to do so. It literally is a free country, and they have that obligation. This amendment simply clarifies that option that all companies, publicly traded companies, have; and I urge my colleagues to support the manager's amendment.

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

Mr. KANJORSKI. Mr. Chairman, we have no objection to the manager's amendment and support it.

Mr. OXLEY. 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 Ohio (Mr. OXLEY).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 2 printed in House Report 108-616.

AMENDMENT NO. 2 OFFERED BY MR. SHERMAN

Mr. SHERMAN. 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. 2 offered by Mr. SHERMAN: In subsection (m) of the matter proposed to be inserted by section 2 of the bill, strike

“(3) FAIR VALUE.—
“(A) IN GENERAL.—The”.

and insert

“(3) FAIR VALUE.—The”.

In subsection (m)(3) of the matter proposed to be inserted by section 2 of the bill, strike subparagraph (B).

The CHAIRMAN pro tempore. Pursuant to House Resolution 725, the gentleman from California (Mr. SHERMAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this bill is packaged as a bill that requires the expensing of stock options that are issued to the top five executives of every company. This amendment allows the bill to achieve its stated purpose.

The bill, in fact, when one reads the fine print, says that in calculating the value of options given to the top five executives of the company, one does not use either of the two formulas that are established. One does not use the best estimate. But one instead assumes that the stock does not go up or down in price over time, an absurd assumption, an assumption that yields a zero valuation for the stock options given to many top executives in this country.

If we adopt this amendment, then the bill will at least achieve the purpose it sets, namely, that we will have a fair expense reported on the income statement for options given to the top five executives.

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

Mr. OXLEY. Mr. Chairman, I rise in opposition to the amendment, and I

yield myself such time as I may consume.

Mr. Chairman, as I say, we have debated this amendment in committee, and it was defeated on a vote of 13 ayes and 43 nays, precisely because while the gentleman's intentions I think are good, as debate in the committee clearly showed, this amendment, should it be adopted, would, frankly, confuse investors far more than it would educate them.

□ 1315

An options value is estimated by applying an options pricing model at the date the option is granted.

It was interesting that one national accounting firm, which incidentally supports expensing, wrote FASB last year to support zero volatility, something that the Sherman amendment would bring into question. “We believe that using zero as the expected volatility of the stock price would increase the reliability of option values.”

So what we are trying to do with the underlying bill is not only provide the top five executives with the need to expense stock options, but also to give the investing public the kind of information they need so they can compare apples to apples in this regard; and unfortunately, the Sherman amendment does just quite the opposite.

So for those reasons, I would oppose the Sherman amendment.

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

Mr. SHERMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I rise in very, very strong support of the Sherman amendment. We need to understand there is \$126 billion in stock options granted in any one year, there was in 2000 in the United States of America. We are talking about small potatoes here, and frankly, the underlying bill here, in my judgment, is completely wrong in terms of the direction that the country and the stockholders are going. Who is speaking here for the stockholders of America, for those who have their value diluted because of what happens with stock options without any expensing whatsoever?

I yield to the gentleman from California (Mr. SHERMAN) in terms of his knowledge about accounting, but what I know about volatility is that without volatility, you would not have anybody in the stock market whatsoever. Without volatility, you really have no value in terms of the stock options which are being granted. Without volatility, that means you basically are not really expensing the stock options so that the other stockholders and other potential investors can see what is happening out there.

For all these reasons, I believe absolutely we should pass this amendment in order to insert the measure of what these expenses are really worth by putting the volatility back into it. It is al-

most impossible to determine value if you do not do that.

And I might just add, while we are talking about this, that in the area of accounting, we can talk about Black-Scholes being imprecise and laugh about it, whatever it might be, and certainly it is imprecise, but so is sometimes the good will, depreciation and a whole series of other accounting measures that are used in determining the values of corporations. It is not all quite as black and white as everybody would like.

So for all these reasons, but mostly because it is the stockholders, the shareholders who are suffering, by far the largest bulk. It is not the CEOs running the companies. It is not even the employees of the companies. It is the stockholders of the companies who are, in my judgment, being faulted by the methodology which we use now.

For all these reasons, I would encourage everyone here to consider supporting the Sherman amendment.

Mr. OXLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the chairman for yielding me this time and commend him and the subcommittee chairman for their work on this legislation, as well as my colleagues on the other side of the aisle.

But I wanted to continue this discussion that we have had in committee, that I have had with the gentleman from California about this issue.

See, I do not think that the best argument for having zero as our volatility number is actually a plausible argument, that valuing these options is inherently a very difficult task and assigning the appropriate volatility is very difficult.

I prefer the argument that we should not be expensing these at all. See, I think what some of my colleagues are confusing here is the difference between value and expense. Nobody is disputing that a stock option has value, but what I would dispute very vigorously is that issuing an option is equal to an expense on the part of the company issuing it.

Let us look at what happens. You grant an option to an employee. There is no cash outlay, and in fact, if that option expires worthless, there never will be a cash outlay. And, yet, if this amendment were to be adopted and became law, you would have to show an expense on an income statement in which no expense ever is incurred. And it is not just the options that expire worthless; in most cases, options that expire in the money are not bought out by the company. If they are, then current law requires that that cash event be represented on the income statement as it should be. But in fact, that expiration, most options that expire in the money are dealt with by a company issuing new shares. Again, there is no expense. There is no cash event. It never happens. There is a dilution in earnings, and that needs to be represented.

But what the gentleman is proposing in this amendment is to make a difficult situation worse.

I respect the compromise that is in this bill. If I could write it, I would write it differently, but I think it makes much more sense than what FASB is proposing and much more sense than what this amendment suggests, because this amendment suggests that we knowingly and systematically list an expense on an income statement even when it is not going to be incurred, and we never correct for that. So I would urge my colleagues to vote "no" on this amendment.

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

We are told by the gentleman from Pennsylvania that you should not list an item as expense on the income statement unless cash leaves the company. What if stock options were given to a health insurance company in return for providing health insurance to the employees? Everyone in this hall agrees that would be listed as an expense. What if a company issues stock in return for employee services or stock in return for supplies? Everyone agrees that would be listed as an expense.

Again and again, when a company is getting supplies, when it is rewarding its rank-and-file employees, when it is providing health care, everybody agrees you list that as an expense, even if no cash leaves the treasury of the company. And, yet, we are asked to make one exception, and that is for executive compensation.

Keep in mind the vast majority of these options are going to top executives. Thirty percent of the options are going to just the top five individuals. Now, there is a compromise that is set forward by the authors of this bill, and that is that at least the options going to the top five are going to be expensed. That is the compromise stated in the title of the bill.

And yet, when you look at the details, you see that roughly a quarter of the companies in this country expense stock options. Some use the binomial method. Some use Black-Scholes. No one uses the phony method, also known as the minimum-value method, under which you say you are expensing stock options, but assume zero volatility, a unique approach used only to conceal what the bill would accomplish.

Mr. Chairman, I yield back the balance of my time.

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

Let me say this debate raged in the committee. I think the committee made a wise choice in defeating that. It only got 14 votes and 33 against because of some of the arguments that were purported from members on both sides of the aisle regarding the innate confusion the gentleman's amendment would cause to the investing public.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, I thank the gentleman for yielding.

I would just make one brief further point, and that is, I think what accounting is supposed to be all about is providing the most accurate information, and by "accurate," I think we mean information that either immediately or at least in time converges with economic reality. We do not want corporations to be showing income or expenses that never occur. That is common sense, but that is the reality we are dealing with here.

And what this amendment does is it moves us away from that convergence to economic reality, and I think the underlying bill does a better job of capturing that economic reality, which ultimately in the case of stock options, I believe, should be primarily captured by showing the dilution that occurs in the form of new stock that is issued.

Mr. OXLEY. Mr. Chairman, I yield as much time as he might consume to the gentleman from Kansas (Mr. RYUN).

Mr. RYUN of Kansas. Mr. Chairman, I want to speak in opposition to the amendment. I want to thank the gentleman from Louisiana (Mr. BAKER) for drafting this thoughtful and thorough legislation.

I believe the approval of H.R. 3574 is essential to the economic well-being of many businesses, most significantly, many small businesses. As for the gentleman's amendment, while H.R. 3574 only requires the expensing of stock options granted to the top five employees of a given company, it is still necessary to accurately determine a value for the option to be expensed. Determining this value has proven tedious at best and extremely inconsistent and inaccurate at worst.

One of the reasons for the unreliability of these valuations is the requirement to factor in the anticipated volatility of a company's future stock prices. The value has proven virtually impossible and actually difficult to determine and is highly susceptible to error and manipulation.

I urge my colleagues to reject this amendment.

Mr. Chairman, I want to speak in opposition to the gentleman's amendment.

Mr. Chairman, I want to thank my friend, Mr. BAKER, for drafting this thoughtful and thorough legislation. I believe that the approval of H.R. 3574 is essential to the economic wellbeing of many businesses, most significantly many small businesses.

As for the gentleman's amendment, while H.R. 3574 only requires the expensing of stock options granted to the top five employees of a given company, it is still necessary to accurately determine a value for the options to be expensed. Determining this value has proven tedious at best and extremely inconsistent and inaccurate at worst.

One of the reasons for the unreliability of these valuations is the requirement to factor in the anticipated volatility of a company's future stock price. This value has proven virtually impossible to accurately determine and is highly susceptible to error and manipulation. By setting the volatility to zero, we greatly reduce the

possibility of manipulation. Some have incorrectly stated that setting volatility to zero will result in an expense value of zero. This is inaccurate. Other factors, including the underlying price of the stock, the exercise price of the option, and the life of the option will still be used to determine a value for the option.

I urge my colleagues to defeat the amendment.

Mr. OXLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. LAHOOD). The question is on the amendment offered by the gentleman from California (Mr. SHERMAN).

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

Mr. SHERMAN. 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 California (Mr. SHERMAN) will be postponed.

AMENDMENT NO. 3 OFFERED BY MRS. MALONEY
Mrs. MALONEY. 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. 3 offered by Mrs. MALONEY:

At the end of the bill, insert the following:
SEC. 5. CONFIRMATION OF S.E.C. AUTHORITY.

Nothing in this Act shall be construed to impair or limit the authority of the Commission to establish accounting principles or standards on its own initiative as the Commission deems necessary in the public interest or for the protection of investors.

The CHAIRMAN pro tempore. Pursuant to House Resolution 725, the gentlewoman from New York (Mrs. MALONEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York (Mrs. MALONEY).

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

My amendment preserves the full power of the SEC to determine what companies report and how they report it. This power was given to the SEC in 1934 after the accounting scandals in the 1920s and 1930s. My amendment preserves the current authority to protect investors and the public interest.

Under present law, and I quote from the law, if "the SEC determines that the public interest or the protection of investors so requires," it can set an accounting standard even if it has to override another law to do so, but only to protect the public interest.

This underlying bill takes away the SEC's power to protect investors. It would prevent the SEC from adopting any accounting standard, except the one set in the underlying bill.

So I would urge my colleagues on both sides of the aisle to be very careful with their vote on this amendment. If you vote against this amendment, you will be walking away from accounting standards that are set on the

principle of protecting the 84 million investors in our country and moving to a different standard, one that does not focus on protecting investors but gives a competitive advantage to a small number of companies.

This amendment protects investors. This amendment saves independent accounting standard setting, and this amendment prevents this body from making what Alan Greenspan called, "a bad mistake." And it is expressly supported by Arthur Levitt, Warren Buffett, John Bogle, the founder of the first mutual fund, and many other financial experts.

So I hope that this body will listen to the overwhelming views of financial experts and professionals and protect investors by supporting my amendment.

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

Mr. OXLEY. Mr. Chairman, I rise in opposition to the amendment, and I yield myself such time as I may consume.

Let me first say, while I oppose the amendment, the gentlewoman from New York has made an excellent contribution to the committee on a number of fronts, and we appreciate her efforts. We just happen to disagree on this particular amendment.

Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Chairman, I thank the gentleman for yielding me this time.

This, of course, is an important amendment, and we should not forget for a moment that the lawmaking business is a very difficult course to follow. If one introduces a measure in the House of Representatives, it may be subject to numerous hearings and, of course, examination by many people over the course of many months, in some cases, years. It then must go to the United States Senate, where it goes through a similar process.

Assuming the House and Senate may disagree, there is an extensive conference committee process. Ultimately, if passed by both Houses as a conference committee report, it goes on to the President of the United States, either for his signature or for his veto.

What is contemplated by the gentlewoman's amendment is to dramatically alter the course of public policy consideration. If one were to take, for example, the 1934 Securities Act, considered after many, many months of deliberation and debate, I would point out that we start in the United States Congress or in the United States Senate.

Both Houses meet, deliberate, hear witnesses, stakeholders, public comment, lobbyists abound, even FASB running around through the halls, and ultimately we pass a bill out that makes its way to the White House, and the White House may or may not sign or choose to veto such a proposal.

The effect of the gentlewoman's amendment from New York would be

to say after that lengthy process which, by the way, in the case of the stock option expensing debate has raged now for some time, after considerable hearings within the House Committee on Financial Services, even the cursory examination in the Committee on Energy and Commerce, now this public debate on the House floor.

And might I remind you we are now officially in an open public comment period by FASB, which we all of course know is closed, but for the sake of public discourse, we have an open public comment period. I would suggest the Congress is getting ready to comment on the matter.

What some are proposing with the Maloney amendment in the last circling at the end of the chart is that it would be the "oops" provision. The SEC could say, "Oops, the Congress got it wrong. The President got it wrong. We are simply going to disregard the actions of our public policymakers and decide we are going to do it differently."

□ 1330

Nowhere in the text of the public policy is there an arbitrary and capricious grant of authority for any bureaucratic enterprise to set aside the public policy determinations of the United States Congress. This, in fact, would be a first.

Now, I understand the dispute over the underlying reform proposal; but this, I suggest to Members of the House, is not an appropriate remedy for the concerns expressed by Members opposed to this H.R. 3574.

Should you be opposed to it, I suggest you vote against this measure and simply vote against the bill on final passage. However, I, for one, think it an extremely well-crafted remedy to the identified problem and urge my colleagues to support it on final passage.

Mrs. MALONEY. Mr. Chairman, I yield 1 minute to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Chairman, I have a different solution than the gentleman from Louisiana (Mr. BAKER). I would suggest that we vote for the Maloney amendment and then against the underlying legislation, because the Maloney amendment would reinstate where all of this should be with the SEC. Have we not had enough corporate malfeasance in this country, say for the last decade?

We should let the SEC do the job that they are supposed to do. They are charged with the responsibility of dealing with this. It has the authority to establish financial reporting standards applicable to public companies since its inception. This bill would limit that authority for the first time ever, preventing the SEC from adopting an accounting standard for stock options even if it finds that it is needed to protect the interest of the public or the investors.

It prevents the SEC from performing one of its most important functions,

establishing those accounting standards. It is that simple. That is where the expertise is.

I love the chart the gentleman from Louisiana (Mr. BAKER) had up there because eventually it showed that the regulators are the ones who are going to make the decisions. Perhaps they are better equipped to make these kinds of decisions. Perhaps people should sit down and talk to the FASB people and to the SEC people and understand that is where the decision should be made with respect to the expensing of stock options. Vote for the Maloney amendment.

The CHAIRMAN pro tempore (Mr. LAHOOD). The time remaining is 1½ minutes on each side.

Mrs. MALONEY. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts (Mr. FRANK), the ranking member of the Committee on Financial Services.

The CHAIRMAN pro tempore. The gentleman is recognized for 90 seconds.

Mr. FRANK of Massachusetts. Mr. Chairman, I welcome the gentleman from Louisiana's (Mr. BAKER) concern for congressional prerogative and not excessive delegation. I just wish it extended to the war power and a few other trivial matters.

On this particular subject, the gentlewoman's amendment is quite sensible. We have had criticism of the FASB arguing that they are going to make a decision that has broader public policy implications on grounds that are too technical. The gentlewoman's amendment gets us out of that box. And I have some sympathy with that argument because I do not think the FASB ought to go ahead, but I do not want to set the precedent of overturning the regulators.

What her amendment does is to say, okay, it will not be up to the FASB, making a narrow technical accounting decision; it will be up to the Securities and Exchange Commission and specifically instructs them to take into account the public interest. In other words, it seems to me that this is what Members have been saying, that this decision obviously should not ignore accounting principles but that should be leavened by a concern for the public interest. So it is not simply a repeat of the whole bill. It does say it will not be up only to the FASB as current law would allow it, but it does say we will let the SEC make that decision.

As to the argument this would somehow let the SEC overrule Congress, we would be voting to say to the SEC, here, we think based on invested protection and the public interest, you should make that decision. It would not be setting any precedent of overruling us or giving away our authority at all.

I would love to have a consistent regard for congressional authority. I wish we could do it with regard to overtime rules and the war powers. This is not one of those problems.

Mr. OXLEY. Mr. Chairman, I yield 45 seconds to the gentlewoman from California (Ms. ESHOO), who has been enormously helpful throughout this process and, in fact, testified before the Committee on Financial Services on this legislation.

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Ohio (Mr. OXLEY) for yielding me time.

Mr. Chairman, I oppose this amendment, and let me state very clearly why. Number one, this amendment allows the SEC to override what the Congress wants. I think that stands our process on its head. And I am not suggesting that our process is always perfect and tidy. I thought that when I came here that when the Congress legislates and the executive signs on to that and a bill becomes law that it is up to the executive branch of government to carry that out.

We have gotten nowhere with this accounting board. They do not want to sit down and hear the other side of this, which is economic. And so that is why I urge my colleagues to reject the amendment.

It essentially guts the bill. If you are opposed to stock options for rank-and-file employees, be opposed to that; but to do this the other way around, I think really begs the question.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from New York (Mrs. MALONEY).

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

Mrs. MALONEY. 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 gentlewoman from New York (Mrs. MALONEY) will be postponed.

It is now in order to consider amendment No. 4 printed in House Report 108-616.

AMENDMENT NO. 4 OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. 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. 4 offered by Mr. KANJORSKI:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Accounting Standards Integrity Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Securities and Exchange Commission has broad authority to prescribe accounting standards applicable to issuers of publicly traded securities, and generally has relied on the Financial Accounting Standards Board to establish generally accepted accounting standards for private sector businesses.

(2) Objective accounting standards are essential to the efficient functioning of the economy and the capital markets, as investors, creditors, analysts, auditors, and others

rely on credible, transparent, and comparable results of operations in making decisions regarding the allocation of capital.

(3) Congress recently acknowledged the importance of the accounting standard-setting process to our capital markets and strengthened the the Financial Accounting Standards Board's independence as part of the Sarbanes-Oxley Act of 2002, which passed the House of Representatives and the Senate by votes of 423-3 and 99-0, respectively.

(4) Congress, in the Sarbanes-Oxley Act of 2002, also recognized the importance of the convergence of United States and international accounting standards on high quality accounting standards.

(5) The United States capital markets enjoy a competitive advantage as a result of the high quality and integrity of our financial reporting system and the accounting standards that underlie it and would lose that advantage over foreign markets if our accounting standards and policies are considered less than objective.

(6) Investors benefit from independent and fair accounting standards that are free from undue political interference.

(7) The rulemaking authority and credibility of the Financial Accounting Standards Board may be irreparably damaged by legislation that preempts the existing public and fair deliberative process.

(8) The Securities and Exchange Commission of the United States has the ultimate authority over the content and process for setting standards for issuers of publicly traded securities.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of Congress that—

(1) preserving the integrity of the accounting standard-setting process and the independence of the Financial Accounting Standards Board is crucial to the functioning and transparency of the financial reporting systems and capital markets of the United States; and

(2) the Securities and Exchange Commission should be permitted to recognize or adopt new accounting standards without Congress or other parties intervening in the process before it is completed to override or delay recognition of those standards.

SEC. 4. SECURITIES AND EXCHANGE COMMISSION MANDATE.

Consistent with its established procedures, the Securities and Exchange Commission shall—

(1) oversee the process of accounting standard-setting to ensure a process that assures that all of the comments, concerns, and recommendations gathered during the comment period on any proposal regarding equity-based compensation are subject to appropriate review; and

(2) before a final standard is adopted, ensure that any modifications are made that are appropriate for the purposes of adopting the highest quality accounting standards that will best serve the purposes of our financial reporting system and the United States economy as a whole.

The CHAIRMAN pro tempore. Pursuant to House Resolution 725, the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from Ohio (Mr. OXLEY) each will control 10 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. KANJORSKI).

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

Mr. Chairman, the Kanjorski-Castle-Dingell-Maloney-Emanuel substitute is simple in its structure and intent. In

short, it would replace the current text of H.R. 3574 with language designed to preserve the independence of the Financial Accounting Standards Board in establishing accounting standards.

Specifically, the substitute incorporates a series of findings concerning SEC authority over standards setting and the importance of credible accounting standards to the economy and investors. It also puts forward a sense of Congress that preserving the integrity of the accounting standards setting process is crucial to the financial reporting systems and markets.

Finally, it provides direction to the SEC to oversee the process of setting standards for equity-based compensation to ensure that all comments, including those of the high-tech industry, are appropriately reviewed and that any modifications necessary to ensure the highest quality accounting standards are adopted.

Mr. Chairman, deciding what should be accounted for and how it should be accounted for is the job of the Financial Accounting Standards Board, not the Congress. As a Washington Post recently editorialized, "The accounting standards, like interest rates and determinations of drug safety, should not be set by Congress." They should be set by the experts at the Financial Accounting Standards Board.

Moreover, we should not start proceeding down a slippery slope of establishing accounting standards via political process. As the Financial Accounting Foundation has noted, "Once Congress starts setting accounting standards through its political process, the integrity of the United States accounting standards-setting and the credibility of the U.S. financial reporting will be dangerously compromised."

In short, we should ensure that the Congress does not become an appellate court for accounting standards. I hope my colleagues, therefore, would support our bipartisan substitute.

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

Mr. OXLEY. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

Mr. DREIER. Mr. Chairman, I thank my friend for yielding me time. I congratulate him on the role that he has played in getting us to this point.

I rise in strong opposition to this substitute because just as the amendment that was proposed by my friend, the gentlewoman from New York (Mrs. MALONEY), it basically guts the bill. I believe it is very important for us to recognize that the United States Congress has a very important role here. We all recognize the independence of the Financial Accounting Standards Board, the Securities and Exchange Commission, but the United States Congress has oversight responsibility. And we have important oversight responsibility, especially in light of the fact that we are looking at a provision which is so amorphous, because no one

has been able to actually quantify exactly what the value of these options is. Whether it is Black-Scholes or binomial, virtually everyone has come to the conclusion that it is impossible, impossible for us to accurately do it no matter how hard we try to base it on a balance sheet.

But I think the important point that needs to be raised and why I am so strongly opposed to this substitute, which again would undermine the whole basis of what it is that we are trying to do with this legislation, is we are forgetting the fact that while the Financial Accounting Standards Board, the SEC, may not focus on the issues of economic growth, every single day we, as Members of Congress, have a responsibility to do what we can to make sure that we take steps to unleash the creative potential of the American worker. And that improves the quality of life, the standard of living for people here in the United States and around the world.

So I believe that it would be a real mistake for us to pass this substitute. We need to do everything we can to make sure that we as Members of the United States Congress encourage productivity, encourage innovation and make sure we have economic growth succeed.

Oppose this substitute and support final passage on the bill.

Mr. KANJORSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware (Mr. CASTLE), a co-sponsor of the substitute amendment.

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding me time.

I would like to paint a little bit of a different picture here. Let us assume instead of Members of Congress, these 435 seats were filled with stockholders of various companies in this country, and I said, look, we have \$126 billion worth of expenses to the various corporations, but you will never see it because we will do it without any kind of an entry whatsoever.

That is what this is really all about. That is what we are dealing with.

We are really not expensing stock options at all. It is, in my judgment, ludicrous to suggest that the bill which is before us actually expenses stock options without any kind of a volatility standard in them. So we are just letting that go on as we did for some time.

But what is happening around the United States of America as we speak here today? What is happening is that a lot of people who are a heck of a lot more knowledgeable about corporations, equity and running of corporations than we are, are saying, hey, this is wrong; we need to expense stock options.

I have these names here; I cannot go through them all. I do not have time to do that in the 3 minutes I have, but we recognize a lot of them. Alan Greenspan, Paul Volcker, Warren Buffet, names such as that. A significant number of people who have looked at this

very carefully have come to the conclusion that we absolutely must do something about it.

A number of stockholders, as well, have done the same thing. For the first time ever, public proxies opposed by corporations are actually passing in the United States of America, some 40 of them this year, because stockholders have actually spoken out and have actually made the statement that we are going to do something about this; we are going to start to expense stock options.

Then, in addition to that, many corporations have looked at this and they said, we really do not need to have stock options unexpensed. We can expense them. We can live with that. Or we can issue restricted stock. There is a whole variety of ways in which we can compensate our executives and our other employees in a fair manner but in a way that would be shown to everybody who has invested in the corporation or might want to invest in the corporation.

Then there are all those companies that are voluntarily expensing their stock options. Again, I do not have the time to go through all of them, but Amazon, American Express, AT&T, Capital One, Coca-Cola, Daimler Chrysler. You name it and they are all beginning to do it.

The proposal which we have before us allows a regulatory body, the SEC working through FASB, to be able to come up with the fairest methodology of doing this. They have issued a rule. They are now listening to whatever the suggestions are. They should perhaps listen to Congress. I will be the first to tell you that Black-Scholes and other methodologies are not necessarily precise, but at least we are showing the expense of stock options so that all of the investors in this world, well over 50 percent of Americans who have invested in either mutual funds or corporations, will actually know what the heck is happening with those corporations.

If we vote for this legislation, we are basically going to brush it right back under the rug, and that is not where it belongs. So I would encourage everybody to take a careful look at this substitute which I think makes a lot of sense in terms of giving FASB the right to continue to do what they are doing. I would encourage us to look at all the amendments which are outstanding at this point and to vote for them and to oppose the legislation when the final say comes for the stockholders and the people of America.

□ 1345

Mr. OXLEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. BAKER), the chairman of the subcommittee.

Mr. BAKER. Mr. Chairman, I thank the chairman for yielding me time.

Since 1969, the current debate has been in some form or fashion engaged by FASB, 1969, 35 years. You would not

think that that would be considered a new and innovative strategy to begin expensing or not expensing options.

In 1995, the current methodology was adopted as a compromise. Yes, you can expense, if you so choose, determined by your board, driven perhaps by your shareholders, but you may also disclose in the footnotes.

What are footnotes? They are notes in the annual report to shareholders. If you are a shareholder and you are worried about diluted effect, in other words, they are giving an option to someone, what does that do to my asset in the company, you can find that out with an examination of the annual report.

To suggest that this is a new tactic developed by some executive in a back room to cheat shareholders or Americans out of value gained in their corporate investment is simply not accurate. This has been a practice common in the business world for many, many years.

Now, at question is whether or not a handful of executives who are identified as abusing their privileges ought to be brought to some account. The answer with the passage of this bill is "yes." If you are one of the top five executives who, by some accounts, hold the majority of options granted, you will now be required to expense those options at the time they are granted to the employee. It does not, however, require the large number of employees who benefit from investment, showing up early, staying late, investing their intellectual and personal capital into the business, who ultimately benefit from the overall growth and value of that corporation by seeing their shares increase in value.

Forty-five percent of the venture capital in this country goes to the Silicon Valley, 45 percent, and the bulk of that goes to these new technology start-up companies. If my colleagues wish to see them in the future, please vote for H.R. 3574. It is rational reform headed in the right direction.

Mr. KANJORSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK), the ranking member of the Committee on Financial Services.

MR. FRANK of Massachusetts. Mr. Chairman, I am delighted to take up where the previous speaker left off.

No, I do not want to see an end to venture capital in the Silicon Valley, and my argument is that this is greatly overblown. Here is the argument; we have just heard it.

We have this very valuable resource in America, these high-tech start-ups. They are, on the whole, quite productive; they generate wealth, venture capitalists give them money, and we are being told that the venture capitalists in America are so stupid that a change in accounting, which represents no change in reality, will drive them away from this business.

Now, I agree with those who say that the options are a good thing. I do not

think investors are misled. If you are going to invest in a company, read the footnotes, and if you did not read the footnotes when you invested, do not complain to me. I have got constituents with real problems.

On the other hand, the argument that if you change the accounting and the reality is not changed, remember this has not been the issue. Nothing about what FASB is proposing would stop the issuance of options. It simply changes the way they are accounted for literally.

The argument is that the most sophisticated investors in America will see a change in the accounting and they will say, Oh, my God, I had better stop investing in these companies; I did not know that they were doing this. Well, of course they know. Both sides know. No one is getting any new information out of this.

The question is, if the accounting takes them from a gain on paper to a loss on paper with no change in reality, will that dry up capital?

Now, I understand where if you are one company out of many and you did this and others did not, maybe you would be at a disadvantage, but are venture capitalists so dumb that they do not know what apparently everybody here does? I think they at least tie us in intelligence and understanding of economic processes. Are they going to say, Oh, now that the accounting is changed, now that this is expensed, even though the realities are the same, I will withdraw my investment? I am wholly skeptical of that argument.

Mr. OXLEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Chairman, I thank the gentleman from Ohio for the time, and Mr. Chairman, I would like to point out a few things here about the substitute.

First of all, obviously I respect the gentleman from Pennsylvania, but I do not support the substitute, and let me tell my colleagues why.

There was a chart that was here on the floor a little earlier of companies that expense. I wish we had a chart on the floor that demonstrated that those companies that do not offer stock options to their rank-and-file employees.

This debate is not about the venture capitalists. They are going to make their investments. They are going to pick and choose. But this is a magnet that attracts individuals to form new companies to allow them to grow and bring them up to profitability. We want to destroy this? Well, it is going to be in the hands of the Congress to do that. That is what this debate is about.

Those that have problems with executive compensation have problems with it. Talk to the board of directors that form those packages, but rank-and-file employees do not get to negotiate their compensation or those packages. That is why their stock options are so important.

This substitute does not address FASB's failure to develop accurate expensing formulas. They are unwilling to even road-test the standards that they are talking about.

Now, I think that that is really unfair. That is why, as a Member of Congress, I stepped in. I think we should, and I think it is appropriate because we do have a responsibility to answer to the American people about economics and economic impacts on our people.

That is why I urge my colleagues to reject and to vote against the Kanjorski substitute. It was rejected in the committee and it should be on the floor.

Mr. KANJORSKI. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for giving me an opportunity to talk about the Stock Option Accounting Reform Act.

This is Alice in Wonderland. The notion that the legislation could be labeled with such a title originates in a statement by Warren Buffett, CEO of Berkshire Hathaway.

Why does the second richest man in America oppose a bill that could conceivably make his company look more profitable? It is because the bill only makes the profit look better on paper, while the real bottom line does not change.

The bill perpetuates an accounting gimmick that has harmed far too many investors. Think Enron.

The bill's suggested method for valuing options could grossly underestimate their true value and provide an inflated view of a company's profits. That is misleading to investors who have a right to accurate information.

Take Intel as an example. If this bill were law, Intel would be able to overstate their profits by \$991 million. If every company can overstate profits, as this bill allows, then no investor will have accurate information and our markets will be neither efficient nor truly free.

I ask my colleagues to vote against H.R. 3574. It is a misleading and irresponsible bill, and we ought to be here protecting small investors, and that ought to be a goal of the United States Congress.

Mr. OXLEY. Mr. Chairman, I am pleased to yield 1½ minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, I thank the chairman for the time.

I think that some speakers seem to distrust big business. Some do need it, but I would tell my colleagues, California was hit extensively with defense cuts. A lot of the jobs were lost, a lot of not just DOD but jobs in the high-tech industries, defense and so on.

We have replaced a lot of our businesses with bio-tech, and quite often the young entrepreneurial company does not have the capital to start up the business. So what did they do?

They reach out to scientists and say, Hey, we cannot pay you the amount necessary to study a cure for AIDS or cancer, but we can give you a piece of the rock.

Some of my colleagues talked about creation of jobs. Well, we have gotten rid of the high-paying jobs and only have the low-service jobs.

These quite often are high-paying jobs. It is an investment in the future, not only of the company but for the workers on all levels of that company that do have stock options. For California, our job market is improving, primarily of those young entrepreneurial companies. There are some that want to tax those, put a tax on it, but we think that that is wrong. When we could create an environment that produces jobs on all levels of the scientists, all the way from the people that take out the trash, and that is good, and it means that the economy can recover; and in the State of California it helps us, and I rise in strong support of this bill.

Mr. KANJORSKI. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Chairman, I thank the gentleman for yielding me time.

America has to fight to get capital. China lets its domestic companies put anything they want on their financial statements. We respond with independent, nonpolitical, generally accepted accounting principles written by the FASB, an independent board. Under this bill, we would have generally political accounting principles. Capital will go abroad.

No wonder perhaps the best group defending investors, Greenspan, Buffett, the mutual funds represented by the Investment Company Institute and the major pension plans representing public employees all oppose this bill.

We are told that options are broadly based. Thirty percent of the options goes to the top five executives; the other 70 percent are narrowly spread among top executives. That is why 80 percent of CEO compensation in this country comes in the form of stock options.

We are told that it is difficult to do the calculations to expense stock options, but accountants do much more difficult calculations already and have for generations.

We are told that we should adopt an absurd accounting standard, one where if you give an option to the number five person at a company, that is an expense, but the number six person at the company gets an option that is not an expense. Only a political body like Congress would decide that the weights and measures varied dependent upon whether you are dealing with the number five executive or the number six executive.

In sum, Mr. Chairman, imposing political standards in an effort to conceal executive compensation will tarnish America's image for objective financial

reporting and hurt our efforts to attract capital from around the world.

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

This has been an excellent debate, and I have great respect for the two gentlemen who have offered this substitute, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Pennsylvania (Mr. KANJORSKI), but the issue here is whether duly elected public policymakers, that is, the Congress, have a responsibility to deal with issues that come into the realm of the economy, job creation, economic growth and the like, and I think clearly the answer is "yes."

How many arguments have we heard about outsourcing? How many arguments have we heard about the fact that we are falling behind in the technology gap with Asian countries? How many times have we heard the arguments about the number of engineers that are produced in other parts of the world compared to here or in science and the like? How many times have we heard about the competition out there for good quality people who have an idea, who want to bring that idea to fruition?

That is really what employee stock options do. It gives them an incentive. It incentivizes these folks to work harder and to come up with more innovations because they have a piece of the action. They own part of that company, and this is clearly what it is.

The fastest growing area for employee stock options is Asia, and among the Asian countries, the fastest growing country for creation of employee stock options is Communist China.

□ 1400

When our American companies have to compete for talent with Japan and China and other countries in Asia, and at the same time we have politicians and pundits complaining about outsourcing and about our inability to be competitive, do we have to stand back as elected Members of Congress and say we are willing to allow those decisions to be made by unelected bureaucrats and the private sector? I say, no.

So this idea that the gentleman from Louisiana (Mr. BAKER) came up with, which deals with that 30 percent, the top five people in a corporation, this deals directly with that. It says we are going to have them report those stock options. That is precisely the point behind this.

If the argument is that somehow all of the business scandals resulted from the fact that people were abusing stock options, then this bill is the answer to that problem. I ask Members to oppose the substitute and for a strong bipartisan vote for final passage.

The CHAIRMAN pro tempore (Mr. LAHOOD). The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

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

Mr. KANJORSKI. 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 Pennsylvania (Mr. KANJORSKI) 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. 2 offered by the gentleman from California (Mr. SHERMAN); amendment No. 3 offered by the gentlewoman from New York (Mrs. MALONEY); and amendment No. 4 offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. SHERMAN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California (Mr. SHERMAN) 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 126, noes 296, not voting 11, as follows:

[Roll No. 394]

AYES—126

Abercrombie	Fossella	Oberstar
Ackerman	Frank (MA)	Obey
Alexander	Gilchrest	Olver
Andrews	Gillmor	Owens
Baldwin	Grijalva	Pallone
Bass	Gutierrez	Pascrell
Becerra	Hastings (FL)	Pastor
Bell	Hinchey	Payne
Bereuter	Holt	Peterson (MN)
Berman	Hoyer	Petri
Berry	Jackson (IL)	Platts
Bishop (NY)	Jackson-Lee	Pomeroy
Bono	(TX)	Rahall
Brady (PA)	Jones (OH)	Rangel
Brown (OH)	Kanjorski	Rodriguez
Brown, Corrine	Kaptur	Rohrabacher
Capps	Klezcka	Rothman
Cardin	Kucinich	Roybal-Allard
Castle	Leach	Rush
Clay	Lee	Ryan (OH)
Clyburn	Levin	Sabo
Conyers	Lewis (GA)	Sánchez, Linda
Costello	Lipinski	T.
Davis (CA)	Lowe	Sanders
Davis (FL)	Maloney	Schakowsky
Davis (IL)	Markey	Serrano
DeFazio	Marshall	Shays
DeGette	Matsui	Sherman
DeLahunt	McCollum	Skelton
DeLauro	McDermott	Slaughter
Deutsch	McNulty	Smith (MI)
Dingell	Meech (FL)	Solis
Doggett	Michaud	Spratt
Doyle	Millender-	Stark
Duncan	McDonald	Stearns
Ehlers	Miller, George	Strickland
Emanuel	Murtha	Stupak
Evans	Nadler	Taylor (MS)
Fattah	Napolitano	Thompson (MS)
Filner	Neal (MA)	Tierney

Udall (CO)
Visclosky
Waters

Watson
Watt
Waxman

Weiner
Weldon (PA)
Wexler

NOES—296

Aderholt	Gibbons	Miller (NC)
Akin	Gingrey	Miller, Gary
Allen	Gonzalez	Mollohan
Baca	Goode	Moore
Bachus	Goodlatte	Moran (KS)
Baird	Gordon	Moran (VA)
Baker	Goss	Murphy
Barrett (SC)	Granger	Musgrave
Bartlett (MD)	Graves	Myrick
Barton (TX)	Green (TX)	Nethercutt
Beauprez	Green (WI)	Neugebauer
Berkley	Greenwood	Ney
Biggert	Gutknecht	Northup
Bilirakis	Hall	Norwood
Bishop (GA)	Harman	Nunes
Bishop (UT)	Harris	Nussle
Blackburn	Hart	Ortiz
Blumenauer	Hastings (WA)	Osborne
Blunt	Hayes	Ose
Boehlert	Hayworth	Otter
Boehner	Hefley	Oxley
Bonilla	Hensarling	Paul
Bonner	Herger	Pearce
Boozman	Herseth	Pelosi
Boswell	Hill	Pence
Boucher	Hinojosa	Peterson (PA)
Boyd	Hobson	Pickering
Bradley (NH)	Hoekstra	Pitts
Brady (TX)	Holden	Pombo
Brown (SC)	Honda	Porter
Brown-Waite,	Hoolley (OR)	Portman
Ginny	Hostettler	Price (NC)
Burgess	Houghton	Pryce (OH)
Burns	Hulshof	Putnam
Burr	Hunter	Radanovich
Burton (IN)	Hyde	Ramstad
Buyer	Inslee	Regula
Calvert	Israel	Rehberg
Camp	Issa	Renzi
Cannon	Istook	Reyes
Cantor	Jefferson	Reynolds
Capito	Jenkins	Rogers (AL)
Capuano	John	Rogers (KY)
Cardoza	Johnson (CT)	Rogers (MI)
Carson (OK)	Johnson (IL)	Ros-Lehtinen
Carter	Johnson, E. B.	Ross
Case	Johnson, Sam	Royce
Chabot	Jones (NC)	Ruppersberger
Chandler	Keller	Ryan (WI)
Chocola	Kelly	Ryan (KS)
Coble	Kennedy (MN)	Sanchez, Loretta
Cole	Kennedy (RI)	Sandlin
Cox	Kildee	Saxton
Cramer	Kilpatrick	Schiff
Crane	Kind	Schrock
Crenshaw	King (IA)	Scott (GA)
Crowley	King (NY)	Scott (VA)
Cubin	Kingston	Sensenbrenner
Culberson	Kirk	Sessions
Cummings	Kline	Shadegg
Cunningham	Knollenberg	Shaw
Davis (AL)	Kolbe	Sherwood
Davis (TN)	LaHood	Shimkus
Davis, Jo Ann	Lampson	Shuster
Davis, Tom	Langevin	Simmons
Deal (GA)	Lantos	Simpson
DeLay	Larsen (WA)	Smith (NJ)
DeMint	Larson (CT)	Smith (TX)
Diaz-Balart, L.	Latham	Smith (WA)
Diaz-Balart, M.	LaTourette	Snyder
Dicks	Lewis (CA)	Souder
Dooley (CA)	Lewis (KY)	Stenholm
Doolittle	Linder	Sullivan
Dreier	LoBiondo	Sweeney
Dunn	Lofgren	Tancredo
Edwards	Lucas (KY)	Tanner
Emerson	Lucas (OK)	Tauscher
English	Lynch	Tauzin
Eshoo	Manzullo	Taylor (NC)
Etheridge	Matheson	Terry
Everett	McCarthy (MO)	Thomas
Farr	McCarthy (NY)	Thompson (CA)
Feeney	McCotter	Thornberry
Flake	McGovern	Tiahrt
Foley	McHugh	Tiberi
Forbes	McInnis	Toomey
Ford	McIntyre	Towns
Franks (AZ)	McKeon	Turner (OH)
Frelinghuysen	Meehan	Turner (TX)
Frost	Meeks (NY)	Udall (NM)
Gallegly	Menendez	Upton
Garrett (NJ)	Mica	Van Hollen
Gephardt	Miller (FL)	Velázquez
Gerlach	Miller (MI)	Vitter

Walden (OR)	Whitfield	Woolsey
Walsh	Wicker	Wu
Wamp	Wilson (NM)	Wynn
Weldon (FL)	Wilson (SC)	Young (AK)
Weller	Wolf	Young (FL)

NOT VOTING—11

Ballenger	Engel	Majette
Carson (IN)	Ferguson	McCrery
Collins	Hoefel	Quinn
Cooper	Isakson	

□ 1426

Mrs. WILSON of New Mexico, Ms. KILPATRICK, and Messrs. GUT-KNECHT, WYNN, BRADLEY of New Hampshire, LANTOS and BISHOP of Georgia changed their vote from “aye” to “no.”

Ms. CORRINE BROWN of Florida, Mr. DEUTSCH and Mr. DINGELL changed their 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 MRS. MALONEY

The CHAIRMAN pro tempore (Mr. LAHOOD). The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from New York (Mrs. MALONEY) 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 CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 114, noes 308, not voting 11, as follows:

[Roll No. 395]

AYES—114

Abercrombie	Gillmor	Owens
Ackerman	Grijalva	Pascarell
Alexander	Gutierrez	Pastor
Andrews	Hastings (FL)	Payne
Baldwin	Hinche	Peterson (MN)
Becerra	Holt	Petri
Bereuter	Hoyer	Pomeroy
Berman	Jackson (IL)	Rahall
Berry	Jackson-Lee	Rangel
Bishop (NY)	(TX)	Rohrabacher
Bono	Johnson (IL)	Rothman
Brady (PA)	Jones (NC)	Roybal-Allard
Brown (OH)	Kanjorski	Rush
Capps	Kaptur	Ryan (OH)
Cardin	Kleczka	Sabo
Castle	Kucinich	Sánchez, Linda
Clay	Leach	T.
Clyburn	Lee	Sanders
Conyers	Levin	Schakowsky
Costello	Lipinski	Serrano
Cummings	Lowe	Shays
Davis (CA)	Maloney	Sherman
Davis (FL)	Markey	Slaughter
Davis (IL)	Marshall	Solis
DeFazio	Matsui	Spratt
DeGette	McCollum	Stark
Delahunt	McDermott	Strickland
DeLauro	McNulty	Stupak
Deutsch	Miller (NC)	Taylor (MS)
Dingell	Miller, George	Thompson (MS)
Doyle	Murtha	Tierney
Emanuel	Nadler	Towns
Engel	Napolitano	Van Hollen
Fattah	Neal (MA)	Visclosky
Fossella	Oberstar	Waters
Frank (MA)	Obey	Watson
Gilchrest	Oliver	

Watt	Weiner	Wu
Waxman	Wexler	Wynn

NOES—308

Aderholt	Frelinghuysen	Meek (FL)
Akin	Frost	Meeks (NY)
Allen	Gallely	Menendez
Baca	Garrett (NJ)	Mica
Bachus	Gephardt	Michaud
Baird	Gerlach	Millender-
Baker	Gibbons	McDonald
Barrett (SC)	Gingrey	Miller (FL)
Bartlett (MD)	Gonzalez	Miller (MI)
Barton (TX)	Goode	Miller, Gary
Bass	Goodlatte	Mollohan
Beauprez	Gordon	Moore
Bell	Goss	Moran (KS)
Berkley	Granger	Moran (VA)
Biggart	Graves	Murphy
Bilirakis	Green (TX)	Musgrave
Bishop (GA)	Green (WI)	Myrick
Bishop (UT)	Greenwood	Nethercutt
Blackburn	Gutknecht	Neugebauer
Blumenauer	Hall	Ney
Blunt	Harman	Northup
Boehlert	Harris	Norwood
Boehner	Hart	Nunes
Bonilla	Hastings (WA)	Nussle
Bonner	Hayes	Ortiz
Boozman	Hayworth	Osborne
Boswell	Hefley	Ose
Boucher	Hensarling	Otter
Boyd	Herger	Oxley
Bradley (NH)	Herseth	Pallone
Brady (TX)	Hill	Paul
Brown (SC)	Hinojosa	Pearce
Brown, Corrine	Hobson	Pelosi
Brown-Waite,	Hoekstra	Pence
Ginny	Holden	Peterson (PA)
Burgess	Honda	Pickering
Burns	Hooley (OR)	Pitts
Burr	Hostettler	Platts
Burton (IN)	Houghton	Pombo
Buyer	Hulshof	Porter
Calvert	Hunter	Portman
Camp	Hyde	Price (NC)
Cannon	Inslee	Pryce (OH)
Cantor	Israel	Putnam
Capito	Issa	Radanovich
Capuano	Istook	Ramstad
Cardoza	Jefferson	Regula
Carson (OK)	Jenkins	Rehberg
Carter	John	Renzi
Case	Johnson (CT)	Reyes
Chabot	Johnson, E. B.	Reynolds
Chandler	Johnson, Sam	Rodriguez
Chocola	Jones (OH)	Rogers (AL)
Coble	Keller	Rogers (KY)
Cole	Kelly	Rogers (MI)
Cox	Kennedy (MN)	Ros-Lehtinen
Cramer	Kennedy (RI)	Ross
Crane	Kildee	Royce
Crenshaw	Kilpatrick	Ruppersberger
Crowley	Kind	Ryan (WI)
Cubin	King (IA)	Ryun (KS)
King (NY)	King (NY)	Sánchez, Loretta
Cunningham	Kingston	Sandlin
Davis (AL)	Kirk	Saxton
Davis (TN)	Kline	Schiff
Davis, Jo Ann	Knollenberg	Schroek
Davis, Tom	Kolbe	Scott (GA)
Deal (GA)	LaHood	Scott (VA)
DeLay	Lampson	Sensenbrenner
DeMint	Langevin	Sessions
Diaz-Balart, L.	Lantos	Shadegg
Diaz-Balart, M.	Larsen (WA)	Shaw
Dicks	Larson (CT)	Sherwood
Doggett	Latham	Shimkus
Dooley (CA)	LaTourette	Shuster
Doollittle	Lewis (CA)	Simmons
Dreier	Lewis (GA)	Simpson
Duncan	Lewis (KY)	Skelton
Edwards	Linder	Smith (NJ)
Ehlers	LoBiondo	Smith (TX)
Emerson	Loftgren	Smith (WA)
English	Lucas (KY)	Snyder
Eshoo	Lucas (OK)	Souder
Etheridge	Lynch	Stearns
Evans	Manzullo	Stenholm
Everett	Matheson	Sullivan
Farr	McCarthy (MO)	Sweeney
Feeney	McCarthy (NY)	Tancred
Finer	McCotter	Tanner
Flake	McGovern	Tauscher
Foley	McHugh	Tauzin
Forbes	McInnis	Taylor (NC)
Ford	McIntyre	Terry
Franks (AZ)	McKeon	Thomas
	Meehan	Thompson (CA)

Thornberry	Velázquez	Wicker
Tiahrt	Vitter	Wilson (NM)
Tiberi	Walden (OR)	Wilson (SC)
Toomey	Walsh	Wolf
Turner (OH)	Wamp	Woolsey
Turner (TX)	Weldon (FL)	Young (AK)
Udall (CO)	Weldon (PA)	Young (FL)
Udall (NM)	Weller	
Upton	Whitfield	

NOT VOTING—11

Ballenger	Ferguson	McCrery
Carson (IN)	Hoefel	Quinn
Collins	Isakson	Smith (MI)
Cooper	Majette	

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

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

□ 1435

Mr. WYNN and Mr. FOSSELLA changed their 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. KANJORSKI

The CHAIRMAN pro tempore (Mr. LAHOOD). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI) 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 CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 127, noes 293, not voting 13, as follows:

[Roll No. 396]

AYES—127

Abercrombie	Evans	McDermott
Ackerman	Fattah	McInnis
Alexander	Ford	McNulty
Andrews	Fossella	Miller, George
Baldwin	Frank (MA)	Murtha
Bass	Gilchrest	Nadler
Becerra	Gillmor	Napolitano
Bell	Goode	Neal (MA)
Bereuter	Grijalva	Oberstar
Berman	Gutierrez	Obey
Berry	Hall	Olver
Bilirakis	Hastings (FL)	Osborne
Bishop (NY)	Hinche	Owens
Bono	Hoefel	Pascarell
Brady (PA)	Hoyer	Pastor
Brown (OH)	Jackson (IL)	Payne
Brown, Corrine	Jackson-Lee	Peterson (MN)
Capps	(TX)	Petri
Cardin	Johnson (IL)	Platts
Castle	Jones (OH)	Pomeroy
Clay	Kanjorski	Rahall
Clyburn	Kaptur	Rangel
Conyers	Kildee	Rohrabacher
Costello	Kleczka	Rothman
Cummings	Kolbe	Roybal-Allard
Davis (CA)	Kucinich	Rush
Davis (FL)	Leach	Ryan (OH)
Davis (IL)	Lee	Sabo
DeFazio	Levin	Sánchez, Linda
Delahunt	Lipinski	T.
DeLauro	Lowe	Sanders
Deutsch	Maloney	Schakowsky
Dingell	Markey	Scott (VA)
Doyle	Marshall	Serrano
Emanuel	Matsui	Shays
Engel	McCollum	Sherman

Shimkus Stearns
 Simmons Strickland
 Slaughter Stupak
 Smith (MI) Taylor (MS)
 Solis Thompson (MS)
 Spratt Tierney
 Stark Towns

Van Hollen
 Visclosky
 Waters
 Watt
 Waxman
 Weiner
 Waxler

Toomey
 Turner (OH)
 Turner (TX)
 Udall (CO)
 Udall (NM)
 Upton
 Velázquez
 Vitter
 Walden (OR)

Walsh
 Wamp
 Watson
 Weldon (FL)
 Weldon (PA)
 Weller
 Whitfield
 Wicker
 Wilson (NM)

Wilson (SC)
 Wolf
 Woolsey
 Wu
 Wynn
 Young (AK)
 Young (FL)

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

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 312, nays 111, not voting 10, as follows:

[Roll No. 397]

YEAS—312

NOES—293

Aderholt Frost
 Akin Gallegly
 Allen Garrett (NJ)
 Baca Gephardt
 Bachus Gerlach
 Baird Gibbons
 Baker Gingrey
 Barrett (SC) Gonzalez
 Bartlett (MD) Goodlatte
 Barton (TX) Gordon
 Beauprez Moore
 Biggert Granger
 Bishop (GA) Graves
 Bishop (UT) Green (TX)
 Blackburn Green (WI)
 Blumenuaer Gutknecht
 Blunt Harman
 Boehlert Harris
 Boehner Hart
 Bonilla Hastings (WA)
 Bonner Hayes
 Boozman Hayworth
 Boswell Hefley
 Boucher Hensarling
 Boyd Herger
 Bradley (NH) Herseth
 Brady (TX) Hill
 Brown (SC) Hinojosa
 Brown-Waite, Hobson
 Ginny Hoekstra
 Burgess Holden
 Burns Holt
 Burr Honda
 Burton (IN) Hoolley (OR)
 Buyer Hostettler
 Calvert Houghton
 Camp Hulshof
 Cannon Hunter
 Cantor Hyde
 Capito Inslee
 Capuano Israel
 Cardoza Issa
 Carson (OK) Istook
 Carter Jefferson
 Case Jenkins
 Chabot John
 Chandler Johnson, E. B.
 Chocola Johnson, Sam
 Coble Jones (NC)
 Cole Keller
 Cox Kelly
 Cramer Kennedy (MN)
 Crane Kennedy (RI)
 Crenshaw Kilpatrick
 Crowley Kind
 Cubin King (IA)
 Culberson King (NY)
 Cunningham Kingston
 Davis (AL) Kirk
 Davis (TN) Kline
 Davis, Jo Ann Knollenberg
 Davis, Tom LaHood
 Deal (GA) Lampson
 DeGette Langevin
 DeLay Lantos
 DeMint Larsen (WA)
 Diaz-Balart, L. Larson (CT)
 Diaz-Balart, M. Latham
 Dicks LaTourette
 Doggett Lewis (CA)
 Dooley (CA) Lewis (GA)
 Doolittle Lewis (KY)
 Dreier Linder
 Duncan LoBiondo
 Dunn Lofgren
 Edwards Lucas (KY)
 Ehlers Lucas (OK)
 Emerson Lynch
 English Manzullo
 Eshoo Matheson
 Etheridge McCarthy (MO)
 Everett McCarthy (NY)
 Farr McCotter
 Feeney McGovern
 Filner McHugh
 Flake McIntyre
 Foley McKeon
 Forbes Meehan
 Franks (AZ) Meek (FL)
 Frelinghuysen Meeks (NY)

Menendez
 Mica
 Michaud
 Millender-McDonald
 Miller (FL)
 Miller (MI)
 Miller (NC)
 Miller, Gary
 Mollohan
 Goss
 Moran (KS)
 Moran (VA)
 Murphy
 Musgrave
 Myrick
 Nethercutt
 Neugebauer
 Ney
 Northup
 Norwood
 Nunes
 Nussle
 Ortiz
 Ose
 Otter
 Oxley
 Pallone
 Paul
 Pearce
 Pelosi
 Pence
 Peterson (PA)
 Pickering
 Pitts
 Pombo
 Porter
 Portman
 Price (NC)
 Pryce (OH)
 Putnam
 Radanovich
 Ramstad
 Regula
 Rehberg
 Renzi
 Reyes
 Reynolds
 Rodriguez
 Rogers (AL)
 Rogers (KY)
 Rogers (MI)
 Ros-Lehtinen
 Ross
 Royce
 Ruppertsberger
 Ryan (WI)
 Ryan (KS)
 Sanchez, Loretta
 Sandlin
 Saxton
 Schiff
 Schrock
 Scott (GA)
 Sensenbrenner
 Sessions
 Shadegg
 Shaw
 Sherwood
 Shuster
 Simpson
 Skelton
 Smith (NJ)
 Smith (TX)
 Smith (WA)
 Snyder
 Souder
 Stenholm
 Sullivan
 Tancredo
 Tanner
 Tauscher
 Tauzin
 Taylor (NC)
 Terry
 Thompson (CA)
 Thornberry
 Tiahrt
 Tiberi

NOT VOTING—13

Ballenger
 Berkley
 Carson (IN)
 Collins
 Cooper
 Ferguson
 Greenwood
 Isakson
 Johnson (CT)
 Majette
 McCrery
 Quinn
 Thomas

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1442

Mr. CONYERS changed his vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MCINNIS. Mr. Chairman, during today’s consideration of H.R. 3574, a bill introduced by Representative BAKER, I mistakenly voted “no” on one of the amendments to this legislation. Representative KANJORSKI introduced a substitute amendment to H.R. 3574, (rollcall No. 396). I voted in favor of Representative KANJORSKI’s amendment. Please let the RECORD reflect that I intended to vote against that amendment.

The CHAIRMAN pro tempore. There being no other amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SWEENEY) having assumed the chair, Mr. LAHOOD, 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. 3574) to require the mandatory expensing of stock options granted to executive officers, and for other purposes, pursuant to House Resolution 725, he reported the bill back to the House with an amendment 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 the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was 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.

Ackerman
 Aderholt
 Akin
 Allen
 Andrews
 Baca
 Bachus
 Baird
 Baker
 Barrett (SC)
 Bartlett (MD)
 Barton (TX)
 Beauprez
 Becerra
 Bell
 Berkley
 Biggert
 Bilirakis
 Bishop (GA)
 Bishop (UT)
 Blackburn
 Blumenuaer
 Blunt
 Boehlert
 Boehner
 Bonilla
 Bonner
 Boozman
 Boswell
 Boucher
 Boyd
 Bradley (NH)
 Brady (TX)
 Brown (SC)
 Brown, Corrine
 Brown-Waite,
 Ginny
 Burgess
 Burns
 Burr
 Burton (IN)
 Buyer
 Calvert
 Camp
 Cannon
 Cantor
 Capito
 Capuano
 Cardoza
 Carson (OK)
 Carter
 Case
 Chabot
 Chandler
 Chocola
 Clay
 Coble
 Cox
 Cramer
 Crane
 Crenshaw
 Crowley
 Cubin
 Culberson
 Cunningham
 Davis (AL)
 Davis (CA)
 Davis (IL)
 Davis (TN)
 Davis, Jo Ann
 Davis, Tom
 Deal (GA)
 Delahunt
 DeLay
 DeMint
 Deutsch
 Diaz-Balart, L.
 Diaz-Balart, M.
 Dicks
 Doggett
 Dooley (CA)
 Doolittle
 Dreier
 Duncan
 Dunn
 Edwards
 Ehlers
 Emerson
 English
 Eshoo
 Etheridge
 Everett
 Farr
 Feeney
 Filner
 Flake
 Foley
 Forbes
 Franks (AZ)
 Frelinghuysen
 Lampson
 Langevin
 Lantos
 Larsen (WA)
 Larson (CT)
 Latham
 LaTourette
 Lewis (CA)
 Lewis (GA)
 Lewis (KY)
 Linder
 LoBiondo
 Lofgren
 Lucas (KY)
 Lucas (OK)
 Lynch
 Manzullo
 Matheson
 McCarthy (MO)
 McCarthy (NY)
 McCotter
 McGovern
 McHugh
 McIntyre
 McKeon
 Meehan
 Meek (FL)
 Meeks (NY)
 McCarthy (MO)
 McCotter (NY)
 McCotter
 McGovern
 McHugh
 McIntyre
 McKeon
 Meehan
 Meek (FL)
 Meeks (NY)
 McCarthy (NY)
 Miller (FL)
 Miller (MI)
 Miller (NC)
 Miller, Gary
 Miller, George
 Mollohan
 Moore
 Moran (KS)
 Moran (VA)
 Murphy
 Musgrave
 Myrick
 Nethercutt
 Ney
 Northup
 Norwood
 Nunes
 Nussle
 Ortiz
 Ose
 Otter
 Owens
 Oxley
 Pallone
 Paul
 Pearce
 Pelosi
 Pence
 Peterson (PA)
 Pickering
 Pitts
 Pombo
 Porter
 Portman
 Price (NC)
 Pryce (OH)
 Putnam
 Radanovich
 Ramstad
 Rangel
 Regula
 Rehberg
 Renzi
 Reyes
 Reynolds
 Rodriguez
 Rogers (AL)
 Rogers (KY)
 Rogers (MI)
 Ros-Lehtinen
 Ross
 Royce
 Ruppertsberger
 Ryan (WI)
 Ryan (KS)
 Sanchez, Loretta
 Sandlin
 Saxton
 Schiff
 Schrock
 Scott (GA)
 Sensenbrenner
 Sessions
 Shadegg
 Shaw
 Sherwood
 Shuster
 Simpson
 Skelton
 Smith (NJ)
 Smith (TX)
 Smith (WA)
 Snyder
 Souder
 Stenholm
 Sullivan
 Tancredo
 Tanner
 Tauscher
 Tauzin
 Taylor (NC)
 Terry
 Thompson (CA)
 Thornberry
 Tiahrt
 Tiberi
 McCarthy (NY)
 Miller (NC)
 Miller, Gary
 Miller, George
 Mollohan
 Moore
 Moran (KS)
 Moran (VA)
 Murphy
 Musgrave
 Myrick
 Nethercutt
 Ney
 Northup
 Norwood
 Nunes
 Nussle
 Ortiz
 Ose
 Otter
 Owens
 Oxley
 Pallone
 Paul
 Pearce
 Pelosi
 Pence
 Peterson (PA)
 Pickering
 Pitts
 Pombo
 Porter
 Portman
 Price (NC)
 Pryce (OH)
 Putnam
 Radanovich
 Ramstad
 Rangel
 Regula
 Rehberg
 Renzi
 Reyes
 Reynolds
 Rodriguez
 Rogers (AL)

Rogers (KY)	Smith (NJ)	Udall (NM)
Rogers (MI)	Smith (TX)	Upton
Ros-Lehtinen	Smith (WA)	Velázquez
Ross	Snyder	Vitter
Royce	Solis	Walden (OR)
Ruppersberger	Souder	Walsh
Ryan (WI)	Stenholm	Wamp
Ryun (KS)	Sullivan	Watson
Sanchez, Loretta	Sweeney	Weldon (FL)
Sandlin	Tancredo	Weldon (PA)
Saxton	Tanner	Weller
Schiff	Tauscher	Wexler
Schrock	Tauzin	Whitfield
Scott (GA)	Taylor (NC)	Wicker
Sensenbrenner	Thomas	Wilson (NM)
Sessions	Thompson (CA)	Wilson (SC)
Shadegg	Thornberry	Wolf
Shaw	Tiahrt	Woolsey
Sherwood	Tiberi	Wu
Shuster	Toomey	Wynn
Simmons	Turner (OH)	Young (AK)
Simpson	Turner (TX)	Young (FL)
Skelton	Udall (CO)	

NAYS—111

Abercrombie	Hoeffel	Petri
Alexander	Hoyer	Platts
Baldwin	Jackson (IL)	Pomeroy
Bass	Jackson-Lee	Rahall
Bereuter	(TX)	Rohrabacher
Berman	Jones (OH)	Rothman
Berry	Kanjorski	Roybal-Allard
Bishop (NY)	Kaptur	Rush
Bono	Kildee	Ryan (OH)
Brady (PA)	Kilpatrick	Sabo
Brown (OH)	Kleczka	Sánchez, Linda
Capps	Kolbe	T.
Cardin	Kucinich	Sanders
Castle	LaHood	Schakowsky
Clyburn	Leach	Scott (VA)
Cole	Lee	Serrano
Conyers	Levin	Shays
Costello	Lewis (GA)	Sherman
Cummings	Lipinski	Shimkus
Davis (FL)	Lowey	Slaughter
DeFazio	Maloney	Smith (MI)
DeGette	Markey	Spratt
DeLauro	Marshall	Stark
Dingell	Matsui	Stearns
Doyle	McDermott	Strickland
Emanuel	McNulty	Stupak
Emerson	Murtha	Taylor (MS)
Evans	Nadler	Terry
Fattah	Napolitano	Thompson (MS)
Fossella	Neal (MA)	Tierney
Frank (MA)	Oberstar	Towns
Gilchrest	Obey	Van Hollen
Gillmor	Olver	Visclosky
Goode	Osborne	Waters
Grijalva	Pascarell	Watt
Gutierrez	Pastor	Waxman
Hastings (FL)	Payne	Weiner
Hinchee	Peterson (MN)	

NOT VOTING—10

Ballenger	Ferguson	McCrery
Carson (IN)	Gingrey	Quinn
Collins	Isakson	
Cooper	Majette	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

1500

Mr. PAYNE changed his vote from “yea” to “nay.”

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. GINGREY. Mr. Speaker, on rollcall No. 397 I was unavoidably detained. Had I been present, I would have voted “yea.”

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3574, STOCK OPTION ACCOUNTING REFORM ACT

Mr. BAKER. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3574, the Clerk be authorized to correct section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House.

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

There was no objection.

CONFERENCE REPORT ON H.R. 2443, COAST GUARD AND MARITIME TRANSPORTATION ACT OF 2004

Mr. YOUNG of Alaska submitted the following conference report and statement on the bill (H.R. 2443) to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes:

CONFERENCE REPORT (H. REPT. 108-617)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2443), to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be referred to as the “Coast Guard and Maritime Transportation Act of 2004”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—AUTHORIZATION

Sec. 101. Authorization of appropriations.

Sec. 102. Authorized levels of military strength and training.

TITLE II—COAST GUARD MANAGEMENT

Sec. 201. Long-term leases.

Sec. 202. Nonappropriated fund instrumentalities.

Sec. 203. Term of enlistments.

Sec. 204. Enlisted member critical skill training bonus.

Sec. 205. Indemnity for disabling vessels liable to seizure or examination.

Sec. 206. Administrative, collection, and enforcement costs for certain fees and charges.

Sec. 207. Expansion of Coast Guard housing authorities.

Sec. 208. Requirement for constructive credit.

Sec. 209. Maximum ages for retention in an active status.

Sec. 210. Travel card management.

Sec. 211. Coast Guard fellows and detailees.

Sec. 212. Long-term lease of special use real property.

Sec. 213. National Coast Guard Museum.

Sec. 214. Limitation on number of commissioned officers.

Sec. 215. Redistricting notification requirement.

Sec. 216. Report on shock mitigation standards.

Sec. 217. Recommendations to Congress by Commandant of the Coast Guard.

Sec. 218. Coast Guard education loan repayment program.

Sec. 219. Contingent expenses.

Sec. 220. Reserve admirals.

Sec. 221. Confidential investigative expenses.

Sec. 222. Innovative construction alternatives.

Sec. 223. Delegation of port security authority.

Sec. 224. Fisheries enforcement plans and reporting.

Sec. 225. Use of Coast Guard and military child development centers.

Sec. 226. Treatment of property owned by auxiliary units and dedicated solely for auxiliary use.

TITLE III—NAVIGATION

Sec. 301. Marking of underwater wrecks.

Sec. 302. Use of electronic devices; cooperative agreements.

Sec. 303. Inland navigation rules promulgation authority.

Sec. 304. Saint Lawrence Seaway.

TITLE IV—SHIPPING

Sec. 401. Reports from charterers.

Sec. 402. Removal of mandatory revocation for proved drug convictions in suspension and revocation cases.

Sec. 403. Records of merchant mariners' documents.

Sec. 404. Exemption of unmanned barges from certain citizenship requirements.

Sec. 405. Compliance with International Safety Management Code.

Sec. 406. Penalties.

Sec. 407. Revision of temporary suspension criteria in document suspension and revocation cases.

Sec. 408. Revision of bases for document suspension and revocation cases.

Sec. 409. Hours of service on towing vessels.

Sec. 410. Electronic charts.

Sec. 411. Prevention of departure.

Sec. 412. Service of foreign nationals for maritime educational purposes.

Sec. 413. Classification societies.

Sec. 414. Drug testing reporting.

Sec. 415. Inspection of towing vessels.

Sec. 416. Potable water.

Sec. 417. Transportation of platform jackets.

Sec. 418. Renewal of advisory groups.

TITLE V—FEDERAL MARITIME COMMISSION

Sec. 501. Authorization of appropriations for Federal Maritime Commission.

Sec. 502. Report on ocean shipping information gathering efforts.

TITLE VI—MISCELLANEOUS

Sec. 601. Increase in civil penalties for violations of certain bridge statutes.

Sec. 602. Conveyance of decommissioned Coast Guard cutters.

Sec. 603. Tonnage measurement.

Sec. 604. Operation of vessel STAD AMSTERDAM.

Sec. 605. Great Lakes National Maritime Enhancement Institute.

Sec. 606. Koss Cove.

Sec. 607. Miscellaneous certificates of documentation.

Sec. 608. Requirements for coastwise endorsement.

Sec. 609. Correction of references to National Driver Register.

Sec. 610. Wateree River.

Sec. 611. Merchant mariners' documents pilot program.

Sec. 612. Conveyance.

Sec. 613. Bridge administration.

Sec. 614. Sense of Congress regarding carbon monoxide and watercraft.

Sec. 615. Mitigation of penalty due to avoidance of a certain condition.

- Sec. 616. Certain vessels to be tour vessels.
 Sec. 617. Sense of Congress regarding timely review and adjustment of Great Lakes pilotage rates.
 Sec. 618. Westlake chemical barge documentation.
 Sec. 619. Correction to definition.
 Sec. 620. LORAN-C.
 Sec. 621. Deepwater report.
 Sec. 622. Judicial review of National Transportation Safety Board final orders.
 Sec. 623. Interim authority for dry bulk cargo residue disposal.
 Sec. 624. Small passenger vessel report.
 Sec. 625. Conveyance of motor lifeboat.
 Sec. 626. Study on routing measures.
 Sec. 627. Conveyance of light stations.
 Sec. 628. Waiver.
 Sec. 629. Approval of modular accommodation units for living quarters.

TITLE VII—AMENDMENTS RELATING TO OIL POLLUTION ACT OF 1990

- Sec. 701. Vessel response plans for nontank vessels over 400 gross tons.
 Sec. 702. Requirements for tank level and pressure monitoring devices.
 Sec. 703. Liability and cost recovery.
 Sec. 704. Oil Spill Recovery Institute.
 Sec. 705. Alternatives.
 Sec. 706. Authority to settle.
 Sec. 707. Report on implementation of the Oil Pollution Act of 1990.
 Sec. 708. Loans for fishermen and aquaculture producers impacted by oil spills.

TITLE VIII—MARITIME TRANSPORTATION SECURITY

- Sec. 801. Enforcement.
 Sec. 802. In rem liability for civil penalties and costs.
 Sec. 803. Maritime information.
 Sec. 804. Maritime transportation security grants.
 Sec. 805. Security assessment of waters under the jurisdiction of the United States.
 Sec. 806. Membership of Area Maritime Security Advisory Committees.
 Sec. 807. Joint operational centers for port security.
 Sec. 808. Investigations.
 Sec. 809. Vessel and intermodal security reports.

TITLE I—AUTHORIZATION

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal year 2005 for necessary expenses of the Coast Guard as follows:

(1) For the operation and maintenance of the Coast Guard, \$5,404,300,000, of which \$25,000,000 is authorized to be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore and offshore facilities, vessels, and aircraft, including equipment related thereto, \$1,500,000,000, of which—

(A) \$23,500,000 shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990, to remain available until expended;

(B) \$1,100,000,000 is authorized for acquisition and construction of shore and offshore facilities, vessels, and aircraft, including equipment related thereto, and other activities that constitute the Integrated Deepwater System; and

(C) \$161,000,000 shall be available for Rescue 21.

(3) For research, development, test, and evaluation of technologies, materials, and human factors directly relating to improving the performance of the Coast Guard's mission in search and rescue, aids to navigation, marine safety, marine environmental protection, enforcement of laws and treaties, ice operations, oceanographic research, and defense readiness,

\$24,200,000, to remain available until expended, of which \$3,500,000 shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990.

(4) For retired pay (including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose), payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, \$1,085,460,000, to remain available until expended.

(5) For alteration or removal of bridges over navigable waters of the United States constituting obstructions to navigation, and for personnel and administrative costs associated with the Bridge Alteration Program, \$19,650,000, of which—

(A) \$17,150,000, to remain available until expended; and

(B) \$2,500,000, to remain available until expended, which may be utilized for construction of a new Chelsea Street Bridge over the Chelsea River in Boston, Massachusetts.

(6) For environmental compliance and restoration at Coast Guard facilities (other than parts and equipment associated with operation and maintenance), \$17,000,000, to remain available until expended.

(7) For maintenance and operation of facilities, supplies, equipments, and services necessary for the Coast Guard Reserve, as authorized by law, \$117,000,000.

SEC. 102. AUTHORIZED LEVELS OF MILITARY STRENGTH AND TRAINING.

(a) **ACTIVE DUTY STRENGTH.**—The Coast Guard is authorized an end-of-year strength for active duty personnel of 45,500 for the years ending on September 30, 2004, and September 30, 2005.

(b) **MILITARY TRAINING STUDENT LOADS.**—The Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training for fiscal year 2005, 2,500 student years.

(2) For flight training for fiscal year 2005, 125 student years.

(3) For professional training in military and civilian institutions for fiscal year 2005, 350 student years.

(4) For officer acquisition for fiscal year 2005, 1,200 student years.

TITLE II—COAST GUARD MANAGEMENT

SEC. 201. LONG-TERM LEASES.

Section 93 of title 14, United States Code, is amended—

(1) by redesignating paragraphs (a) through (x) in order as paragraphs (1) through (23);

(2) in paragraph (18) (as so redesignated) by striking the comma at the end and inserting a semicolon;

(3) by inserting "(a)" before "For the purpose"; and

(4) by adding at the end the following:

"(b)(1) Notwithstanding subsection (a)(14), a lease described in paragraph (2) of this subsection may be for a term of up to 20 years.

"(2) A lease referred to in paragraph (1) is a lease—

"(A) to the United States Coast Guard Academy Alumni Association for the construction of an Alumni Center on the grounds of the United States Coast Guard Academy; or

"(B) to an entity with which the Commandant has a cooperative agreement under section 4(e) of the Ports and Waterways Safety Act, and for which a term longer than 5 years is necessary to carry out the agreement."

SEC. 202. NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) **IN GENERAL.**—Chapter 7 of title 14, United States Code, is amended by adding at the end the following:

"§152. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide or obtain goods and services

"The Coast Guard Exchange System, or a morale, welfare, and recreation system of the Coast Guard, may enter into a contract or other agreement with any element or instrumentality of the Coast Guard or with another Federal department, agency, or instrumentality to provide or obtain goods and services beneficial to the efficient management and operation of the Coast Guard Exchange System or that morale, welfare, and recreation system."

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 7 of title 14, United States Code, is amended by adding at the end the following:

"152. Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide or obtain goods and services."

SEC. 203. TERM OF ENLISTMENTS.

Section 351(a) of title 14, United States Code, is amended by striking "terms of full years not exceeding six years." and inserting "a period of at least two years but not more than six years."

SEC. 204. ENLISTED MEMBER CRITICAL SKILL TRAINING BONUS.

(a) **IN GENERAL.**—Chapter 11 of title 14, United States Code, is amended by inserting after section 373 the following:

"§374. Critical skill training bonus

"(a) The Secretary may provide a bonus, not to exceed \$20,000, to an enlisted member who completes training in a skill designated as critical, if at least four years of obligated active service remain on the member's enlistment at the time the training is completed. A bonus under this section may be paid in a single lump sum or in periodic installments.

"(b) If an enlisted member voluntarily or because of misconduct does not complete the member's term of obligated active service, the Secretary may require the member to repay the United States, on a pro rata basis, all sums paid under this section. The Secretary may charge interest on the amount repaid at a rate, to be determined quarterly, equal to 150 percent of the average of the yields on the 91-day Treasury bills auctioned during the calendar quarter preceding the date on which the amount to be repaid is determined."

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 11 of title 14, United States Code, is amended by inserting the following after the item relating to section 373: "374. Critical skill training bonus."

SEC. 205. INDEMNITY FOR DISABLING VESSELS LIABLE TO SEIZURE OR EXAMINATION.

(a) **REPEAL OF REQUIREMENT TO FIRE WARNING SHOT.**—Subsection (a) of section 637 of title 14, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking "after a" and all that follows through "signal," and inserting "subject to paragraph (2),"; and

(3) by adding at the end the following:

"(2) Before firing at or into a vessel as authorized in paragraph (1), the person in command or in charge of the authorized vessel or authorized aircraft shall fire a gun as a warning signal, except that the prior firing of a gun as a warning signal is not required if that person determines that the firing of a warning signal would unreasonably endanger persons or property in the vicinity of the vessel to be stopped."

(b) **EXTENSION TO MILITARY AIRCRAFT OF COAST GUARD INTERDICTION AUTHORITY.**—Subsection (c) of such section is amended—

(1) in paragraph (1) by inserting "or" after the semicolon; and

(2) in paragraph (2) by—

(A) inserting "or military aircraft" after "surface naval vessel"; and

(B) striking “; or” and all that follows through paragraph (3) and inserting a period.

(c) **REPEAL OF TERMINATION OF APPLICABILITY TO NAVAL AIRCRAFT.**—Subsection (d) of such section is repealed.

(d) **REPORT.**—The Commandant of the Coast Guard shall transmit a report annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives describing the location, vessels or aircraft, circumstances, and consequences of each incident in the 12-month period covered by the report in which the person in command or in charge of an authorized vessel or an authorized aircraft (as those terms are used in section 637 of title 14, United States Code) fired at or into a vessel without prior use of the warning signal as authorized by that section.

(e) **TECHNICAL CORRECTION.**—

(1) **CORRECTION.**—Section 637 of title 14, United States Code, is amended in the section heading by striking “immunity” and inserting “indemnity”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 17 of title 14, United States Code, is amended by striking the item relating to section 637 and inserting the following:

“637. Stopping vessels; indemnity for firing at or into vessel.”

SEC. 206. ADMINISTRATIVE, COLLECTION, AND ENFORCEMENT COSTS FOR CERTAIN FEES AND CHARGES.

Section 664 of title 14, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (f);

(2) by inserting after subsection (b) the following:

“(c) In addition to the collection of fees and charges established under this section, the Secretary may recover from the person liable for the fee or charge the costs of collecting delinquent payments of the fee or charge, and enforcement costs associated with delinquent payments of the fees and charges.

“(d)(1) The Secretary may employ any Federal, State, or local agency or instrumentality, or any private enterprise or business, to collect a fee or charge established under this section.

“(2) A private enterprise or business employed by the Secretary to collect fees or charges—

“(A) shall be subject to reasonable terms and conditions agreed to by the Secretary and the enterprise or business;

“(B) shall provide appropriate accounting to the Secretary; and

“(C) may not institute litigation as part of that collection.

“(e) The Secretary shall account for the agency’s costs of collecting a fee or charge as a reimbursable expense, subject to the availability of appropriations, and the costs shall be credited to the account from which expended.”; and

(3) by adding at the end the following:

“(g) In this section the term ‘costs of collecting a fee or charge’ includes the reasonable administrative, accounting, personnel, contract, equipment, supply, training, and travel expenses of calculating, assessing, collecting, enforcing, reviewing, adjusting, and reporting on a fee or charge.”

SEC. 207. EXPANSION OF COAST GUARD HOUSING AUTHORITIES.

(a) **ELIGIBLE ENTITY DEFINED.**—Section 680 of title 14, United States Code, is amended—

(1) by redesignating paragraphs (3) and (4) in order as paragraphs (4) and (5); and

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

“(3) The term ‘eligible entity’ means any private person, corporation, firm, partnership, or company and any State or local government or housing authority of a State or local government.”

(b) **DIRECT LOANS FOR PROVIDING HOUSING.**—Section 682 of title 14, United States Code, is amended—

(1) in the section heading by striking “**Loan guarantees**” and inserting “**Direct loans and loan guarantees**”;

(2) by redesignating subsections (a) and (b) as (b) and (c) respectively;

(3) by inserting before subsection (b) (as so redesignated) the following:

“(a) **DIRECT LOANS.**—(1) Subject to subsection (c), the Secretary may make direct loans to an eligible entity in order to provide funds to the eligible entity for the acquisition or construction of housing units that the Secretary determines are suitable for use as military family housing or as military unaccompanied housing.

“(2) The Secretary shall establish such terms and conditions with respect to loans made under this subsection as the Secretary considers appropriate to protect the interests of the United States, including the period and frequency for repayment of such loans and the obligations of the obligors on such loans upon default.”;

(4) in subsection (b) (as so redesignated) by striking “subsection (b),” and inserting “subsection (c).”;

(5) in subsection (c) (as so redesignated)—

(A) in the heading by striking “**GUARANTEE**”;

and

(B) by striking “**Loan guarantees**” and inserting “**Direct loans and loan guarantees**”.

(c) **LIMITED PARTNERSHIPS WITH ELIGIBLE ENTITIES.**—Section 684 of title 14, United States Code, is amended—

(1) in the section heading by striking “**non-governmental**” and inserting “**eligible**”;

(2) in subsection (a) by striking “**nongovernmental**” and inserting “**eligible**”;

(3) in subsection (b)(1) by striking “**a nongovernmental**” and inserting “**an eligible**”;

(4) in subsection (b)(2) by striking “**a nongovernmental**” and inserting “**an eligible**”; and

(5) in subsection (c) by striking “**nongovernmental**” and inserting “**eligible**”.

(d) **HOUSING DEMONSTRATION PROJECTS IN ALASKA.**—Section 687(g) of title 14, United States Code, is amended—

(1) in the heading by striking “**PROJECT**” and inserting “**PROJECTS**”;

(2) in paragraph (1) by striking “**a demonstration project**” and inserting “**demonstration projects**”;

(3) in paragraph (1) by striking “**Kodiak, Alaska,**” and inserting “**Kodiak, Alaska, or any other Coast Guard installation in Alaska;**”;

(4) in paragraph (2) by striking “**the demonstration project**” and inserting “**such a demonstration project**”; and

(5) in paragraph (4) by striking “**the demonstration project**” and inserting “**such demonstration projects**”.

(e) **DIFFERENTIAL LEASE PAYMENTS.**—Chapter 18 of title 14, United States Code, is amended by inserting after section 687 the following:

“§ 687a. Differential lease payments

“Pursuant to an agreement entered into by the Secretary and a lessor of military family housing or military unaccompanied housing to members of the armed forces, the Secretary may pay the lessor an amount, in addition to the rental payments for the housing made by the members, as the Secretary determines appropriate to encourage the lessor to make the housing available to members of the armed forces as military family housing or as military unaccompanied housing.”.

(f) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 18 of title 14, United States Code, is amended—

(1) by striking the item related to section 682 and inserting the following:

“682. Direct loans and loan guarantees.”;

(2) in the item related to section 684 by striking “**nongovernmental**” and inserting “**eligible**”; and

(3) by inserting after the item related to section 687 the following:

“687a. Differential lease payments.”.

SEC. 208. REQUIREMENT FOR CONSTRUCTIVE CREDIT.

Section 727 of title 14, United States Code, is amended in the second sentence by striking “three years” and inserting “one year”.

SEC. 209. MAXIMUM AGES FOR RETENTION IN AN ACTIVE STATUS.

Section 742 of title 14, United States Code, is amended to read as follows:

“§ 742. Maximum ages for retention in an active status

“(a) A Reserve officer, if qualified, shall be transferred to the Retired Reserve on the day the officer becomes 60 years of age unless on active duty. If not qualified for retirement, a Reserve officer shall be discharged effective upon the day the officer becomes 60 years of age unless on active duty.

“(b) A Reserve officer on active duty shall, if qualified, be retired effective upon the day the officer become 62 years of age. If not qualified for retirement, a Reserve officer on active duty shall be discharged effective upon the day the officer becomes 62 years of age.

“(c) Notwithstanding subsection (a) and (b), the Secretary may authorize the retention of a Reserve rear admiral or rear admiral (lower half) in an active status not longer than the day on which the officer concerned becomes 64 years of age.

“(d) For purposes of this section, ‘active duty’ does not include active duty for training, duty on a board, or duty of a limited or temporary nature if assigned to active duty from an inactive duty status.”.

SEC. 210. TRAVEL CARD MANAGEMENT.

(a) **IN GENERAL.**—Chapter 13 of title 14, United States Code, is amended by adding at the end the following:

“§ 517. Travel card management

“(a) **IN GENERAL.**—The Secretary may require that travel or transportation allowances due a civilian employee or military member of the Coast Guard be disbursed directly to the issuer of a Federal contractor-issued travel charge card, but only in an amount not to exceed the authorized travel expenses charged by that Coast Guard member to that travel charge card issued to that employee or member.

“(b) **WITHHOLDING OF NONDISPUTED OBLIGATIONS.**—The Secretary may also establish requirements similar to those established by the Secretary of Defense pursuant to section 2784a of title 10 for deduction or withholding of pay or retired pay from a Coast Guard employee, member, or retired member who is delinquent in payment under the terms of the contract under which the card was issued and does not dispute the amount of the delinquency.”.

(b) **CONFORMING AMENDMENT.**—The chapter analysis for chapter 13 of title 14, United States Code, is amended by inserting after the item relating to section 516 the following:

“517. Travel card management”.

SEC. 211. COAST GUARD FELLOWS AND DETAILEES.

The Secretary of the department in which the Coast Guard is operating, in consultation with the Attorney General, shall by not later than 6 months after the date of the enactment of this Act—

(1) review the Coast Guard Commandant Instruction 5730.3, regarding congressional detailees (COMDTINST 5370.3), dated April 18, 2003, and compare the standards set forth in the instruction to the standards applied by other executive agencies to congressional detailees;

(2) determine if any changes to such instruction are necessary to protect against conflicts of interest and preserve the doctrine of separation of powers; and

(3) submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on the findings and conclusions of the review.

SEC. 212. LONG-TERM LEASE OF SPECIAL USE REAL PROPERTY.

(a) IN GENERAL.—Section 672 of title 14, United States Code, is amended by—

(1) striking the heading and inserting the following:

“§672. Long-term lease of special purpose facilities”;

(2) in subsection (a), inserting “special purpose facilities, including,” after “automatic renewal clauses, for”; and

(3) striking “(b) The” and inserting:

“(b) For purposes of this section, the term ‘special purpose facilities’ means any facilities used to carry out Coast Guard aviation, maritime, or navigation missions other than general purpose office and storage space facilities.

“(c) In the case of ATON, VTS, or NDS sites, the”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17, United States Code, is amended by striking the item relating to section 672 and inserting the following: “672. Long-term lease of special purpose facilities.”.

SEC. 213. NATIONAL COAST GUARD MUSEUM.

(a) IN GENERAL.—Chapter 5 of title 14, United States Code, is amended by adding at the end the following:

“§98. National Coast Guard Museum

“(a) ESTABLISHMENT.—The Commandant may establish a National Coast Guard Museum, on lands which will be federally owned and administered by the Coast Guard, and are located in New London, Connecticut, at, or in close proximity to, the Coast Guard Academy.

“(b) LIMITATION ON EXPENDITURES.—(1) Except as provided in paragraph (2), the Secretary shall not expend any appropriated Federal funds for the engineering, design, or construction of any museum established under this section.

“(2) The Secretary shall fund the operation and maintenance of the National Coast Guard Museum with nonappropriated and non-Federal funds to the maximum extent practicable. The priority use of Federal operation and maintenance funds should be to preserve and protect historic Coast Guard artifacts.

“(c) FUNDING PLAN.—Before the date on which the Commandant establishes a museum under subsection (a), the Commandant shall provide to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a plan for constructing, operating, and maintaining such a museum, including—

“(1) estimated planning, engineering, design, construction, operation, and maintenance costs;

“(2) the extent to which appropriated, non-appropriated, and non-Federal funds will be used for such purposes, including the extent to which there is any shortfall in funding for engineering, design, or construction; and

“(3) a certification by the Inspector General of the department in which the Coast Guard is operating that the estimates provided pursuant to paragraphs (1) and (2) are reasonable and realistic.

“(d) AUTHORITY.—The Commandant may not establish a Coast Guard museum except as set forth in this section.”.

(b) CLERICAL AMENDMENT.—The chapter analysis at the beginning of chapter 5 of title 14, United States Code, is amended by adding at the end the following:

“98. National Coast Guard Museum.”.

SEC. 214. LIMITATION ON NUMBER OF COMMISSIONED OFFICERS.

Section 42 of title 14, United States Code, is amended—

(1) in subsection (a), by striking “6,200” and inserting “6,700 in each fiscal year 2004, 2005, and 2006”; and

(2) in subsection (b), by striking “commander 12.0; lieutenant commander 18.0” and inserting “commander 15.0; lieutenant commander 22.0”.

SEC. 215. REDISTRICTING NOTIFICATION REQUIREMENT.

The Commandant shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate at least 180 days before—

(1) implementing any plan to reduce the number of, change the location of, or change the geographic area covered by any existing Coast Guard Districts; or

(2) permanently transferring more than 10 percent of the personnel or equipment from a district office where such personnel or equipment is based.

SEC. 216. REPORT ON SHOCK MITIGATION STANDARDS.

(a) REPORT REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, the Commandant of the Coast Guard shall issue a report on the necessity of, and possible standards for, decking materials for Coast Guard vessels to mitigate the adverse effects on crew members from shock and vibration.

(b) RECOMMENDED STANDARDS.—The standards recommended in the report may—

(1) incorporate appropriate industry or manufacturing standards; and

(2) consider the weight and durability of decking material, the effects of repeated use and varying weather conditions, and the capability of decking material to lessen impact.

SEC. 217. RECOMMENDATIONS TO CONGRESS BY COMMANDANT OF THE COAST GUARD.

Section 93 of title 14, United States Code, is amended—

(1) in paragraph (w) by striking “and” after the semicolon at the end;

(2) in paragraph (x) by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(y) after informing the Secretary, make such recommendations to the Congress relating to the Coast Guard as the Commandant considers appropriate.”.

SEC. 218. COAST GUARD EDUCATION LOAN REPAYMENT PROGRAM.

(a) PROGRAM AUTHORIZED.—Chapter 13 of title 14, United States Code, is amended by inserting after section 471 the following:

“§472. Education loan repayment program

“(a)(1) Subject to the provisions of this section, the Secretary may repay—

“(A) any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.);

“(B) any loan made under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or

“(C) any loan made under part E of such title (20 U.S.C. 1087aa et seq.).

Repayment of any such loan shall be made on the basis of each complete year of service performed by the borrower.

“(2) The Secretary may repay loans described in paragraph (1) in the case of any person for service performed on active duty as an enlisted member of the Coast Guard in a specialty specified by the Secretary.

“(b) The portion or amount of a loan that may be repaid under subsection (a) is 3⅓ percent or \$1,500, whichever is greater, for each year of service.

“(c) If a portion of a loan is repaid under this section for any year, interest on the remainder of such loan shall accrue and be paid in the same manner as is otherwise required.

“(d) Nothing in this section shall be construed to authorize refunding any repayment of a loan.

“(e) The Secretary shall, by regulation, prescribe a schedule for the allocation of funds made available to carry out this section during any year for which funds are not sufficient to pay the sum of the amounts eligible for repayment under subsection (a).”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 13 of title 14,

United States Code, is amended by inserting after the item relating to section 471 the following:

“472. Education loan repayment program.”.

SEC. 219. CONTINGENT EXPENSES.

Section 476 of title 14, United States Code, is amended—

(1) by striking “\$7,500” and inserting “\$50,000”; and

(2) by striking the second sentence.

SEC. 220. RESERVE ADMIRALS.

(a) PRECEDENCE.—Section 725 of title 14, United States Code, is amended by adding at the end the following:

“(d) Notwithstanding any other law, a Reserve officer shall not lose precedence by reason of promotion to the grade of rear admiral or rear admiral (lower half), if the promotion is determined in accordance with a running mate system.

“(e) The Secretary shall adjust the date of rank of a Reserve officer so that no changes of precedence occur.”.

(b) PROMOTION.—Section 736(b) of title 14, United States Code, is amended to read as follows:

“(b) Notwithstanding any other provision of law and subject to subsection (c), if promotion of an inactive duty promotion list officer to the grade of rear admiral or rear admiral (lower half) is determined in accordance with a running mate system, a reserve officer, if acceptable to the President and the Senate, shall be promoted to the next higher grade no later than the date the officer’s running mate is promoted.”.

(c) DATE OF APPOINTMENT.—Section 736(c) of title 14, United States Code, is amended by striking “of subsection (a)”.

(d) MAXIMUM SERVICE.—Section 743 of title 14, United States Code, is amended to read as follows:

“§743. Rear admiral and rear admiral (lower half); maximum service in grade

“(a) Unless retained in or removed from an active status under any other law, a reserve rear admiral or rear admiral (lower half) shall be retired on July 1 of the promotion year immediately following the promotion year in which that officer completes 4 years of service after the appointment of the officer to rear admiral (lower half).

“(b) Notwithstanding any other provision of law, if promotion of inactive duty promotion list officers to the grade of rear admiral is not determined in accordance with a running mate system, a Reserve officer serving in an active status in the grade of rear admiral (lower half) shall be promoted to the grade of rear admiral, if acceptable to the President and the Senate, on the date the officer has served 2 years in an active status in grade of rear admiral (lower half), or in the case of a vacancy occurring prior to having served 2 years in an active status, on the date the vacancy occurs, if the officer served at least 1 year in an active status in the grade of rear admiral (lower half).”.

SEC. 221. CONFIDENTIAL INVESTIGATIVE EXPENSES.

Section 658 of title 14, United States Code, is amended by striking “\$15,000 per annum” and inserting “\$45,000 each fiscal year”.

SEC. 222. INNOVATIVE CONSTRUCTION ALTERNATIVES.

The Commandant of the Coast Guard may consult with the Office of Naval Research and other Federal agencies with research and development programs that may provide innovative construction alternatives for the Integrated Deepwater System.

SEC. 223. DELEGATION OF PORT SECURITY AUTHORITY.

The undesignated text following paragraph (b) of the second unnumbered paragraph of section 1 of title II of the Act of June 15, 1917 (chapter 30; 40 Stat. 220; 50 U.S.C. 191) is amended by adding at the beginning the following: “The President may delegate the authority to issue such rules and regulations to

the Secretary of the department in which the Coast Guard is operating.”.

SEC. 224. FISHERIES ENFORCEMENT PLANS AND REPORTING.

(a) **FISHERIES ENFORCEMENT PLANS.**—In preparing the Coast Guard’s annual fisheries enforcement plan, the Commandant of the Coast Guard shall consult with the Under Secretary of Commerce for Oceans and Atmosphere and with State and local enforcement authorities.

(b) **FISHERY PATROLS.**—Prior to undertaking fisheries patrols, the Commandant of the Coast Guard shall notify the Under Secretary of Commerce for Oceans and Atmosphere and appropriate State and local enforcement authorities of the projected dates for such patrols.

(c) **ANNUAL SUMMARY.**—The Commandant of the Coast Guard shall prepare and make available to the Under Secretary of Commerce for Oceans and Atmosphere, State and local enforcement entities, and other relevant stakeholders, an annual summary report of fisheries enforcement activities for the preceding year, including a summary of the number of patrols, law enforcement actions taken, and resource hours expended.

SEC. 225. USE OF COAST GUARD AND MILITARY CHILD DEVELOPMENT CENTERS.

The Secretary of Defense and the Secretary of the department in which the Coast Guard is operating, when operating other than as a service in the Navy, may agree to provide child care services to members of the armed forces, with reimbursement, in Coast Guard and military child development centers supported in whole or in part with appropriated funds. For purposes of military child development centers operated under the authority of subchapter II of chapter 88 of title 10, United States Code, the child of a member of the Coast Guard shall be considered the same as the child of a member of any of the other armed forces.

SEC. 226. TREATMENT OF PROPERTY OWNED BY AUXILIARY UNITS AND DEDICATED SOLELY FOR AUXILIARY USE.

Section 821 of title 14, United States Code, is amended by adding at the end the following:

“(d)(1) Except as provided in paragraph (2), personal property of the auxiliary shall not be considered property of the United States.

“(2) The Secretary may treat personal property of the auxiliary as property of the United States—

“(A) for the purposes of—

“(i) the statutes and matters referred to in paragraphs (1) through (6) of subsection (b); and

“(ii) section 641 of this title; and

“(B) as otherwise provided in this chapter.

“(3) The Secretary may reimburse the Auxiliary, and each organizational element and unit of the Auxiliary, for necessary expenses of operation, maintenance, and repair or replacement of personal property of the Auxiliary.

“(4) In this subsection, the term ‘personal property of the Auxiliary’ means motor boats, yachts, aircraft, radio stations, motorized vehicles, trailers, or other equipment that is under the administrative jurisdiction of the Coast Guard Auxiliary or an organizational element or unit of the Auxiliary and that is used solely for the purposes described in this subsection.”.

TITLE III—NAVIGATION

SEC. 301. MARKING OF UNDERWATER WRECKS.

Section 15 of the Act of March 3, 1899 (30 Stat. 1152; 33 U.S.C. 409) is amended—

(1) by striking “day and a lighted lantern” in the second sentence inserting “day and, unless otherwise granted a waiver by the Commandant of the Coast Guard, a light”; and

(2) by adding at the end “The Commandant of the Coast Guard may waive the requirement to mark a wrecked vessel, raft, or other craft with a light at night if the Commandant determines that placing a light would be impractical and granting such a waiver would not create an undue hazard to navigation.”.

SEC. 302. USE OF ELECTRONIC DEVICES; COOPERATIVE AGREEMENTS.

Section 4(a) of the Ports and Waterways Safety Act of 1972 (33 U.S.C. 1223(a)) is amended by—

(1)(A) striking “and” after the semicolon at the end of paragraph (4);

(B) striking the period at the end of paragraph (5) and inserting “; and”; and

(C) adding at the end the following:

“(6) may prohibit the use on vessels of electronic or other devices that interfere with communication and navigation equipment, except that such authority shall not apply to electronic or other devices certified to transmit in the maritime services by the Federal Communications Commission and used within the frequency bands 157.1875–157.4375 MHz and 161.7875–162.0375 MHz.”; and

(2) adding at the end the following:

“(e) **COOPERATIVE AGREEMENTS.**—(1) The Secretary may enter into cooperative agreements with public or private agencies, authorities, associations, institutions, corporations, organizations, or other persons to carry out the functions under subsection (a)(1).

“(2) A nongovernmental entity may not under this subsection carry out an inherently governmental function.

“(3) As used in this paragraph, the term ‘inherently governmental function’ means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of judgment in making a decision for the Government.”.

SEC. 303. INLAND NAVIGATION RULES PROMULGATION AUTHORITY.

(a) **REPEAL OF INLAND RULES.**—Section 2 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2001–38) is repealed.

(b) **AUTHORITY TO ISSUE REGULATIONS.**—Section 3 of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2001) is amended to read as follows:

“SEC. 3. INLAND NAVIGATION RULES.

“The Secretary of the Department in which the Coast Guard is operating may issue inland navigation regulations applicable to all vessels upon the inland waters of the United States and technical annexes that are as consistent as possible with the respective annexes to the International Regulations.”.

(c) **EFFECTIVE DATE.**—Subsection (a) is effective on the effective date of final regulations prescribed by the Secretary of the Department in which the Coast Guard is operating under section 3 of the Inland Navigation Rules Act of 1980 (33 U.S.C. 2001), as amended by this Act.

SEC. 304. SAINT LAWRENCE SEAWAY.

Section 3(2) of the Ports and Waterways Safety Act (33 U.S.C. 1222(2)) is amended by inserting “, except that ‘Secretary’ means the Secretary of Transportation with respect to the application of this Act to the Saint Lawrence Seaway” after “in which the Coast Guard is operating”.

TITLE IV—SHIPPING

SEC. 401. REPORTS FROM CHARTERERS.

Section 12120 of title 46, United States Code, is amended by striking “owners and masters” and inserting “owners, masters, and charterers”.

SEC. 402. REMOVAL OF MANDATORY REVOCATION FOR PROVED DRUG CONVICTIONS IN SUSPENSION AND REVOCATION CASES.

Section 7704(b) of title 46, United States Code, is amended by inserting “suspended or” after “shall be”.

SEC. 403. RECORDS OF MERCHANT MARINERS’ DOCUMENTS.

Section 7319 of title 46, United States Code, is amended by striking the second sentence.

SEC. 404. EXEMPTION OF UNMANNED BARGES FROM CERTAIN CITIZENSHIP REQUIREMENTS.

(a) **LIMITATION ON COMMAND.**—Section 12110(d) of title 46, United States Code, is amended by inserting “or an unmanned barge operating outside of the territorial waters of the United States,” after “recreational endorsement,”.

(b) **PENALTY.**—Section 12122(b)(6) of title 46, United States Code, is amended by inserting “or an unmanned barge operating outside of the territorial waters of the United States,” after “recreational endorsement,”.

SEC. 405. COMPLIANCE WITH INTERNATIONAL SAFETY MANAGEMENT CODE.

(a) **APPLICATION OF EXISTING LAW.**—Section 3202(a) of title 46, United States Code, is amended to read as follows:

“(a) **MANDATORY APPLICATION.**—This chapter applies to a vessel that—

“(1)(A) is transporting more than 12 passengers described in section 2101(21)(A) of this title; or

“(B) is of at least 500 gross tons as measured under section 14302 of this title and is a tanker, freight vessel, bulk freight vessel, high speed freight vessel, or self-propelled mobile offshore drilling unit; and

“(2)(A) is engaged on a foreign voyage; or

“(B) is a foreign vessel departing from a place under the jurisdiction of the United States on a voyage, any part of which is on the high seas.”.

(b) **COMPLIANCE OF REGULATIONS WITH INTERNATIONAL SAFETY MANAGEMENT CODE.**—Section 3203(b) of title 46, United States Code, is amended by striking “vessels engaged on a foreign voyage.” and inserting “vessels to which this chapter applies under section 3202(a) of this title.”.

SEC. 406. PENALTIES.

Section 4311(b) of title 46, United States Code, is amended to read as follows:

“(b)(1) A person violating section 4307(a) of this title is liable to the United States Government for a civil penalty of not more than \$5,000, except that the maximum civil penalty may be not more than \$250,000 for a related series of violations.

“(2) If the Secretary decides under section 4310(f) that a recreational vessel or associated equipment contains a defect related to safety or fails to comply with an applicable regulation and directs the manufacturer to provide the notifications specified in this chapter, any person, including a director, officer or executive employee of a corporation, who knowingly and willfully fails to comply with that order, may be fined not more than \$10,000, imprisoned for not more than one year, or both.

“(3) When a corporation violates section 4307(a), or fails to comply with the Secretary’s decision under section 4310(f), any director, officer, or executive employee of the corporation who knowingly and willfully ordered, or knowingly and willfully authorized, a violation is individually liable to the Government for a penalty under paragraphs (1) or (2) in addition to the corporation. However, the director, officer, or executive employee is not liable individually under this subsection if the director, officer, or executive employee can demonstrate by a preponderance of the evidence that—

“(A) the order or authorization was issued on the basis of a decision, in exercising reasonable and prudent judgment, that the defect or the nonconformity with standards and regulations constituting the violation would not cause or constitute a substantial risk of personal injury to the public; and

“(B) at the time of the order or authorization, the director, officer, or executive employee advised the Secretary in writing of acting under this subparagraph and subparagraph (A).”.

SEC. 407. REVISION OF TEMPORARY SUSPENSION CRITERIA IN DOCUMENT SUSPENSION AND REVOCATION CASES.

Section 7702(d) of title 46, United States Code, is amended—

(1) in paragraph (1) by striking “if, when acting under the authority of that license, certificate, or document—” and inserting “if—”;

(2) in paragraph (1)(B)(i), by inserting “, while acting under the authority of that license, certificate, or document,” after “has”;

(3) by striking “or” after the semicolon at the end of paragraph (1)(B)(ii);

(4) by striking the period at the end of paragraph (1)(B)(iii) and inserting “; or”; and

(5) by adding at the end of paragraph (1)(B) the following:

“(iv) is a security risk that poses a threat to the safety or security of a vessel or a public or commercial structure located within or adjacent to the marine environment.”.

SEC. 408. REVISION OF BASES FOR DOCUMENT SUSPENSION AND REVOCATION CASES.

Section 7703 of title 46, United States Code, is amended—

(1) in paragraph (1)(B)—

(A) by striking “incompetence,”; and

(B) by striking the comma after “misconduct”;

(2) by striking “or” after the semicolon at the end of paragraph (2);

(3) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(4) by adding at the end the following:

“(4) has committed an act of incompetence relating to the operation of a vessel; or

“(5) is a security risk that poses a threat to the safety or security of a vessel or a public or commercial structure located within or adjacent to the marine environment.”.

SEC. 409. HOURS OF SERVICE ON TOWING VESSELS.

(a) REGULATIONS.—Section 8904 of title 46, United States Code, is amended by adding at the end of the following:

“(c) The Secretary may prescribe by regulation requirements for maximum hours of service (including recording and recordkeeping of that service) of individuals engaged on a towing vessel that is at least 26 feet in length measured from end to end over the deck (excluding the sheer).”.

(b) DEMONSTRATION PROJECT.—Prior to prescribing regulations under this section the Secretary shall conduct and report to the Congress on the results of a demonstration project involving the implementation of Crew Endurance Management Systems on towing vessels. The report shall include a description of the public and private sector resources needed to enable implementation of Crew Endurance Management Systems on all United States-flag towing vessels.

SEC. 410. ELECTRONIC CHARTS.

The Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.) is amended by inserting after section 4 the following:

“SEC. 4A. ELECTRONIC CHARTS.

“(a) SYSTEM REQUIREMENTS.—

“(1) REQUIREMENTS.—Subject to paragraph (2), the following vessels, while operating on the navigable waters of the United States, shall be equipped with and operate electronic charts under regulations prescribed by the Secretary of the department in which the Coast Guard is operating:

“(A) A self-propelled commercial vessel of at least 65 feet overall length.

“(B) A vessel carrying more than a number of passengers for hire determined by the Secretary.

“(C) A towing vessel of more than 26 feet in overall length and 600 horsepower.

“(D) Any other vessel for which the Secretary decides that electronic charts are necessary for the safe navigation of the vessel.

“(2) EXEMPTIONS AND WAIVERS.—The Secretary may—

“(A) exempt a vessel from paragraph (1), if the Secretary finds that electronic charts are not necessary for the safe navigation of the vessel on the waters on which the vessel operates; and

“(B) waive the application of paragraph (1) with respect to operation of vessels on navigable waters of the United States specified by the Secretary, if the Secretary finds that electronic charts are not needed for safe navigation on those waters.

“(b) REGULATIONS.—The Secretary of the department in which the Coast Guard is operating shall prescribe regulations implementing subsection (a) before January 1, 2007, including requirements for the operation and maintenance of the electronic charts required under subsection (a).”.

SEC. 411. PREVENTION OF DEPARTURE.

(a) IN GENERAL.—Section 3505 of title 46, United States Code, is amended to read as follows:

“§ 3505. Prevention of departure

“Notwithstanding section 3303 of this title, a foreign vessel carrying a citizen of the United States as a passenger or embarking passengers from a United States port may not depart from a United States port if the Secretary finds that the vessel does not comply with the standards stated in the International Convention for the Safety of Life at Sea to which the United States Government is currently a party.”.

(b) CONFORMING AMENDMENT.—Section 3303 of title 46, United States Code, is amended by inserting “and section 3505” after “chapter 37”.

SEC. 412. SERVICE OF FOREIGN NATIONALS FOR MARITIME EDUCATIONAL PURPOSES.

Section 8103(b)(1)(A) of title 46, United States Code, is amended to read as follows:

“(A) each unlicensed seaman must be—

“(i) a citizen of the United States;

“(ii) an alien lawfully admitted to the United States for permanent residence; or

“(iii) a foreign national who is enrolled in the United States Merchant Marine Academy.”.

SEC. 413. CLASSIFICATION SOCIETIES.

(a) IN GENERAL.—Section 3316 of title 46, United States Code, is amended by adding at the end the following:

“(c)(1) A classification society (including an employee or agent of that society) may not review, examine, survey, or certify the construction, repair, or alteration of a vessel in the United States unless—

“(A) the society has applied for approval under this subsection and the Secretary has reviewed and approved that society with respect to the conduct of that society under paragraph (2); or

“(B) the society is a full member of the International Association of Classification Societies.

“(2) The Secretary may approve a person for purposes of paragraph (1) only if the Secretary determines that—

“(A) the vessels surveyed by the person while acting as a classification society have an adequate safety record; and

“(B) the person has an adequate program to—

“(i) develop and implement safety standards for vessels surveyed by the person;

“(ii) make the safety records of the person available to the Secretary in an electronic format;

“(iii) provide the safety records of a vessel surveyed by the person to any other classification society that requests those records for the purpose of conducting a survey of the vessel; and

“(iv) request the safety records of a vessel the person will survey from any classification society that previously surveyed the vessel.”.

(b) APPLICATION.—Section 3316(c)(1) of title 46, United States Code, shall apply with respect to operation as a classification society on or after January 1, 2005.

SEC. 414. DRUG TESTING REPORTING.

(a) IN GENERAL.—Chapter 77 of title 46, United States Code, is amended by adding at the end:

“§ 7706. Drug testing reporting

“(a) RELEASE OF DRUG TEST RESULTS TO COAST GUARD.—Not later than 2 weeks after re-

ceiving from a Medical Review Officer a report of a verified positive drug test or verified test violation by a civilian employee of a Federal agency, an officer in the Public Health Services, or an officer in the National Oceanic and Atmospheric Administration Commissioned Officer Corps, who is employed in any capacity on board a vessel operated by the agency, the head of the agency shall release to the Commandant of the Coast Guard the report.

“(b) STANDARDS, PROCEDURES, AND REGULATIONS.—The head of a Federal agency shall carry out a release under subsection (a) in accordance with the standards, procedures, and regulations applicable to the disclosure and reporting to the Coast Guard of drug tests results and drug test records of individuals employed on vessels documented under the laws of the United States.

“(c) WAIVER.—Notwithstanding section 503(e) of the Supplemental Appropriations Act, 1987 (5 U.S.C. 7301 note), the report of a drug test of an employee may be released under this section without the prior written consent of the employee.”.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 77 of title 46, United States Code, is amended by adding at the end the following:

“7706. Drug testing reporting.”.

SEC. 415. INSPECTION OF TOWING VESSELS.

(a) VESSELS SUBJECT TO INSPECTION.—Section 3301 of title 46, United States Code, is amended by adding at the end the following:

“(15) towing vessels.”.

(b) SAFETY MANAGEMENT SYSTEM.—Section 3306 of chapter 33 of title 46, United States Code, is amended by adding at the end the following:

“(j) The Secretary may establish by regulation a safety management system appropriate for the characteristics, methods of operation, and nature of service of towing vessels.”.

SEC. 416. POTABLE WATER.

(a) IN GENERAL.—Section 3305(a) of title 46, United States Code, is amended—

(1) by redesignating paragraphs (4) and (5) in order as paragraphs (5) and (6); and

(2) by inserting after paragraph (3) the following:

“(4) has an adequate supply of potable water for drinking and washing by passengers and crew;”.

(b) ADEQUACY DETERMINATION.—Section 3305(a) of title 46, United States Code, as amended by subsection (a), is further amended—

(1) by inserting “(1)” after “(a)”; and

(2) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively; and

(3) by adding at the end the following:

“(2) In determining the adequacy of the supply of potable water under paragraph (1)(D), the Secretary shall consider—

“(A) the size and type of vessel;

“(B) the number of passengers or crew on board;

“(C) the duration and routing of voyages; and

“(D) guidelines for potable water recommended by the Centers for Disease Control and Prevention and the Public Health Service.”.

SEC. 417. TRANSPORTATION OF PLATFORM JACKETS.

The thirteenth proviso (pertaining to transportation by launch barge) of section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883) is amended to read as follows: “Provided further, That the transportation of any platform jacket in or on a non-coastwise qualified launch barge, that was built before December 31, 2000, and has a launch capacity of 12,000 long tons or more, between two points in the United States, at one of which there is an installation or other device within the meaning of section 4(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1333(a)), shall not be deemed transportation subject to this section if the Secretary of Transportation makes a determination, in accordance

with procedures established pursuant to this proviso that a suitable coastwise-qualified vessel is not available for use in the transportation and, if needed, launch or installation of a platform jacket and; that the Secretary of Transportation shall adopt procedures implementing this proviso that are reasonably designed to provide timely information so as to maximize the use of coastwise qualified-vessels, which procedures shall, among other things, establish that for purposes of this proviso, a coastwise-qualified vessel shall be deemed to be not available only (1) if upon application by an owner or operator for the use of a non-coastwise qualified launch barge for transportation of a platform jacket under this section, which application shall include all relevant information, including engineering details and timing requirements, the Secretary promptly publishes a notice in the Federal Register describing the project and the platform jacket involved, advising that all relevant information reasonably needed to assess the transportation requirements for the platform jacket will be made available to interested parties upon request, and requesting that information on the availability of coastwise-qualified vessels be submitted within 30 days after publication of that notice; and (2) if either (A) no information is submitted to the Secretary within that 30 day period, or (B) although the owner or operator of a coastwise-qualified vessel submits information to the Secretary asserting that the owner or operator has a suitable coastwise-qualified vessel available for this transportation, the Secretary, within 90 days of the date on which the notice is first published determines that the coastwise-qualified vessel is not suitable or reasonably available for the transportation; and that, for the purposes of this proviso, the term 'coastwise-qualified vessel' means a vessel that has been issued a certificate of documentation with a coastwise endorsement under section 12106 of title 46, United States Code, and the term 'platform jacket' refers to a single physical component and includes any type of offshore exploration, development, or production structure or component thereof, including platform jackets, tension leg or SPAR platform superstructures (including the deck, drilling rig and support utilities, and supporting structure), hull (including vertical legs and connecting pontoons or vertical cylinder), tower and base sections of a platform jacket, jacket structures, and deck modules (known as 'topsides')."

SEC. 418. RENEWAL OF ADVISORY GROUPS.

(a) COMMERCIAL FISHING INDUSTRY VESSEL SAFETY ADVISORY COMMITTEE.—Section 4508(e)(1) of title 46, United States Code, is amended by striking "of September 30, 2005" and inserting "on September 30, 2010".

(b) HOUSTON-GALVESTON NAVIGATION SAFETY ADVISORY COMMITTEE.—Section 18 of the Coast Guard Authorization Act of 1991 (Public Law 102-241; 105 Stat. 2213) is amended—

(1) in subsection (b) by striking "eighteen" and inserting "19";

(2) by adding at the end of subsection (b) the following:

"(12) One member representing recreational boating interests."; and

(3) in subsection (h) by striking "September 30, 2005" and inserting "September 30, 2010".

(c) LOWER MISSISSIPPI RIVER WATERWAY SAFETY ADVISORY COMMITTEE.—Section 19(g) of the Coast Guard Authorization Act of 1991 (Public Law 102-241) is amended by striking "September 30, 2005" and inserting "September 30, 2010".

(d) GREAT LAKES PILOTAGE ADVISORY COMMITTEE.—Section 9307(f)(1) of title 46, United States Code, is amended by striking "September 30, 2005" and inserting "September 30, 2010".

(e) NAVIGATION SAFETY ADVISORY COUNCIL.—Section 5(d) of the Inland Navigational Rules Act of 1980 (33 U.S.C. 2073(d)) is amended by striking "September 30, 2005" and inserting "September 30, 2010".

(f) NATIONAL BOATING SAFETY ADVISORY COUNCIL.—Section 13110(e) of title 46, United States Code, is amended by striking "September 30, 2005" and inserting "September 30, 2010".

(g) TOWING SAFETY ADVISORY COMMITTEE.—Public Law 96-380 (33 U.S.C. 1231a) is amended in subsection (e) by striking "September 30, 2005" and inserting "September 30, 2010".

TITLE V—FEDERAL MARITIME COMMISSION

SEC. 501. AUTHORIZATION OF APPROPRIATIONS FOR FEDERAL MARITIME COMMISSION.

There are authorized to be appropriated to the Federal Maritime Commission—

- (1) for fiscal year 2005, \$19,500,000;
- (2) for fiscal year 2006, \$20,750,000;
- (3) for fiscal year 2007, \$21,500,000; and
- (4) for fiscal year 2008, \$22,575,000.

SEC. 502. REPORT ON OCEAN SHIPPING INFORMATION GATHERING EFFORTS.

The Federal Maritime Commission shall transmit to the Senate Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report within 90 days after the date of the enactment of this Act on the status of any agreements, or ongoing discussions with, other Federal, State, or local government agencies concerning the sharing of ocean shipping information for the purpose of assisting law enforcement or anti-terrorism efforts. The Commission shall include in the report recommendations on how the Commission's ocean shipping information could be better utilized by it and other Federal agencies to improve port security.

TITLE VI—MISCELLANEOUS

SEC. 601. INCREASE IN CIVIL PENALTIES FOR VIOLATIONS OF CERTAIN BRIDGE STATUTES.

(a) GENERAL BRIDGE ACT OF 1906.—Section 5(b) of Act of March 23, 1906 (chapter 1130; 33 U.S.C. 495), popularly known as the General Bridge Act, is amended by striking "\$1,000" and inserting "\$5,000 for a violation occurring in 2004; \$10,000 for a violation occurring in 2005; \$15,000 for a violation occurring in 2006; \$20,000 for a violation occurring in 2007; and \$25,000 for a violation occurring in 2008 and any year thereafter".

(b) DRAWBRIDGES.—Section 5(c) of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved August 18, 1894 (33 U.S.C. 499(c)), is amended by striking "\$1,000" and inserting "\$5,000 for a violation occurring in 2004; \$10,000 for a violation occurring in 2005; \$15,000 for a violation occurring in 2006; \$20,000 for a violation occurring in 2007; and \$25,000 for a violation occurring in 2008 and any year thereafter".

(c) ALTERATION, REMOVAL, OR REPAIR OF BRIDGES.—Section 18(c) of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1899 (33 U.S.C. 502(c)) is amended by striking "\$1,000" and inserting "\$5,000 for a violation occurring in 2004; \$10,000 for a violation occurring in 2005; \$15,000 for a violation occurring in 2006; \$20,000 for a violation occurring in 2007; and \$25,000 for a violation occurring in 2008 and any year thereafter".

(d) GENERAL BRIDGE ACT OF 1946.—Section 510(b) of the General Bridge Act of 1946 (33 U.S.C. 533(b)) is amended by striking "\$1,000" and inserting "\$5,000 for a violation occurring in 2004; \$10,000 for a violation occurring in 2005; \$15,000 for a violation occurring in 2006; \$20,000 for a violation occurring in 2007; and \$25,000 for a violation occurring in 2008 and any year thereafter".

SEC. 602. CONVEYANCE OF DECOMMISSIONED COAST GUARD CUTTERS.

(a) IN GENERAL.—The Commandant of the Coast Guard may convey all right, title, and in-

terest of the United States in and to a vessel described in subsection (b) to the person designated in subsection (b) with respect to the vessel (in this section referred to as the "recipient"), without consideration, if the person complies with the conditions under subsection (c).

(b) VESSELS DESCRIBED.—The vessels referred to in subsection (a) are the following:

(1) The Coast Guard Cutter BRAMBLE, to be conveyed to the Port Huron Museum of Arts and History (a nonprofit corporation under the laws of the State of Michigan), located in Port Huron, Michigan.

(2) The Coast Guard Cutter PLANETREE, to be conveyed to Jewish Life (a nonprofit corporation under the laws of the State of California), located in Sherman Oaks, California.

(3) The Coast Guard Cutter SUNDEW, to be conveyed to Duluth Entertainment and Convention Center Authority (a nonprofit corporation under the laws of the State of Minnesota), located in Duluth, Minnesota.

(c) CONDITIONS.—As a condition of any conveyance of a vessel under subsection (a), the Commandant shall require the recipient—

(1) to agree—

(A) to use the vessel for purposes of education and historical display;

(B) not to use the vessel for commercial transportation purposes;

(C) to make the vessel available to the United States Government if needed for use by the Commandant in time of war or a national emergency; and

(D) to hold the Government harmless for any claims arising from exposure to hazardous materials, including asbestos and polychlorinated biphenyls (PCBs), after conveyance of the vessel, except for claims arising from use of the vessel by the Government under subparagraph (C);

(2) to have funds available that will be committed to operate and maintain the vessel conveyed in good working condition—

(A) in the form of cash, liquid assets, or a written loan commitment; and

(B) in an amount of at least \$700,000; and

(3) to agree to any other conditions the Commandant considers appropriate.

(d) MAINTENANCE AND DELIVERY OF VESSEL.—Prior to conveyance of a vessel under this section, the Commandant may, to the extent practical, and subject to other Coast Guard mission requirements, make every effort to maintain the integrity of the vessel and its equipment until the time of delivery. The Commandant shall deliver a vessel conveyed under this section at the place where the vessel is located, in its present condition, and without cost to the Government. The conveyance of a vessel under this section shall not be considered a distribution in commerce for purposes of section 6(e) of the Toxic Substances Control Act (15 U.S.C. 2605(e)).

(e) OTHER EXCESS EQUIPMENT.—The Commandant may convey to the recipient of a vessel under this section any excess equipment or parts from other decommissioned Coast Guard vessels for use to enhance the vessel's operability and function as an historical display.

SEC. 603. TONNAGE MEASUREMENT.

(a) IN GENERAL.—The Secretary of the department in which the Coast Guard is operating may apply section 8104(o)(2) of title 46, United States Code, to the vessels described in subsection (b) without regard to the tonnage of those vessels.

(b) VESSELS DESCRIBED.—The vessels referred to in subsection (a) are the following:

(1) The M/V BLUEFIN (United States official number 620431).

(2) The M/V COASTAL MERCHANT (United States official number 1038382).

(c) APPLICATION.—Subsection (a) shall not apply to a vessel described in subsection (b)—

(1) until the Secretary determines that the application of subsection (a) will not compromise safety; and

(2) on or after any date on which the Secretary determines that the vessel has undergone any major modification.

SEC. 604. OPERATION OF VESSEL STAD AMSTERDAM.

(a) *IN GENERAL.*—Notwithstanding section 8 of the Act of June 19, 1886 (46 App. U.S.C. 289), and the ruling by the Acting Director of the International Trade Compliance Division of the Customs Service on May 17, 2002 (Customs Bulletins and Decisions, Vol. 36, No. 23, June 5, 2002), the vessel STAD AMSTERDAM (International Maritime Organization number 9185554) shall be authorized to carry within United States waters and between ports or places in the United States individuals who are not directly and substantially connected with the operation, navigation, ownership, or business of the vessel, who are friends, guests, or employees of the owner of the vessel, and who are not actual or prospective customers for hire of the vessel.

(b) *LIMITATION.*—This section does not authorize the vessel STAD AMSTERDAM—

(1) to be used to carry individuals for a fare or to be chartered on a for hire basis in the coastwise trade; or

(2) to carry individuals described in subsection (a) within United States waters and between ports or places in the United States for more than 45 calendar days in any calendar year.

(c) *REVOCATION.*—The Secretary of the department in which the Coast Guard is operating shall revoke the authorization provided by subsection (a) if the Secretary determines that the STAD AMSTERDAM has been operated in violation of the limitations imposed by subsection (b).

SEC. 605. GREAT LAKES NATIONAL MARITIME ENHANCEMENT INSTITUTE.

(a) *AUTHORITY TO DESIGNATE INSTITUTE.*—The Secretary of Transportation may designate a National Maritime Enhancement Institute for the Great Lakes region under section 8 of the Act of October 13, 1989 (103 Stat. 694; 46 U.S.C. App. 1121–2). In making any decision on the designation of such an institute, the Secretary shall consider the unique characteristics of Great Lakes maritime industry and trade.

(b) *STUDY AND REPORT.*—

(1) *IN GENERAL.*—The Secretary of Transportation shall conduct a study that—

(A) evaluates short sea shipping market opportunities on the Great Lakes, including the expanded use of freight ferries, improved mobility, and regional supply chain efficiency;

(B) evaluates markets for foreign trade between ports on the Great Lakes and draft-limited ports in Europe and Africa;

(C) evaluates the environmental benefits of waterborne transportation in the Great Lakes region;

(D) analyzes the effect on Great Lakes shipping of the tax imposed by section 4461(a) of the Internal Revenue Code of 1986;

(E) evaluates the state of shipbuilding and ship repair bases on the Great Lakes;

(F) evaluates opportunities for passenger vessel services on the Great Lakes;

(G) analyzes the origin-to-destination flow of freight cargo in the Great Lakes region that may be transported on vessels to relieve congestion in other modes of transportation;

(H) evaluates the economic viability of establishing transshipment facilities for oceangoing cargoes on the Great Lakes;

(I) evaluates the adequacy of the infrastructure in Great Lakes ports to meet the needs of marine commerce; and

(J) evaluates new vessel designs for domestic and international shipping on the Great Lakes.

(2) *USE OF NATIONAL MARITIME ENHANCEMENT INSTITUTES.*—In conducting the study required by paragraph (1), the Secretary may utilize the services of any recognized National Maritime Enhancement Institute.

(3) *REPORTS.*—The Secretary shall submit an annual report on the findings and conclusions of the study under this section to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transpor-

tation and Infrastructure of the House of Representatives—

(A) by not later than 1 year after the date of the enactment of this Act; and

(B) by not later than 1 year after the date of submission of the report under subparagraph (A).

(4) *AUTHORIZATION OF APPROPRIATIONS.*—There is authorized to be appropriated to the Secretary \$1,500,000 for each of fiscal years 2005 and 2006 to carry out paragraph (1).

SEC. 606. KOSS COVE.

(a) *IN GENERAL.*—Notwithstanding any other provision of law or existing policy, the cove described in subsection (b) shall be known and designated as “Koss Cove”, in honor of the late Able Bodied Seaman Eric Steiner Koss of the National Oceanic and Atmospheric Administration vessel RAINIER who died in the performance of a nautical charting mission off the coast of Alaska.

(b) *COVE DESCRIBED.*—The cove referred to in subsection (a) is—

(1) adjacent to and southeast of Point Elrington, Alaska, and forms a portion of the southern coast of Elrington Island;

(2) ¾ mile across the mouth;

(3) centered at 59 degrees 56.1 minutes North, 148 degrees 14 minutes West; and

(4) 45 miles from Seward, Alaska.

(c) *REFERENCES.*—Any reference in any law, regulation, document, record, map, or other paper of the United States to the cove described in subsection (b) is deemed to be a reference to Koss Cove.

SEC. 607. MISCELLANEOUS CERTIFICATES OF DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), section 8 of the Act of June 19, 1886 (24 Stat. 81, chapter 421; 46 App. U.S.C. 289), and section 12106 of title 46, United States Code, the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the following vessels:

(1) OCEAN LEADER (United States official number 679511).

(2) REVELATION (United States official number 1137565).

(3) W. N. RAGLAND (Washington State registration number WN5506NE).

(4) M/T MISS LINDA (United States official number 1140552).

SEC. 608. REQUIREMENTS FOR COASTWISE ENDORSEMENT.

(a) *IN GENERAL.*—Section 12106 of title 46, United States Code, is amended—

(1) by striking subsection (e)(1)(B) and inserting the following:

“(B) the person that owns the vessel (or, if the vessel is owned by a trust or similar arrangement, the beneficiary of the trust or similar arrangement) meets the requirements of subsection (f);”;

(2) by adding at the end the following:

“(f) OWNERSHIP CERTIFICATION REQUIREMENT.—

“(1) *IN GENERAL.*—A person meets the requirements of this subsection if that person transmits to the Secretary each year the certification required by paragraph (2) or (3) with respect to a vessel.

“(2) *INVESTMENT CERTIFICATION.*—To meet the certification requirement of this paragraph, a person shall certify that it—

“(A) is a leasing company, bank, or financial institution;

“(B) owns, or holds the beneficial interest in, the vessel solely as a passive investment;

“(C) does not operate any vessel for hire and is not an affiliate of any person who operates any vessel for hire; and

“(D) is independent from, and not an affiliate of, any charterer of the vessel or any other person who has the right, directly or indirectly, to control or direct the movement or use of the vessel.

“(3) *CERTAIN TANK VESSELS.*—

“(A) *IN GENERAL.*—To meet the certification requirement of this paragraph, a person shall certify that—

“(i) the aggregate book value of the vessels owned by such person and United States affiliates of such person does not exceed 10 percent of the aggregate book value of all assets owned by such person and its United States affiliates;

“(ii) not more than 10 percent of the aggregate revenues of such person and its United States affiliates is derived from the ownership, operation, or management of vessels;

“(iii) at least 70 percent of the aggregate tonnage of all cargo carried by all vessels owned by such person and its United States affiliates and documented under this section is qualified proprietary cargo;

“(iv) any cargo other than qualified proprietary cargo carried by all vessels owned by such person and its United States affiliates and documented under this section consists of oil, petroleum products, petrochemicals, or liquefied natural gas;

“(v) no vessel owned by such person or any of its United States affiliates and documented under this section carries molten sulphur; and

“(vi) such person owned 1 or more vessels documented under subsection (e) of this section as of the date of enactment of the Coast Guard and Maritime Transportation Act of 2004.

“(B) *APPLICATION ONLY TO CERTAIN VESSELS.*—A person may make a certification under this paragraph only with respect to—

“(i) a tank vessel having a tonnage of not less than 6,000 gross tons, as measured under section 14502 of this title (or an alternative tonnage measured under section 14302 of this title as prescribed by the Secretary under section 14104 of this title); or

“(ii) a towing vessel associated with a non-self-propelled tank vessel that meets the requirements of clause (i), where the 2 vessels function as a single self-propelled vessel.

“(4) *DEFINITIONS.*—In this subsection:

“(A) *AFFILIATE.*—The term ‘affiliate’ means, with respect to any person, any other person that is—

“(i) directly or indirectly controlled by, under common control with, or controlling such person; or

“(ii) named as being part of the same consolidated group in any report or other document submitted to the United States Securities and Exchange Commission or the Internal Revenue Service.

“(B) *CARGO.*—The term ‘cargo’ does not include cargo to which title is held for non-commercial reasons and primarily for the purpose of evading the requirements of paragraph (3).

“(C) *OIL.*—The term ‘oil’ has the meaning given that term in section 2101(20) of this title.

“(D) *PASSIVE INVESTMENT.*—The term ‘passive investment’ means an investment in which neither the investor nor any affiliate of such investor is involved in, or has the power to be involved in, the formulation, determination, or direction of any activity or function concerning the management, use, or operation of the asset that is the subject of the investment.

“(E) *QUALIFIED PROPRIETARY CARGO.*—The term ‘qualified proprietary cargo’ means—

“(i) oil, petroleum products, petrochemicals, or liquefied natural gas cargo that is beneficially owned by the person who submits to the Secretary an application or annual certification under paragraph (3), or by an affiliate of such person, immediately before, during, or immediately after such cargo is carried in coastwise trade on a vessel owned by such person;

“(ii) oil, petroleum products, petrochemicals, or liquefied natural gas cargo not beneficially owned by the person who submits to the Secretary an application or an annual certification under paragraph (3), or by an affiliate of such person, but that is carried in coastwise trade by a vessel owned by such person and which is part of an arrangement in which vessels owned by

such person and at least one other person are operated collectively as one fleet, to the extent that an equal amount of oil, petroleum products, petrochemicals, or liquefied natural gas cargo beneficially owned by such person, or an affiliate of such person, is carried in coastwise trade on 1 or more other vessels, not owned by such person, or an affiliate of such person, if such other vessel or vessels are also part of the same arrangement;

“(iii) in the case of a towing vessel associated with a non-self-propelled tank vessel where the 2 vessels function as a single self-propelled vessel, oil, petroleum products, petrochemicals, or liquefied natural gas cargo that is beneficially owned by the person who owns both such towing vessel and the non-self-propelled tank vessel, or any United States affiliate of such person, immediately before, during, or immediately after such cargo is carried in coastwise trade on either of the 2 vessels; or

“(iv) any oil, petroleum products, petrochemicals, or liquefied natural gas cargo carried on any vessel that is either a self-propelled tank vessel having a length of at least 210 meters or a tank vessel that is a liquefied natural gas carrier that—

“(I) was delivered by the builder of such vessel to the owner of such vessel after December 31, 1999; and

“(II) was purchased by a person for the purpose, and with the reasonable expectation, of transporting on such vessel liquefied natural gas or unrefined petroleum beneficially owned by the owner of such vessel, or an affiliate of such owner, from Alaska to the continental United States.

“(F) UNITED STATES AFFILIATE.—The term ‘United States affiliate’ means, with respect to any person, an affiliate the principal place of business of which is located in the United States.”.

(b) TREATMENT OF OWNER OF CERTAIN VESSELS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a person shall be treated as a citizen of the United States under section 12102(a) of title 46, United States Code, section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), and section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), for purposes of issuance of a coastwise endorsement under section 12106(e) of title 46, United States Code (as that section was in effect on the day before the date of enactment of this Act), for a vessel owned by the person on the date of enactment of this Act, or any replacement vessel of a similar size and function, if the person—

(A) owned a vessel before January 1, 2001, that had a coastwise endorsement under section 12106(e) of title 46, United States Code; and

(B) as of the date of the enactment of this Act, derives substantially all of its revenue from leasing vessels engaged in the transportation or distribution of petroleum products and other cargo in Alaska.

(2) LIMITATION ON COASTWISE TRADE.—A vessel owned by a person described in paragraph (1) for which a coastwise endorsement is issued under section 12106(e) of title 46, United States Code, may be employed in the coastwise trade only within Alaska and in the coastwise trade to and from Alaska.

(3) TERMINATION.—The application of this subsection to a person described in paragraph (1) shall terminate if all of that person’s vessels described in paragraph (1) are sold to a person eligible to document vessels under section 12106(a) of title 46, United States Code.

(c) APPLICATION TO CERTAIN CERTIFICATES.—

(1) IN GENERAL.—The amendments made by this section, and any regulations published after February 4, 2004, with respect to coastwise endorsements, shall not apply to a certificate of documentation, or renewal thereof, endorsed with a coastwise endorsement for a vessel under section 12106(e) of title 46, United States Code, or a replacement vessel of a similar size and

function, that was issued prior to the date of enactment of this Act as long as the vessel is owned by the person named therein, or by a subsidiary or affiliate of that person, and the controlling interest in such owner has not been transferred to a person that was not an affiliate of such owner as of the date of enactment of this Act. Notwithstanding the preceding sentence, however, the amendments made by this section shall apply, beginning 3 years after the date of enactment of this Act, with respect to offshore supply vessels (as defined in section 2101(19) of title 46, United States Code, as that section was in effect on the date of enactment of this Act) with a certificate of documentation endorsed with a coastwise endorsement as of the date of enactment of this Act, and the Secretary of the Department in which the Coast Guard is operating shall revoke any such certificate if the vessel does not by then meet the requirements of section 12106(e) of title 46, United States Code, as amended by this section.

(2) REPLACEMENT VESSEL.—For the purposes of this subsection, “replacement vessel” means—

(A) a temporary replacement vessel for a period of not to exceed 180 days if the vessel described in paragraph (1) is unavailable due to an act of God or a marine casualty; or

(B) a permanent replacement vessel if—

(i) the vessel described in paragraph (1) is unavailable for more than 180 days due to an act of God or a marine casualty; or

(ii) a contract to purchase or construct such replacement vessel is executed not later than December 31, 2004.

(d) WAIVER.—The Secretary of Transportation shall waive or reduce the qualified proprietary cargo requirement of section 12106(f)(3)(A)(iii) of title 46, United States Code, for a vessel if the person that owns the vessel (or, if the vessel is owned by a trust or similar arrangement, the beneficiary of the trust or similar arrangement) notifies the Secretary that circumstances beyond the direct control of such person or its affiliates prevent, or reasonably threaten to prevent, such person from satisfying such requirement, and the Secretary does not, with good cause, determine otherwise. The waiver or reduction shall apply during the period of time that such circumstances exist.

(e) REGULATIONS.—No later than one year after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall prescribe final regulations to carry out this section, including amendments made by this section to section 12106 of title 46, United States Code.

SEC. 609. CORRECTION OF REFERENCES TO NATIONAL DRIVER REGISTER.

Title 46, United States Code, is amended—

(1) in section 7302—

(A) by striking “section 206(b)(7) of the National Driver Register Act of 1982 (23 U.S.C. 401 note)” and inserting “30305(b)(5) of title 49”; and

(B) by striking “section 205(a)(3)(A) or (B) of that Act” and inserting “30304(a)(3)(A) or (B) of title 49”;

(2) in section 7702(d)(1)(B)(iii) by striking “section 205(a)(3)(A) or (B) of the National Driver Register Act of 1982” and inserting “section 30304(a)(3)(A) or (B) of title 49”; and

(3) in section 7703(3) by striking “section 205(a)(3)(A) or (B) of the National Driver Register Act of 1982” and inserting “section 30304(a)(3)(A) or (B) of title 49”.

SEC. 610. WATEREE RIVER.

For purposes of bridge administration, the portion of the Wateree River in the State of South Carolina, from a point 100 feet upstream of the railroad bridge located at approximately mile marker 10.0 to a point 100 feet downstream of such bridge, is declared to not be navigable waters of the United States for purposes of the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

SEC. 611. MERCHANT MARINERS’ DOCUMENTS PILOT PROGRAM.

The Secretary of the department in which the Coast Guard is operating may conduct a pilot program to demonstrate methods to improve processes and procedures for issuing merchant mariners’ documents.

SEC. 612. CONVEYANCE.

(a) AUTHORITY TO CONVEY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of the department in which the Coast Guard is operating shall convey, by an appropriate means of conveyance, all right, title, and interest of the United States in and to Sentinel Island, Alaska, to the entity to which the Sentinel Island Light Station is conveyed under section 308(b) of the National Historic Preservation Act (16 U.S.C. 470w-7(b)).

(2) IDENTIFICATION OF PROPERTY.—The Secretary may identify, describe, and determine the property to be conveyed under this subsection.

(3) LIMITATION.—The Secretary may not under this section convey—

(A) any historical artifact, including any lens or lantern, located on property conveyed under this section at or before the time of the conveyance; or

(B) any interest in submerged land.

(b) GENERAL TERMS AND CONDITIONS.—

(1) IN GENERAL.—Any conveyance of property under this section shall be made—

(A) without payment of consideration; and

(B) subject to the terms and conditions required by this section and other terms and conditions the Secretary may consider appropriate, including the reservation of easements and other rights on behalf of the United States.

(2) REVERSIONARY INTEREST.—In addition to any term or condition established under this section, any conveyance of property under this section shall be subject to the condition that all right, title, and interest in the property, at the option of the Secretary shall revert to the United States and be placed under the administrative control of the Secretary, if—

(A) the property, or any part of the property—

(i) ceases to be available and accessible to the public, on a reasonable basis, for educational, park, recreational, cultural, historic preservation, or other similar purposes specified for the property in the terms of conveyance;

(ii) ceases to be maintained in a manner that is consistent with its present or future use as a site for Coast Guard aids to navigation or compliance with this section; or

(iii) ceases to be maintained in a manner consistent with the conditions in paragraph (4) established by the Secretary pursuant to the National Historic Preservation Act (16 U.S.C. 470 et seq.); or

(B) at least 30 days before that reversion, the Secretary provides written notice to the owner that the property is needed for national security purposes.

(3) MAINTENANCE OF NAVIGATION FUNCTIONS.—Any conveyance of property under this section shall be made subject to the conditions that the Secretary considers to be necessary to assure that—

(A) the lights, antennas, and associated equipment located on the property conveyed that are active aids to navigation shall continue to be operated and maintained by the United States for as long as they are needed for this purpose;

(B) the owner of the property may not interfere or allow interference in any manner with aids to navigation without express written permission from the Commandant of the Coast Guard;

(C) there is reserved to the United States the right to relocate, replace, or add any aids to navigation or make any changes to the property conveyed as may be necessary for navigational purposes;

(D) the United States shall have the right, at any time, to enter the property without notice

for the purpose of operating, maintaining, and inspecting aids to navigation and for the purpose of enforcing compliance with this subsection; and

(E) the United States shall have an easement of access to and across the property for the purpose of maintaining the aids to navigation in use on the property.

(4) MAINTENANCE OF PROPERTY.—

(A) IN GENERAL.—Subject to subparagraph (B), the owner of a property conveyed under this section shall maintain the property in a proper, substantial, and workmanlike manner, and in accordance with any conditions established by the Secretary pursuant to the National Historic Preservation Act (16 U.S.C. 470 et seq.) and other applicable laws.

(B) LIMITATION.—The owner of a property conveyed under this section is not required to maintain any active aids to navigation on the property, except private aids to navigation authorized under section 83 of title 14, United States Code.

(c) DEFINITIONS.—In this section, the following definitions apply:

(1) AIDS TO NAVIGATION.—The term “aids to navigation” means equipment used for navigation purposes, including a light, antenna, radio, sound signal, electronic navigation equipment, or other associated equipment that are operated or maintained by the United States.

(2) OWNER.—The term “owner” means, for property conveyed under this section, the person to which property is conveyed under subsection (a)(1), and any successor or assign of that person.

SEC. 613. BRIDGE ADMINISTRATION.

Section 325(b) of the Department of Transportation and Related Agencies Appropriations Act, 1983 (Pub. L. 97-369; 96 Stat. 1765) is amended by striking “provides at least thirty feet of vertical clearance Columbia River datum and at least eighty feet of horizontal clearance, as” and inserting “is so”.

SEC. 614. SENSE OF CONGRESS REGARDING CARBON MONOXIDE AND WATERCRAFT.

It is the sense of the Congress that the Coast Guard should continue—

(1) to place a high priority on addressing the safety risks posed to boaters by elevated levels of carbon monoxide that are unique to watercraft; and

(2) to work with vessel and engine manufacturers, the American Boat & Yacht Council, other Federal agencies, and the entire boating community in order to determine the best ways to adequately address this public safety issue and minimize the number of tragic carbon monoxide-related boating deaths that occur each year.

SEC. 615. MITIGATION OF PENALTY DUE TO AVOIDANCE OF A CERTAIN CONDITION.

(a) TREATMENT OF VIOLATION.—For purposes of any administrative proceeding to consider mitigation of any civil penalty for a violation described in subsection (b), such violation is deemed to have been committed by reason of a safety concern.

(b) VIOLATION DESCRIBED.—A violation referred to in subsection (a) is any violation of the Act of June 19, 1886 (chapter 421; 46 App. U.S.C. 289), occurring before April 1, 2003, and consisting of operation of a passenger vessel in transporting passengers between the Port of New Orleans and another port on the Gulf of Mexico at a time when the master of the vessel determined that the vertical clearance on the Mississippi River at Chalmette, Louisiana, was insufficient to allow the safe return transport of passengers on that vessel to the Port of New Orleans.

(c) RELATED PENALTY AMOUNT.—Any civil penalty assessed for a violation of that Act by a vessel described in subsection (b), that was committed when that vessel was repositioning to the Port of New Orleans in July 2003, shall be miti-

gated to an amount not to exceed \$100 per passenger.

SEC. 616. CERTAIN VESSELS TO BE TOUR VESSELS.

(a) VESSELS DEEMED TOUR VESSELS.—Notwithstanding any other law, a passenger vessel that is not less than 100 gross tons and not greater than 300 gross tons is deemed to be a tour vessel for the purpose of permit allocation regulations under section 3(h) of Public Law 91-383 (16 U.S.C. 1a-2(h)) and section 3 of the Act of August 25, 1916 (16 U.S.C. 3), with respect to vessel operations in Glacier Bay National Park and Preserve, Alaska (in this section referred to as “Glacier Bay”), if the Secretary of the department in which the Coast Guard is operating determines that the vessel—

(1) has equipment installed that permits all graywater and blackwater to be stored on board for at least 24 hours;

(2) has a draft of not greater than 15 feet;

(3) has propulsion equipment of not greater than 5,000 horsepower; and

(4) is documented under the laws of the United States.

(b) REALLOCATION OF PERMITS.—

(1) REALLOCATION REQUIRED.—Subject to paragraph (2), the Secretary of the Interior, upon application by the operator of a passenger vessel deemed to be a tour vessel under subsection (a), shall reallocate to that vessel any available tour vessel concession permit not used by another vessel, if at the time of application that permit is not sought by a tour vessel of less than 100 gross tons.

(2) LIMITATIONS.—No more than three passenger vessels that are deemed to be a tour vessel under subsection (a) may hold a tour vessel concession permit at any given time, and no more than one such vessel may enter Glacier Bay on any particular date.

(c) COMPLIANCE WITH VESSEL REQUIREMENTS.—

(1) REQUIREMENT TO COMPLY.—Except as otherwise provided in this section, a vessel reallocated a tour vessel concession permit under this section shall comply with all regulations and requirements for Glacier Bay applicable to vessels of at least 100 gross tons.

(2) REVOCATION OF PERMIT.—The Secretary of the Interior may revoke a tour vessel concession permit reallocated to a vessel under this section if that vessel—

(A) discharges graywater or blackwater in Glacier Bay; or

(B) violates a vessel operating requirement for Glacier Bay that applies to vessels that are at least 100 gross tons, including restrictions pertaining to speed, route, and closed waters.

(d) TREATMENT OF ENTRIES INTO GLACIER BAY.—An entry into Glacier Bay by a vessel reallocated a tour vessel concession permit under this section shall count against the daily vessel quota and seasonal-use days applicable to entries by tour vessels and shall not count against the daily vessel quota or seasonal-use days of any other class of vessel.

SEC. 617. SENSE OF CONGRESS REGARDING TIME-LY REVIEW AND ADJUSTMENT OF GREAT LAKES PILOTAGE RATES.

It is the sense of the Congress that the Secretary of the department in which the Coast Guard is operating should, on a timely basis, review and adjust the rates payable under part 401 of title 46, Code of Federal Regulations, for services performed by United States registered pilots on the Great Lakes.

SEC. 618. WESTLAKE CHEMICAL BARGE DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883) and section 12106 of title 46, United States Code, the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the following vessels:

(1) Barge WCAO-101 (United States official number 506677).

(2) Barge WCAO-102 (United States official number 506851).

(3) Barge WCAO-103 (United States official number 506852).

(4) Barge WCAO-104 (United States official number 507172).

(5) Barge WCAO-105 (United States official number 507173).

(6) Barge WCAO-106 (United States official number 620514).

(7) Barge WCAO-107 (United States official number 620515).

(8) Barge WCAO-108 (United States official number 620516).

(9) Barge WCAO-3002 (United States official number 295147).

(10) Barge WCAO-3004 (United States official number 517396).

SEC. 619. CORRECTION TO DEFINITION.

Paragraph (4) of section 2 of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107-173) is amended by striking subparagraph (G) and inserting the following: “(G) The Coast Guard.”.

SEC. 620. LORAN-C.

There are authorized to be appropriated to the Department of Transportation, in addition to funds authorized for the Coast Guard for operation of the LORAN-C system, for capital expenses related to LORAN-C navigation infrastructure, \$25,000,000 for fiscal year 2005. The Secretary of Transportation may transfer from the Federal Aviation Administration and other agencies of the Department funds appropriated as authorized under this section in order to reimburse the Coast Guard for related expenses.

SEC. 621. DEEPWATER REPORT.

(a) REPORT.—No later than 180 days after enactment of this Act, the Coast Guard shall provide a written report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives with respect to performance under the first term of the Integrated Deepwater System contract.

(b) CONTENTS.—The report shall include the following:

(1) An analysis of how well the prime contractor has met the two key performance goals of operational effectiveness and minimizing total ownership costs.

(2) A description of the measures implemented by the prime contractor to meet these goals and how these measures have been or will be applied for subcontracts awarded during the 5-year term of the contract, as well as criteria used by the Coast Guard to assess the contractor's performance against these goals.

(3) To the extent available, performance and cost comparisons of alternatives examined in implementing the contract.

(4) A detailed description of the measures that the Coast Guard has taken to implement the recommendations of the General Accounting Office's March 2004 report on the Deepwater program (including the development of measurable award fee criteria, improvements to integrated product teams, and a plan for ensuring competition of subcontracts).

(5) A description of any anticipated changes to the mix of legacy and replacement assets over the life of the program, including Coast Guard infrastructure and human capital needs for integrating such assets, and a timetable and estimated costs for maintaining each legacy asset and introducing each replacement asset over the life of the contract, including a comparison to any previous estimates of such costs on an asset-specific basis.

SEC. 622. JUDICIAL REVIEW OF NATIONAL TRANSPORTATION SAFETY BOARD FINAL ORDERS.

Section 1153 of title 49, United States Code, is amended by adding at the end the following:

“(d) COMMANDANT SEEKING JUDICIAL REVIEW OF MARITIME MATTERS.—If the Commandant of

the Coast Guard decides that an order of the Board issued pursuant to a review of a Coast Guard action under section 1133 of this title will have an adverse impact on maritime safety or security, the Commandant may obtain judicial review of the order under subsection (a). The Commandant, in the official capacity of the Commandant, shall be a party to the judicial review proceedings."

SEC. 623. INTERIM AUTHORITY FOR DRY BULK CARGO RESIDUE DISPOSAL.

(a) **EXTENSION OF INTERIM AUTHORITY.**—The Secretary of the Department in which the Coast Guard is operating shall continue to implement and enforce United States Coast Guard 1997 Enforcement Policy for Cargo Residues on the Great Lakes (hereinafter in this section referred to as the "Policy") or revisions thereto, in accordance with that policy, for the purpose of regulating incidental discharges from vessels of residues of dry bulk cargo into the waters of the Great Lakes under the jurisdiction of the United States, until the earlier of—

(1) the date regulations are promulgated under subsection (b) for the regulation of incidental discharges from vessels of dry bulk cargo residue into the waters of the Great Lakes under the jurisdiction of the United States; or

(2) September 30, 2008.

(b) **PERMANENT AUTHORITY.**—Notwithstanding any other law, the Commandant of the Coast Guard may promulgate regulations governing the discharge of dry bulk cargo residue on the Great Lakes.

(c) **ENVIRONMENTAL ASSESSMENT.**—No later than 90 days after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall commence the environmental assessment necessary to promulgate the regulations under subsection (b).

SEC. 624. SMALL PASSENGER VESSEL REPORT.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall study and report to the Congress regarding measures that should be taken to increase the likelihood of survival of passengers on small passenger vessels who may be in the water resulting from the capsizing of, sinking of, or other marine casualty involving the small passenger vessel. The study shall include a review of the adequacy of existing measures—

(1) to keep the passengers out of the water, including inflatable life rafts and other out-of-the-water survival crafts;

(2) to protect individuals from hypothermia and cold shock in water having a temperature of less than 68 degrees Fahrenheit;

(3) for safe egress of passengers wearing personal flotation devices; and

(4) for the enforcement efforts and degree of compliance regarding the 1996 amendments to the Small Passenger Vessel Regulations (part 185 of title 46, Code of Federal Regulations) requiring the master of a small passenger vessel to require passengers to wear personal flotation devices when possible hazardous conditions exist including—

(A) when transiting hazardous bars or inlets;

(B) during severe weather;

(C) in the event of flooding, fire, or other events that may call for evacuation; and

(D) when the vessel is being towed, except during the towing of a non-self-propelled vessel under normal operating conditions.

(b) **CONTENTS.**—The report under this section shall include—

(1) a section regarding the efforts the Coast Guard has undertaken to enforce the regulations described in subsection (a)(4);

(2) a section detailing compliance with these regulations, to include the number of vessels and masters cited for violations of those regulations for fiscal years 1998 through 2003;

(3) a section detailing the number and types of marine casualties that occurred in fiscal years

1998 through 2003 that included violations of those regulations; and

(4) a section providing recommendation on improving compliance with, and possible modifications to, those regulations.

SEC. 625. CONVEYANCE OF MOTOR LIFEBOAT.

(a) **IN GENERAL.**—The Commandant of the Coast Guard shall convey all right, title, and interest of the United States in and to the Coast Guard 44-foot Motor Lifeboat Vessel #44345 formerly assigned to the Group Grand Haven Command, to the city of Ludington, Michigan, without consideration, if the recipient complies with the conditions under subsection (b).

(b) **CONDITIONS.**—As a condition of any conveyance of a vessel under subsection (a), the Commandant shall require the recipient to—

(1) agree—

(A) to use the vessel for purposes of education and historical display;

(B) not to use the vessel for commercial transportation purposes;

(C) to make the vessel available to the United States Government if needed for use by the Commandant in time of war or a national emergency; and

(D) to hold the Government harmless for any claims arising from exposure to hazardous materials, including asbestos and polychlorinated biphenyls (PCBs), after conveyance of the vessel, except for claims arising from use of the vessel by the Government under subparagraph (C);

(2) have funds available that will be committed to operate and maintain the vessel conveyed in good working condition, in the form of cash, liquid assets, or a written loan commitment; and

(3) agree to any other conditions the Commandant considers appropriate.

(c) **MAINTENANCE AND DELIVERY OF VESSEL.**—Before conveying a vessel under this section, the Commandant shall, to the extent practical, and subject to other Coast Guard mission requirements, make every effort to maintain the integrity of the vessel and its equipment until the time of delivery. The Commandant shall deliver a vessel conveyed under this section at the place where the vessel is located, in its present condition, and without cost to the Government. The conveyance of a vessel under this section shall not be considered a distribution in commerce for purposes of section 6(e) of Public Law 94-469 (15 U.S.C. 2605(e)).

(d) **OTHER EXCESS EQUIPMENT.**—The Commandant may convey to the recipient of a vessel under this section any excess equipment or parts from other decommissioned Coast Guard vessels for use to enhance the vessel's operability and function as an historical display.

SEC. 626. STUDY ON ROUTING MEASURES.

The Secretary of the department in which the Coast Guard is operating—

(1) shall cooperate with the Administrator of the National Oceanic and Atmospheric Administration in analyzing potential vessel routing measures for reducing vessel strikes of North Atlantic Right Whales, as described in the notice published at pages 30857 through 30861 of volume 69 of the Federal Register; and

(2) within 18 months after the date of the enactment of this Act, shall provide a final report of its analysis to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 627. CONVEYANCE OF LIGHT STATIONS.

Section 308(c) of the National Historic Preservation Act (16 U.S.C. 470w-7(c)) is amended by adding at the end the following:

"(4) **LIGHT STATIONS ORIGINALLY CONVEYED UNDER OTHER AUTHORITY.**—Upon receiving notice of an executed or intended conveyance by an owner who—

"(A) received from the Federal Government under authority other than this Act an historic light station in which the United States retains a reversionary or other interest; and

"(B) is conveying it to another person by sale, gift, or any other manner,

the Secretary shall review the terms of the executed or proposed conveyance to ensure that any new owner is capable of or is complying with any and all conditions of the original conveyance. The Secretary may require the parties to the conveyance and relevant Federal agencies to provide such information as is necessary to complete this review. If the Secretary determines that the new owner has not or is unable to comply with those conditions, the Secretary shall immediately advise the Administrator, who shall invoke any reversionary interest or take such other action as may be necessary to protect the interests of the United States."

SEC. 628. WAIVER.

The Secretary of the department in which the Coast Guard is operating may waive the application of section 2101(21) of title 46, United States Code, with respect to one of two adult chaperones who do not meet the requirements of subparagraph (A)(i), (ii), or (iii) of such section on board each vessel owned or chartered by the Florida National High Adventure Sea Base program of the Boy Scouts of America, if the Secretary determines that such a waiver will not compromise safety.

SEC. 629. APPROVAL OF MODULAR ACCOMMODATION UNITS FOR LIVING QUARTERS.

(a) **IN GENERAL.**—The Secretary of the department in which the Coast Guard is operating shall approve the use of a modular accommodation unit on a floating offshore facility to provide accommodations for up to 12 individuals, if—

(1) the unit is approximately 12 feet in length and 40 feet in width;

(2) before March 31, 2002—

(A) the Secretary approved use of the unit to provide accommodations on such a facility; and

(B) the unit was used to provide such accommodations; and

(3) the Secretary determines that use of the unit under the approval will not compromise safety.

(b) **APPLICATION.**—The approval by the Secretary under this section shall apply for the 5-year period beginning on the date of the enactment of this Act.

TITLE VII—AMENDMENTS RELATING TO OIL POLLUTION ACT OF 1990

SEC. 701. VESSEL RESPONSE PLANS FOR NONTANK VESSELS OVER 400 GROSS TONS.

(a) **NONTANK VESSEL DEFINED.**—Section 311(a) of the Federal Water Pollution Control Act (33 U.S.C. 1321) is amended—

(1) by striking "and" after the semicolon in paragraph (24)(B);

(2) by striking "threat," in paragraph (25) and inserting "threat; and"; and

(3) by adding at the end the following:

"(26) 'nontank vessel' means a self-propelled vessel of 400 gross tons as measured under section 14302 of title 46, United States Code, or greater, other than a tank vessel, that carries oil of any kind as fuel for main propulsion and that—

"(A) is a vessel of the United States; or

"(B) operates on the navigable waters of the United States."

(b) **AMENDMENTS TO REQUIRE RESPONSE PLANS.**—Section 311(j) of the Federal Water Pollution Control Act (33 U.S.C. 1321(j)) is amended—

(1) in paragraph (5) in the heading by inserting "NONTANK VESSEL," after "VESSEL";

(2) in paragraph (5)(A)—

(A) by inserting: "(i)" after "(A)"; and

(B) by adding at the end the following:

"(ii) The President shall also issue regulations which require an owner or operator of a nontank vessel to prepare and submit to the President a plan for responding, to the maximum extent practicable, to a worst case discharge, and to a substantial threat of such a discharge, of oil."

(3) in paragraph (5)(B), in the matter preceding clause (i), by inserting “, nontank vessels,” after “vessels”;

(4) in paragraph (5)(B), by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and by inserting after clause (i) the following:

“(ii) A nontank vessel.”;

(5) in paragraph (5)(D)—

(A) by inserting “, nontank vessel,” after “vessel”;

(B) by striking “and” after the semicolon at the end of clause (iii);

(C) by striking the period at the end of clause (iv) and inserting “; and”;

(D) by adding after clause (iv) the following:

“(v) in the case of a plan for a nontank vessel, consider any applicable State-mandated response plan in effect on the date of the enactment of the Coast Guard and Maritime Transportation Act of 2004 and ensure consistency to the extent practicable.”;

(6) by inserting “non-tank vessel,” in paragraph (5)(E) after “vessel,” each place it appears;

(7) in paragraph (5)(F)—

(A) by inserting “non-tank vessel,” after “vessel”;

(B) by striking “vessel or” and inserting “vessel, non-tank vessel, or”.

(8) in paragraph (5)(G) by inserting “nontank vessel,” after “vessel”;

(9) in paragraph (5)(H) by inserting “and nontank vessel” after “each tank vessel”;

(10) in paragraph (6) in the matter preceding subparagraph (A) by striking “Not later than 2 years after the date of enactment of this section, the President shall require—” and inserting “The President may require—”;

(11) in paragraph (6)(B) by inserting “, and nontank vessels carrying oil of any kind as fuel for main propulsion,” after “cargo”;

(12) in paragraph (7) by inserting “, nontank vessel,” after “vessel”.

(c) IMPLEMENTATION DATE.—No later than one year after the date of enactment of this Act, the owner or operator of a nontank vessel (as defined section 311(j)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1321(j)(9)), as amended by this section) shall prepare and submit a vessel response plan for such vessel.

(d) ADDITION OF NOXIOUS LIQUID SUBSTANCES TO THE LIST OF HAZARDOUS SUBSTANCES FOR WHICH THE COAST GUARD MAY REQUIRE A RESPONSE PLAN.—Section 311(j)(5) of the Federal Water Pollution Control Act (33 U.S.C. 1321(j)(5)) is further amended—

(1) by redesignating subparagraphs (B) through (H) as subparagraphs (C) through (I), respectively;

(2) by inserting after subparagraph (A) the following:

“(B) The Secretary of the Department in which the Coast Guard is operating may issue regulations which require an owner or operator of a tank vessel, a non-tank vessel, or a facility described in subparagraph (C) that transfers noxious liquid substances in bulk to or from a vessel to prepare and submit to the Secretary a plan for responding, to the maximum extent practicable, to a worst case discharge, and to a substantial threat of such a discharge, of a noxious liquid substance that is not designated as a hazardous substance or regulated as oil in any other law or regulation. For purposes of this paragraph, the term ‘noxious liquid substance’ has the same meaning when that term is used in the MARPOL Protocol described in section 2(a)(3) of the Act to Prevent Pollution from Ships (33 U.S.C. 1901(a)(3)).”;

(3) by striking “subparagraph (B)” in subparagraph (A) and inserting “subparagraph (C)”;

(4) by striking “subparagraph (A)” in subparagraph (C), as redesignated, and inserting “subparagraphs (A) and (B)”;

(5) by striking “subparagraph (D),” in clause (i) of subparagraph (F), as redesignated, and inserting “subparagraph (E).”.

SEC. 702. REQUIREMENTS FOR TANK LEVEL AND PRESSURE MONITORING DEVICES.

(a) REQUIREMENTS.—Section 4110 of the Oil Pollution Act of 1990 (46 U.S.C. 3703 note) is amended—

(1) in subsection (a), by striking “Not later than 1 year after the date of the enactment of this Act, the Secretary shall” and inserting “The Secretary may”;

(2) in subsection (b)—

(A) by striking “Not later than 1 year after the date of the enactment of this Act, the Secretary shall” and inserting “No sooner than 1 year after the Secretary prescribes regulations under subsection (a), the Secretary may”;

(B) by striking “the standards” and inserting “any standards”.

(b) STUDY.—

(1) STUDY REQUIREMENT.—The Secretary of the department in which the Coast Guard is operating shall conduct a study analyzing the costs and benefits of methods other than those described in subsections (a) and (b) of section 4110 of the Oil Pollution Act of 1990 for effectively detecting the loss of oil from oil cargo tanks. The study may include technologies, monitoring procedures, and other methods.

(2) INPUT.—In conducting the study, the Secretary may seek input from Federal agencies, industry, and other entities.

(3) REPORT.—The Secretary shall submit a report on the findings and conclusions of the study to the Committee on Commerce, Science, and Transportation of the Senate and Committee on Transportation and Infrastructure of the House of Representatives by not later than 180 days after the date of the enactment of this Act.

SEC. 703. LIABILITY AND COST RECOVERY.

(a) DEFINITION OF OWNER OR OPERATOR.—Section 1001(26) of the Oil Pollution Act of 1990 (33 U.S.C. 2701(26)) is amended to read as follows:

“(26) ‘owner or operator’—

“(A) means—

“(i) in the case of a vessel, any person owning, operating, or chartering by demise, the vessel;

“(ii) in the case of an onshore or offshore facility, any person owning or operating such facility;

“(iii) in the case of any abandoned offshore facility, the person who owned or operated such facility immediately prior to such abandonment;

“(iv) in the case of any facility, title or control of which was conveyed due to bankruptcy, foreclosure, tax delinquency, abandonment, or similar means to a unit of State or local government, any person who owned, operated, or otherwise controlled activities at such facility immediately beforehand;

“(v) notwithstanding subparagraph (B)(i), and in the same manner and to the same extent, both procedurally and substantively, as any nongovernmental entity, including for purposes of liability under section 1002, any State or local government that has caused or contributed to a discharge or substantial threat of a discharge of oil from a vessel or facility ownership or control of which was acquired involuntarily through—

“(I) seizure or otherwise in connection with law enforcement activity;

“(II) bankruptcy;

“(III) tax delinquency;

“(IV) abandonment; or

“(V) other circumstances in which the government involuntarily acquires title by virtue of its function as sovereign;

“(vi) notwithstanding subparagraph (B)(ii), a person that is a lender and that holds indicia of ownership primarily to protect a security interest in a vessel or facility if, while the borrower is still in possession of the vessel or facility encumbered by the security interest, the person—

“(I) exercises decision making control over the environmental compliance related to the vessel or facility, such that the person has undertaken responsibility for oil handling or disposal practices related to the vessel or facility; or

“(II) exercises control at a level comparable to that of a manager of the vessel or facility, such that the person has assumed or manifested responsibility—

“(aa) for the overall management of the vessel or facility encompassing day-to-day decision making with respect to environmental compliance; or

“(bb) over all or substantially all of the operational functions (as distinguished from financial or administrative functions) of the vessel or facility other than the function of environmental compliance; and

“(B) does not include—

“(i) A unit of state or local government that acquired ownership or control of a vessel or facility involuntarily through—

“(I) seizure or otherwise in connection with law enforcement activity;

“(II) bankruptcy;

“(III) tax delinquency;

“(IV) abandonment; or

“(V) other circumstances in which the government involuntarily acquires title by virtue of its function as sovereign;

“(ii) a person that is a lender that does not participate in management of a vessel or facility, but holds indicia of ownership primarily to protect the security interest of the person in the vessel or facility; or

“(iii) a person that is a lender that did not participate in management of a vessel or facility prior to foreclosure, notwithstanding that the person—

“(I) forecloses on the vessel or facility; and

“(II) after foreclosure, sells, re-leases (in the case of a lease finance transaction), or liquidates the vessel or facility, maintains business activities, winds up operations, undertakes a removal action under section 311(c) of the Federal Water Pollution Control Act (33 U.S.C. 1321(c)) or under the direction of an on-scene coordinator appointed under the National Contingency Plan, with respect to the vessel or facility, or takes any other measure to preserve, protect, or prepare the vessel or facility prior to sale or disposition,

if the person seeks to sell, re-lease (in the case of a lease finance transaction), or otherwise divest the person of the vessel or facility at the earliest practicable, commercially reasonable time, on commercially reasonable terms, taking into account market conditions and legal and regulatory requirements;”.

(b) OTHER DEFINITIONS.—Section 1001 of the Oil Pollution Act of 1990 (33 U.S.C. 2701) is amended by striking “and” after the semicolon at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting a semicolon, and by adding at the end the following:

“(38) ‘participate in management’—

“(A)(i) means actually participating in the management or operational affairs of a vessel or facility; and

“(ii) does not include merely having the capacity to influence, or the unexercised right to control, vessel or facility operations; and

“(B) does not include—

“(i) performing an act or failing to act prior to the time at which a security interest is created in a vessel or facility;

“(ii) holding a security interest or abandoning or releasing a security interest;

“(iii) including in the terms of an extension of credit, or in a contract or security agreement relating to the extension, a covenant, warranty, or other term or condition that relates to environmental compliance;

“(iv) monitoring or enforcing the terms and conditions of the extension of credit or security interest;

“(v) monitoring or undertaking one or more inspections of the vessel or facility;

“(vi) requiring a removal action or other lawful means of addressing a discharge or substantial threat of a discharge of oil in connection

with the vessel or facility prior to, during, or on the expiration of the term of the extension of credit;

“(vii) providing financial or other advice or counseling in an effort to mitigate, prevent, or cure default or diminution in the value of the vessel or facility;

“(viii) restructuring, renegotiating, or otherwise agreeing to alter the terms and conditions of the extension of credit or security interest, exercising forbearance;

“(ix) exercising other remedies that may be available under applicable law for the breach of a term or condition of the extension of credit or security agreement; or

“(x) conducting a removal action under 311(c) of the Federal Water Pollution Control Act (33 U.S.C. 1321(c)) or under the direction of an on-scene coordinator appointed under the National Contingency Plan,

if such actions do not rise to the level of participating in management under subparagraph (A) of this paragraph and paragraph (26)(A)(vi);

“(39) ‘extension of credit’ has the meaning provided in section 101(20)(G)(i) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(i));

“(40) ‘financial or administrative function’ has the meaning provided in section 101(20)(G)(ii) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(ii));

“(41) ‘foreclosure’ and ‘foreclose’ each has the meaning provided in section 101(20)(G)(iii) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(iii));

“(42) ‘lender’ has the meaning provided in section 101(20)(G)(iv) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(iv));

“(43) ‘operational function’ has the meaning provided in section 101(20)(G)(v) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(v)); and

“(44) ‘security interest’ has the meaning provided in section 101(20)(G)(vi) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601(20)(G)(vi)).”.

(c) DEFINITION OF CONTRACTUAL RELATIONSHIP.—Section 1003 of the Oil Pollution Act of 1990 (33 U.S.C. 2703) is amended by adding at the end the following:

“(d) DEFINITION OF CONTRACTUAL RELATIONSHIP.—

“(1) IN GENERAL.—For purposes of subsection (a)(3) the term ‘contractual relationship’ includes, but is not limited to, land contracts, deeds, easements, leases, or other instruments transferring title or possession, unless—

“(A) the real property on which the facility concerned is located was acquired by the responsible party after the placement of the oil on, in, or at the real property on which the facility concerned is located;

“(B) one or more of the circumstances described in subparagraph (A), (B), or (C) of paragraph (2) is established by the responsible party by a preponderance of the evidence; and

“(C) the responsible party complies with paragraph (3).

“(2) REQUIRED CIRCUMSTANCE.—The circumstances referred to in paragraph (1)(B) are the following:

“(A) At the time the responsible party acquired the real property on which the facility is located the responsible party did not know and had no reason to know that oil that is the subject of the discharge or substantial threat of discharge was located on, in, or at the facility.

“(B) The responsible party is a government entity that acquired the facility—

“(i) by escheat;

“(ii) through any other involuntary transfer or acquisition; or

“(iii) through the exercise of eminent domain authority by purchase or condemnation.

“(C) The responsible party acquired the facility by inheritance or bequest.

“(3) ADDITIONAL REQUIREMENTS.—For purposes of paragraph (1)(C), the responsible party must establish by a preponderance of the evidence that the responsible party—

“(A) has satisfied the requirements of section 1003(a)(3)(A) and (B);

“(B) has provided full cooperation, assistance, and facility access to the persons that are authorized to conduct removal actions, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial removal action;

“(C) is in compliance with any land use restrictions established or relied on in connection with the removal action; and

“(D) has not impeded the effectiveness or integrity of any institutional control employed in connection with the removal action.

“(4) REASON TO KNOW.—

“(A) APPROPRIATE INQUIRIES.—To establish that the responsible party had no reason to know of the matter described in paragraph (2)(A), the responsible party must demonstrate to a court that—

“(i) on or before the date on which the responsible party acquired the real property on which the facility is located, the responsible party carried out all appropriate inquiries, as provided in subparagraphs (B) and (D), into the previous ownership and uses of the real property on which the facility is located in accordance with generally accepted good commercial and customary standards and practices; and

“(ii) the responsible party took reasonable steps to—

“(I) stop any continuing discharge;

“(II) prevent any substantial threat of discharge; and

“(III) prevent or limit any human, environmental, or natural resource exposure to any previously discharged oil.

“(B) REGULATIONS ESTABLISHING STANDARDS AND PRACTICES.—Not later than 2 years after the date of the enactment of this paragraph, the Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall by regulation establish standards and practices for the purpose of satisfying the requirement to carry out all appropriate inquiries under subparagraph (A).

“(C) CRITERIA.—In promulgating regulations that establish the standards and practices referred to in subparagraph (B), the Secretary shall include in such standards and practices provisions regarding each of the following:

“(i) The results of an inquiry by an environmental professional.

“(ii) Interviews with past and present owners, operators, and occupants of the facility and the real property on which the facility is located for the purpose of gathering information regarding the potential for oil at the facility and on the real property on which the facility is located.

“(iii) Reviews of historical sources, such as chain of title documents, aerial photographs, building department records, and land use records, to determine previous uses and occupancies of the real property on which the facility is located since the property was first developed.

“(iv) Searches for recorded environmental cleanup liens against the facility and the real property on which the facility is located that are filed under Federal, State, or local law.

“(v) Reviews of Federal, State, and local government records, waste disposal records, underground storage tank records, and waste handling, generation, treatment, disposal, and spill records, concerning oil at or near the facility and on the real property on which the facility is located.

“(vi) Visual inspections of the facility, the real property on which the facility is located, and adjoining properties.

“(vii) Specialized knowledge or experience on the part of the responsible party.

“(viii) The relationship of the purchase price to the value of the facility and the real property on which the facility is located, if oil was not at the facility or on the real property.

“(ix) Commonly known or reasonably ascertainable information about the facility and the real property on which the facility is located.

“(x) The degree of obviousness of the presence or likely presence of oil at the facility and on the real property on which the facility is located, and the ability to detect the oil by appropriate investigation.

“(D) INTERIM STANDARDS AND PRACTICES.—

“(i) REAL PROPERTY PURCHASED BEFORE MAY 31, 1997.—With respect to real property purchased before May 31, 1997, in making a determination with respect to a responsible party described in subparagraph (A), a court shall take into account—

“(I) any specialized knowledge or experience on the part of the responsible party;

“(II) the relationship of the purchase price to the value of the facility and the real property on which the facility is located, if the oil was not at the facility or on the real property;

“(III) commonly known or reasonably ascertainable information about the facility and the real property on which the facility is located;

“(IV) the obviousness of the presence or likely presence of oil at the facility and on the real property on which the facility is located; and

“(V) the ability of the responsible party to detect oil by appropriate inspection.

“(ii) REAL PROPERTY PURCHASED ON OR AFTER MAY 31, 1997.—With respect to real property purchased on or after May 31, 1997, until the Secretary promulgates the regulations described in clause (ii), the procedures of the American Society for Testing and Materials, including the document known as ‘Standard E1527-97’, entitled ‘Standard Practice for Environmental Site Assessment: Phase I Environmental Site Assessment Process’, shall satisfy the requirements in subparagraph (A).

“(E) SITE INSPECTION AND TITLE SEARCH.—In the case of real property for residential use or other similar use purchased by a nongovernmental or noncommercial entity, inspection and title search of the facility and the real property on which the facility is located that reveal no basis for further investigation shall be considered to satisfy the requirements of this paragraph.

“(5) PREVIOUS OWNER OR OPERATOR.—Nothing in this paragraph or in section 1003(a)(3) shall diminish the liability of any previous owner or operator of such facility who would otherwise be liable under this Act. Notwithstanding this paragraph, if a responsible party obtained actual knowledge of the discharge or substantial threat of discharge of oil at such facility when the responsible party owned the facility and then subsequently transferred ownership of the facility or the real property on which the facility is located to another person without disclosing such knowledge, the responsible party shall be treated as liable under 1002(a) and no defense under section 1003(a) shall be available to such responsible party.

“(6) LIMITATION ON DEFENSE.—Nothing in this paragraph shall affect the liability under this Act of a responsible party who, by any act or omission, caused or contributed to the discharge or substantial threat of discharge of oil which is the subject of the action relating to the facility.”.

SEC. 704. OIL SPILL RECOVERY INSTITUTE.

Section 5006 of the Oil Pollution Act of 1990 (33 U.S.C. 2736) is amended—

(1) in the first subsection (c), as added by section 1102(b)(4) of Public Law 104-324 (110 Stat. 3965), by striking “with the eleventh year following the date of enactment of the Coast Guard Authorization Act of 1996,” and inserting “October 1, 2012”; and

(2) by redesignating the second subsection (c) as subsection (d).

SEC. 705. ALTERNATIVES.

Section 4115(e)(3) of the Oil Pollution Act of 1990 (46 U.S.C. 3703a note) is amended to read as follows:

“(3) No later than one year after the date of enactment of the Coast Guard and Maritime Transportation Act of 2004, the Secretary shall, taking into account the recommendations contained in the report by the Marine Board of the National Research Council entitled ‘Environmental Performance of Tanker Design in Collision and Grounding’ and dated 2001, establish and publish an environmental equivalency evaluation index (including the methodology to develop that index) to assess overall outflow performance due to collisions and groundings for double hull tank vessels and alternative hull designs.”

SEC. 706. AUTHORITY TO SETTLE.

Section 1015 of the Oil Pollution Act of 1990 (33 U.S.C. 2715) is amended by adding at the end the following:

“(d) **AUTHORITY TO SETTLE.**—The head of any department or agency responsible for recovering amounts for which a person is liable under this title may consider, compromise, and settle a claim for such amounts, including such costs paid from the Fund, if the claim has not been referred to the Attorney General. In any case in which the total amount to be recovered may exceed \$500,000 (excluding interest), a claim may be compromised and settled under the preceding sentence only with the prior written approval of the Attorney General.”

SEC. 707. REPORT ON IMPLEMENTATION OF THE OIL POLLUTION ACT OF 1990.

No later than 180 days after the date of the enactment of this Act, the Commandant of the Coast Guard shall provide a written report to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives that shall include the following:

(1) The status of the levels of funds currently in the Oil Spill Liability Trust Fund and projections for levels of funds over the next 5 years, including a detailed accounting of expenditures of funds from the Oil Spill Liability Trust Fund for each of fiscal years 2000 through 2004 by all agencies that receive such funds.

(2) The domestic and international implications of changing the phase-out date for single hull vessels pursuant to section 3703a of title 46, United States Code, from 2015 to 2010.

(3) The costs and benefits of requiring vessel monitoring systems on tank vessels used to transport oil or other hazardous cargo, and of using additional aids to navigation, such as RACONS.

(4) A summary of the extent to which the response costs and damages for oil spill incidents have exceeded the liability limits established in section 1004 of the Oil Pollution Act of 1990 (33 U.S.C. 2704), and a description of the steps that the Coast Guard has taken or plans to take to implement subsection (d)(4) of that section.

(5) A summary of manning, inspection, and other safety issues for tank barges and towing vessels used in connection with them, including—

(A) a description of applicable Federal regulations, guidelines, and other policies;

(B) a record of infractions of applicable requirements described in subparagraph (A) over the past 10 years;

(C) an analysis of oil spill data over the past 10 years, comparing the number and size of oil spills from tank barges with those from tanker vessels of a similar size; and

(D) recommendations on areas of possible improvements to existing regulations, guidelines and policies with respect to tank barges and towing vessels.

SEC. 708. LOANS FOR FISHERMEN AND AQUACULTURE PRODUCERS IMPACTED BY OIL SPILLS.

(a) **INTEREST; PARTIAL PAYMENT OF CLAIMS.**—Section 1013 of the Oil Pollution Act of 1990 (33 U.S.C. 2713) is amended by adding at the end the following:

“(f) **LOAN PROGRAM.**—

“(1) **IN GENERAL.**—The President shall establish a loan program under the Fund to provide interim assistance to fishermen and aquaculture producer claimants during the claims procedure.

“(2) **ELIGIBILITY FOR LOAN.**—A loan may be made under paragraph (1) only to a fisherman or aquaculture producer that—

“(A) has incurred damages for which claims are authorized under section 1002;

“(B) has made a claim pursuant to this section that is pending; and

“(C) has not received an interim payment under section 1005(a) for the amount of the claim, or part thereof, that is pending.

“(3) **TERMS AND CONDITIONS OF LOANS.**—A loan awarded under paragraph (1)—

“(A) shall have flexible terms, as determined by the President;

“(B) shall be for a period ending on the later of—

“(i) the date that is 5 years after the date on which the loan is made; or

“(ii) the date on which the fisherman or aquaculture producer receives payment for the claim to which the loan relates under the procedure established by subsections (a) through (e) of this section; and

“(C) shall be at a low interest rate, as determined by the President.”

(b) **USES OF THE FUND.**—Section 1012(a) of the Oil Pollution Act of 1990 (33 U.S.C. 2712(a)) is amended—

(1) by striking “Act.” in paragraph (5)(C) and inserting “Act; and”; and

(2) by adding at the end the following:

“(6) the making of loans pursuant to the program established under section 1013(f).”

(c) **STUDY.**—Not later than 270 days after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Administrator of the Environmental Protection Agency, shall submit to the Congress a study that contains—

(1) an assessment of the effectiveness of the claims procedures and emergency response programs under the Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.) concerning claims filed by, and emergency responses carried out to protect the interests of, fishermen and aquaculture producers; and

(2) any legislative or other recommendations to improve the procedures and programs referred to in paragraph (1).

TITLE VIII—MARITIME TRANSPORTATION SECURITY

SEC. 801. ENFORCEMENT.

(a) **IN GENERAL.**—Chapter 701 of title 46, United States Code, is amended by adding at the end the following:

“§ 70118. Firearms, arrests, and seizure of property

“Subject to guidelines approved by the Secretary, members of the Coast Guard may, in the performance of official duties—

“(1) carry a firearm; and

“(2) while at a facility—

“(A) make an arrest without warrant for any offense against the United States committed in their presence; and

“(B) seize property as otherwise provided by law.

“§ 70119. Enforcement by State and local officers

“(a) **IN GENERAL.**—Any State or local government law enforcement officer who has authority to enforce State criminal laws may make an arrest for violation of a security zone regulation prescribed under section 1 of title II of the Act

of June 15, 1917 (chapter 30; 50 U.S.C. 191) or security or safety zone regulation under section 7(b) of the Ports and Waterways Safety Act (33 U.S.C. 1226(b)) or a safety zone regulation prescribed under section 10(d) of the Deepwater Port Act of 1974 (33 U.S.C. 1509(d)) by a Coast Guard official authorized by law to prescribe such regulations, if—

“(1) such violation is a felony; and

“(2) the officer has reasonable grounds to believe that the person to be arrested has committed or is committing such violation.

“(b) **OTHER POWERS NOT AFFECTED.**—The provisions of this section are in addition to any power conferred by law to such officers. This section shall not be construed as a limitation of any power conferred by law to such officers, or any other officer of the United States or any State. This section does not grant to such officers any powers not authorized by the law of the State in which those officers are employed.”

(b) **CLERICAL AMENDMENT.**—The chapter analysis at the beginning of chapter 701 of title 46, United States Code, is amended by adding at the end the following:

“70118. Enforcement.

“70119. Enforcement by State and local officers.”

SEC. 802. IN REM LIABILITY FOR CIVIL PENALTIES AND COSTS.

(a) **AMENDMENTS TO TITLE 46, UNITED STATES CODE.**—Chapter 701 of title 46, United States Code, is amended—

(1) by redesignating section 70117 as 70119; and

(2) by inserting after section 70116 the following:

“§ 70117. In rem liability for civil penalties and certain costs

“(a) **CIVIL PENALTIES.**—Any vessel operated in violation of this chapter or any regulations prescribed under this chapter shall be liable in rem for any civil penalty assessed pursuant to section 70120 for such violation, and may be proceeded against for such liability in the United States district court for any district in which the vessel may be found.

“(b) **REIMBURSABLE COSTS OF SERVICE PROVIDERS.**—A vessel shall be liable in rem for the reimbursable costs incurred by any service provider related to implementation and enforcement of this chapter and arising from a violation by the operator of the vessel of this chapter or any regulations prescribed under this chapter, and may be proceeded against for such liability in the United States district court for any district in which such vessel may be found.

“(c) **DEFINITIONS.**—In this subsection—

“(1) the term ‘reimbursable costs’ means costs incurred by any service provider acting in conformity with a lawful order of the Federal government or in conformity with the instructions of the vessel operator; and

“(2) the term ‘service provider’ means any port authority, facility or terminal operator, shipping agent, Federal, State, or local government agency, or other person to whom the management of the vessel at the port of supply is entrusted, for—

“(A) services rendered to or in relation to vessel crew on board the vessel, or in transit to or from the vessel, including accommodation, detention, transportation, and medical expenses; and

“(B) required handling of cargo or other items on board the vessel.

“§ 70118. Withholding of clearance

“(a) **REFUSAL OR REVOCATION OF CLEARANCE.**—If any owner, agent, master, officer, or person in charge of a vessel is liable for a penalty under section 70119, or if reasonable cause exists to believe that the owner, agent, master, officer, or person in charge may be subject to a penalty under section 70120, the Secretary may, with respect to such vessel, refuse or revoke any

clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91).

“(b) CLEARANCE UPON FILING OF BOND OR OTHER SURETY.—The Secretary may require the filing of a bond or other surety as a condition of granting clearance refused or revoked under this subsection.”.

(b) ACT OF JUNE 15, 1917.—Section 2 of title II of the Act of June 15, 1917 (chapter 30; 50 U.S.C. 192), is amended—

(1) in subsection (c) by striking “Act” each place it appears and inserting “title”; and

(2) by adding at the end the following:

“(d) IN REM LIABILITY.—Any vessel that is used in violation of this title, or of any regulation issued under this title, shall be liable in rem for any civil penalty assessed pursuant to subsection (c) and may be proceeded against in the United States district court for any district in which such vessel may be found.

“(e) WITHHOLDING OF CLEARANCE.—

“(1) IN GENERAL.—If any owner, agent, master, officer, or person in charge of a vessel is liable for a penalty or fine under subsection (c), or if reasonable cause exists to believe that the owner, agent, master, officer, or person in charge may be subject to a penalty or fine under this section, the Secretary may, with respect to such vessel, refuse or revoke any clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91).

“(2) CLEARANCE UPON FILING OF BOND OR OTHER SURETY.—The Secretary may require the filing of a bond or other surety as a condition of granting clearance refused or revoked under this subsection.”.

(c) CLERICAL AMENDMENT.—The chapter analysis at the beginning of chapter 701 of title 46, United States Code, is amended by striking the last item and inserting the following:

“70117. In rem liability for civil penalties and certain costs.

“70118. Enforcement by injunction or withholding of clearance.

“70119. Civil penalty”.

SEC. 803. MARITIME INFORMATION.

(a) MARITIME INTELLIGENCE.—Section 70113(a) of title 46, United States Code, is amended by adding at the end the following: “The system may include a vessel risk profiling component that assigns incoming vessels a terrorism risk rating.”.

(b) VESSEL TRACKING SYSTEM.—Section 70115 of title 46, United States Code, is amended in the first sentence by striking “may” and inserting “shall, consistent with international treaties, conventions, and agreements to which the United States is a party.”.

(c) MARITIME INFORMATION.—Within 90 days after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives containing a plan for the implementation of section 70113 of title 46, United States Code. The plan shall—

(1) identify Federal agencies with maritime information relating to vessels, crew, passengers, cargo, and cargo shippers, those agencies' maritime information collection and analysis activities, and the resources devoted to those activities;

(2) establish a lead agency within the Department of Homeland Security to coordinate the efforts of other Department agencies in the collection of maritime information and to identify and avoid unwanted redundancy in those efforts;

(3) identify redundancy in the collection and analysis of maritime information by agencies within the department in which the Coast Guard is operating;

(4) establish a timeline for coordinating the collection of maritime information among agencies within the department in which the Coast Guard is operating;

(5) include recommendations on co-locating agency personnel in order to maximize expertise, minimize costs, and avoid redundancy in both the collection and analysis of maritime information;

(6) establish a timeline for the incorporation of information on vessel movements derived through the implementation of sections 70114 and 70115 of title 46, United States Code, into the system for collecting and analyzing maritime information;

(7) include recommendations on educating Federal officials on the identification of security risks posed through commercial maritime transportation operations;

(8) include an assessment of the availability and expertise of private sector maritime information resources;

(9) include recommendations on how private sector maritime information resources could be utilized to analyze maritime security risks;

(10) include recommendations on how to disseminate information collected and analyzed through Federal maritime security coordinators, including the manner and extent to which State, local, and private security personnel should be utilized, which should be developed after consideration by the Secretary of the need for non-disclosure of sensitive security information; and

(11) include recommendations on the need for and how the department could help support a maritime information sharing and analysis center for the purpose of collecting and disseminating real-time or near real-time information to and from public and private entities, along with recommendations on the appropriate levels of funding to help disseminate maritime security information to the private sector.

(d) LIMITATION ON ESTABLISHMENT OF LEAD AGENCY.—The Secretary may not establish a lead agency within the Department of Homeland Security to coordinate the efforts of other Department agencies in the collection of maritime information, until at least 90 days after the plan under subsection (c) is submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 804. MARITIME TRANSPORTATION SECURITY GRANTS.

(a) GRANT PROGRAM.—Section 70107(a) of title 46, United States Code, is amended to read as follows:

“(a) IN GENERAL.—The Secretary shall establish a grant program for making a fair and equitable allocation of funds to implement Area Maritime Transportation Security Plans and facility security plans among port authorities, facility operators, and State and local government agencies required to provide port security services. Before awarding a grant under the program, the Secretary shall provide for review and comment by the appropriate Federal Maritime Security Coordinators and the Maritime Administrator. In administering the grant program, the Secretary shall take into account national economic and strategic defense concerns.”.

(b) SECRETARY ADMINISTERING.—Section 70107 of title 46, United States Code, is amended—

(1) by striking “Secretary of Transportation” each place it appears and inserting “Secretary”;

(2) by striking “Department of Transportation” each place it appears and inserting “department in which the Coast Guard is operating”.

(c) EFFECTIVE DATE.—Subsections (a) and (b)—

(1) shall take effect October 1, 2004; and

(2) shall not affect any grant made before that date.

(d) REPORT ON DESIGN OF MARITIME TRANSPORTATION SECURITY GRANT PROGRAM.—Within 90 days after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall transmit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee

on Transportation and Infrastructure of House of Representatives on the design of the maritime transportation security grant program established under section 70107(a) of title 46, United States Code. In the report, the Secretary shall include recommendations on—

(1) whether the grant program should be discretionary or formula-based and the reasons for the recommendation;

(2) requirements for ensuring that Federal funds will not be substituted for grantee funds;

(3) targeting requirements to ensure that funding is directed in a manner that considers—

(A) national economic and strategic defense concerns; and

(B) the fiscal capacity of the recipients to fund facility security plan requirements without grant funds; and

(4) matching requirements to ensure that Federal funds provide an incentive to grantees for the investment of their own funds in the improvements financed in part by Federal funds provided under the program.

SEC. 805. SECURITY ASSESSMENT OF WATERS UNDER THE JURISDICTION OF THE UNITED STATES.

Not later than one year after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall—

(1) conduct a vulnerability assessment under section 70102(b) of title 46, United States Code, of the waters under the jurisdiction of the United States that are adjacent to nuclear facilities that may be damaged by a transportation security incident as defined in section 70101 (6) of title 46, United States Code;

(2) coordinate with the appropriate Federal agencies in preparing the vulnerability assessment required under paragraph (1); and

(3) submit the vulnerability assessments required under paragraph (1) to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 806. MEMBERSHIP OF AREA MARITIME SECURITY ADVISORY COMMITTEES.

Section 70112(b) of title 46, United States Code, is amended by adding at the end to following:

“(5) The membership of an Area Maritime Security Advisory Committee shall include representatives of the port industry, terminal operators, port labor organizations, and other users of the port areas.”.

SEC. 807. JOINT OPERATIONAL CENTERS FOR PORT SECURITY.

The Commandant of the Coast Guard shall report to the Congress, within 180 days after the date of the enactment of this Act, on the implementation and use of joint operational centers for port security at certain United States seaports. The report shall—

(1) compare and contrast the composition and operational characteristics of existing joint operational centers for port security, including those in Norfolk, Virginia, Charleston, South Carolina, and San Diego, California;

(2) examine the use of such centers to implement—

(A) the plans developed under section 70103 of title 46, United States Code;

(B) maritime intelligence activities under section 70113 of title 46, United States Code;

(C) short and long range vessel tracking under sections 70114 and 70115 of title 46, United States Code; and

(D) secure transportation systems under section 70116 of title 46, United States Code; and

(3) estimate the number, location and costs of such centers necessary to implement the activities authorized under sections 70103, 70113, 70114, 70115, and 70116 of title 46, United States Code.

SEC. 808. INVESTIGATIONS.

(a) IN GENERAL.—Section 70107 of title 46, United States Code, is amended by striking subsection (i) and inserting the following:

“(i) INVESTIGATIONS.—

“(1) IN GENERAL.—The Secretary shall conduct investigations, fund pilot programs, and award grants, to examine or develop—

“(A) methods or programs to increase the ability to target for inspection vessels, cargo, crewmembers, or passengers that will arrive or have arrived at any port or place in the United States;

“(B) equipment to detect accurately explosives, chemical, or biological agents that could be used in a transportation security incident against the United States;

“(C) equipment to detect accurately nuclear or radiological materials, including scintillation-based detection equipment capable of signalling the presence of nuclear or radiological materials;

“(D) improved tags and seals designed for use on shipping containers to track the transportation of the merchandise in such containers, including sensors that are able to track a container throughout its entire supply chain, detect hazardous and radioactive materials within that container, and transmit that information to the appropriate law enforcement authorities;

“(E) tools, including the use of satellite tracking systems, to increase the awareness of maritime areas and to identify potential transportation security incidents that could have an impact on facilities, vessels, and infrastructure on or adjacent to navigable waterways, including underwater access;

“(F) tools to mitigate the consequences of a transportation security incident on, adjacent to, or under navigable waters of the United States, including sensor equipment, and other tools to help coordinate effective response to a transportation security incident;

“(G) applications to apply existing technologies from other areas or industries to increase overall port security;

“(H) improved container design, including blast-resistant containers; and

“(I) methods to improve security and sustainability of port facilities in the event of a maritime transportation security incident, including specialized inspection facilities.

“(2) IMPLEMENTATION OF TECHNOLOGY.—

“(A) IN GENERAL.—In conjunction with ongoing efforts to improve security at United States ports, the Secretary may conduct pilot projects at United States ports to test the effectiveness and applicability of new port security projects, including—

“(i) testing of new detection and screening technologies;

“(ii) projects to protect United States ports and infrastructure on or adjacent to the navigable waters of the United States, including underwater access; and

“(iii) tools for responding to a transportation security incident at United States ports and infrastructure on or adjacent to the navigable waters of the United States, including underwater access.

“(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary \$35,000,000 for each of fiscal years 2005 through 2009 to carry out this subsection.

“(3) NATIONAL PORT SECURITY CENTERS.—

“(A) IN GENERAL.—The Secretary may make grants or enter into cooperative agreements with eligible nonprofit institutions of higher learning to conduct investigations in collaboration with ports and the maritime transportation industry focused on enhancing security of the Nation's ports in accordance with this subsection through National Port Security Centers.

“(B) APPLICATIONS.—To be eligible to receive a grant under this paragraph, a nonprofit institution of higher learning, or a consortium of such institutions, shall submit an application to the Secretary in such form and containing such information as the Secretary may require.

“(C) COMPETITIVE SELECTION PROCESS.—The Secretary shall select grant recipients under this paragraph through a competitive process on the basis of the following criteria:

“(i) Whether the applicant can demonstrate that personnel, laboratory, and organizational resources will be available to the applicant to carry out the investigations authorized in this paragraph.

“(ii) The applicant's capability to provide leadership in making national and regional contributions to the solution of immediate and long-range port and maritime transportation security and risk mitigation problems.

“(iii) Whether the applicant can demonstrate that it has an established, nationally recognized program in disciplines that contribute directly to maritime transportation safety and education.

“(iv) Whether the applicant's investigations will involve major United States ports on the East Coast, the Gulf Coast, and the West Coast, and Federal agencies and other entities with expertise in port and maritime transportation.

“(v) Whether the applicant has a strategic plan for carrying out the proposed investigations under the grant.

“(4) ADMINISTRATIVE PROVISIONS.—

“(A) NO DUPLICATION OF EFFORT.—Before making any grant, the Secretary shall coordinate with other Federal agencies to ensure the grant will not duplicate work already being conducted with Federal funding.

“(B) ACCOUNTING.—The Secretary shall by regulation establish accounting, reporting, and review procedures to ensure that funds made available under paragraph (1) are used for the purpose for which they were made available, that all expenditures are properly accounted for, and that amounts not used for such purposes and amounts not expended are recovered.

“(C) RECORDKEEPING.—Recipients of grants shall keep all records related to expenditures and obligations of funds provided under paragraph (1) and make them available upon request to the Inspector General of the department in which the Coast Guard is operating and the Secretary for audit and examination.

“(5) ANNUAL REVIEW AND REPORT.—The Inspector General of the department in which the Coast Guard is operating shall annually review the programs established under this subsection to ensure that the expenditures and obligations of funds are consistent with the purposes for which they are provided, and report the findings to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.”.

SEC. 809. VESSEL AND INTERMODAL SECURITY REPORTS.

(a) IN GENERAL.—Within 180 days after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit the reports and plan required under subsections (b), (c), (e), (f), and (j) to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(b) REPORT REGARDING SECURITY INSPECTION OF VESSELS AND VESSEL-BORNE CARGO CONTAINERS ENTERING THE UNITED STATES.—

(1) REQUIREMENT.—The Secretary shall prepare a report regarding the numbers and types of vessels and vessel-borne cargo containers that enter the United States in a year.

(2) CONTENTS.—The report shall include the following:

(A) A section regarding security inspection of vessels that includes the following:

(i) A complete breakdown of the numbers and types of vessels that entered the United States in the most recent 1-year period for which information is available.

(ii) The cost incurred by the Federal Government in inspecting such vessels in such 1-year period, including specification and comparison of such cost for each type of vessel.

(iii) An estimate of the per-vessel cost that would be incurred by the Federal Government in inspecting each type of vessel that enters the United States each year, including costs for personnel, vessels, equipment, and funds.

(iv) An estimate of the annual total cost that would be incurred by the Federal Government in inspecting all vessels that enter the United States each year, including costs for personnel, vessels, equipment, and funds.

(B) A section regarding security inspection of containers that includes the following:

(i) A complete breakdown of the numbers and types of vessel-borne cargo containers that entered the United States in the most recent 1-year period for which information is available, including specification of the number of 1 TEU containers and the number of 2 TEU containers.

(ii) The cost incurred by the Federal Government in inspecting such containers in such 1-year period, including specification and comparison of such cost for a 1 TEU container and for a 2 TEU container, and the number of each inspected.

(iii) An estimate of the per-container cost that would be incurred by the Federal Government in inspecting each type of vessel-borne container that enters the United States each year, including costs for personnel, vessels, and equipment.

(iv) An estimate of the annual total cost that would be incurred by the Federal Government in inspecting, and where allowed by international agreement, inspecting in a foreign port, all vessel-borne containers that enter the United States each year, including costs for personnel, vessels, and equipment.

(c) PLAN FOR IMPLEMENTING SECURE SYSTEMS OF TRANSPORTATION.—The Secretary shall prepare a plan for the implementation of section 70116 of title 46, United States Code. The plan shall—

(1) include a timeline for establishing standards and procedures pursuant to section 70116(b) of title 46, United States Code;

(2) provide a preliminary assessment of resources necessary to evaluate and certify secure systems of transportation, and the resources necessary to validate that the secure systems of transportation are operating in compliance with the certification requirements;

(3) contain an analysis of whether establishing a voluntary user fee to fund the certification of private secure systems of transportation, paid for by the person applying for certification, would enhance cargo security;

(4) contain an analysis of the need for and feasibility of establishing a system to inspect, monitor, and track intermodal shipping containers within the United States; and

(5) contain an analysis of the need for and feasibility of developing international standards for secure systems of transportation, including recommendations, that includes an examination of working with appropriate international organizations to develop standards to enhance the physical security of shipping containers consistent with section 70116 of title 46, United States Code.

(d) INSPECTOR GENERAL IMPLEMENTATION REPORT.—One year after the date on which the plan under subsection (c) is submitted to the Congress, the Inspector General of the department in which the Coast Guard is operating shall transmit a report evaluating the progress made by the department in implementing the plan to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(e) REPORT ON RADIATION DETECTORS.—The Secretary shall prepare a report on progress in the installation of a system of radiation detection at all major United States seaports, and a timeline and expected completion date for the system. In the report, the Secretary shall include a preliminary analysis of any issues related to the installation or efficacy of the radiation detection equipment, as well as a cost estimate for completing installation of the system.

(f) REPORT ON NONINTRUSIVE INSPECTION AT FOREIGN PORTS.—The Secretary shall prepare a report—

(1) on whether and to what extent foreign seaports have been willing to utilize nonintrusive

screening equipment at their ports to screen cargo, including the number of cargo containers that have been screened at foreign seaports, and the ports where they were screened;

(2) indicating which foreign ports may be willing to utilize nonintrusive screening equipment for cargo exported for import into the United States; and

(3) indicating ways to increase the effectiveness of the United States Government's targeting and screening activities outside the United States and to what extent additional resources and program changes will be necessary to maximize scrutiny of cargo in foreign seaports that is destined for the United States.

(g) EVALUATION OF CARGO INSPECTION TARGETING SYSTEM FOR INTERNATIONAL INTERMODAL CARGO CONTAINERS.—Within 180 days after the date of the enactment of this Act and annually thereafter, the Inspector General of the department in which the Coast Guard is operating shall prepare a report that includes an assessment of—

(1) the effectiveness of the current tracking system to determine whether it is adequate to prevent international intermodal containers from being used for purposes of terrorism;

(2) the sources of information, and the quality of the information at the time of reporting, used by the system to determine whether targeting information is collected from the best and most credible sources and evaluate data sources to determine information gaps and weaknesses;

(3) the targeting system for reporting and analyzing inspection statistics, as well as testing effectiveness;

(4) the competence and training of employees operating the system to determine whether they are sufficiently capable to detect potential terrorist threats; and

(5) whether the system is an effective system to detect potential acts of terrorism and whether additional steps need to be taken in order to remedy deficiencies in targeting international intermodal containers for inspection.

(h) ACTION REPORT.—If the Inspector General of the department in which the Coast Guard is operating determines in any of the reports prepared under subsection (g) that the targeting system is insufficiently effective as a means of detecting potential acts of terrorism utilizing international intermodal containers, then the Secretary of the department in which the Coast Guard is operating shall, within 90 days, submit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure House of Representatives on what actions will be taken to correct deficiencies identified in the Inspector General Report.

(i) COMPLIANCE WITH SECURITY STANDARDS ESTABLISHED PURSUANT TO MARITIME TRANSPORTATION SECURITY PLANS.—Within 180 days after the date of the enactment of this Act and annually thereafter, the Secretary of the department in which the Coast Guard is operating shall prepare a report on compliance and steps taken to ensure compliance by ports, terminals, vessel operators, and shippers with security standards established pursuant to section 70103 of title 46, United States Code. The reports shall also include a summary of security standards established pursuant to such section during the previous year. The Secretary shall submit the reports to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(j) EMPTY CONTAINERS.—The Secretary of the department in which the Coast Guard is operating shall prepare a report on the practice and policies in place at United States ports to secure shipment of empty containers and trailers. The Secretary shall include in the report recommendations with respect to whether additional Federal actions are necessary to ensure the safe and secure delivery of cargo and to prevent potential acts of terrorism involving such containers and trailers.

(k) REPORT AND PLAN FORMATS.—The Secretary and the Inspector General of the department in which the Coast Guard is operating may submit any plan or report required by this section in both classified and redacted formats, if the Secretary determines that it is appropriate or necessary.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the title of the bill, insert the following: "An Act to authorize appropriations for the Coast Guard for fiscal year 2005, to amend various laws administered by the Coast Guard, and for other purposes."

And the Senate agree to the same.

From the Committee on Transportation and Infrastructure, for consideration of the House bill and the Senate amendments, and modifications committed to conference:

DON YOUNG,

HOWARD COBLE,

JOHN J. DUNCAN, Jr.,

PETE HOEKSTRA,

FRANK LOBIONDO,

ROB SIMMONS,

MARIO DIAZ-BALART,

JAMES L. OBERSTAR,

BOB FILNER,

TIMOTHY BISHOP,

NICK LAMPSON,

For consideration of the House bill and Senate amendments, and modifications committed to conference:

CHRIS COX,

BENNIE G. THOMPSON,

Managers on the Part of the House.

JOHN MCCAIN,

TED STEVENS,

TRENT LOTT,

KAY BAILEY HUTCHISON,

OLYMPIA SNOWE,

FRITZ HOLLINGS,

DANIEL K. INOUE,

JOHN BREAUX,

RON WYDEN,

From the Committee on Environment and Public Works:

JIM INHOFE,

JIM JEFFORDS,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2443), to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Section 1. Short Title.

Section 1 of the House bill states that the Act may be referred to as the "Coast Guard and Maritime Transportation Act of 2003."

Section 1 of the Senate amendment states the Act may be cited as the "Coast Guard Authorization Act of 2004."

The Conference substitute adopts the House bill with an amendment.

Section 1 of the conference agreement states the Act may be cited as the "Coast Guard and Maritime Transportation Act of 2004."

TITLE I—AUTHORIZATION

Section 101. Authorization of Appropriations

Section 101 of the House bill authorizes funds for the Coast Guard in fiscal year 2004.

Section 101 of the Senate amendment is similar to the House provision except that the Senate provision authorizes funds for fiscal years 2004 and 2005 and contains different authorization levels than those that are included in the House bill.

The Conference substitute authorizes the following amounts for fiscal year 2005:

Operating Expenses	\$5,404,000,000
Research, Development Testing and Evaluation ..	24,200,000
Retired Pay	1,085,000,000
Environmental Compliance And Restoration	17,000,000
Alterations to Bridges	19,650,000
Acquisition, Construction And Improvement	1,500,000,000
Rescue 21	161,000,000
Integrated Deepwater System	1,100,000,000
Coast Guard Reserve	117,000,000

The conference included \$5,404,300,000 for the Coast Guard's operating expenses. This represents an increase of fourteen percent over FY 2004 levels. This includes over \$300 million in authorizations for port security over the FY 2005 budget request, including an additional \$40 million for expedited implementation of the Automatic Identification Systems requirements. It also includes over \$100 million to cover the increases in operating tempo that the Coast Guard has experienced over the past few years, so that the traditional core missions of the Coast Guard, such as search and rescue of mariners in distress and protection of our living marine resources, are not compromised.

Currently, the only Coast Guard HITRON squadron is based in Jacksonville, Florida. Since the program's inception in 1999, HITRON helicopters have successfully interdicted cocaine that had a value of more than \$4 billion. The Interagency Assessment of Cocaine Movement estimated that 544 Metric Tons of Cocaine departed South America for the United States in 2002. Of this total, 46% (250 Metric Tons) was estimated to flow through the Eastern Pacific. The Conferees believe that leasing additional squadron of HITRON helicopters and deploying these helicopters to the West Coast will help stem the flow of cocaine and other illegal shipments into the West Coast of the United States and provide RT-MSST anti-terrorist protection. Therefore the conferees recommend that the Coast Guard establish a West Coast HITRON squadron. The authorization levels provided in H.R. 2443 provide sufficient funds in the operating expense account to lease these additional assets.

The conferees authorize a significant increase for Acquisition, Construction and Improvements over the Administration request, and the Fiscal Year 2004 appropriated level. The conferees recommend that an amount of this increase go toward reducing the current \$54,000,000 Fiscal Year 2005 unfunded shore facilities requirements list.

Section 102. Authorized Levels of Military Strength and Training

Section 102 of the House bill authorizes a Coast Guard end-of-year strength of 45,500

active duty military personnel for Fiscal Year 2004. This level includes the increases proposed by the Administration. At the end of Fiscal Year 2003, 37,000 active duty personnel were serving in the Coast Guard. This section also authorizes average military training student loads for Fiscal Year 2004 as follows:

<i>Training</i>	<i>Student years</i>
Recruit/Special	2,500
Flight	125
Professional	350
Officer Acquisition	1,200

Section 102 of the Senate amendment is identical to the House bill.

The conference substitute adopts the House provision, as amended to include 2005 levels.

TITLE II—COAST GUARD MANAGEMENT

Section 201. *Long-Term Leases*

Section 201 of the House bill allows the Commandant to enter into leases of up to 20 years for Coast Guard property with (1) the Coast Guard Academy Alumni Association to construct an Alumni visitor facility at the Coast Guard Academy; and (2) non-Federal entities to carry out cooperative agreements under Section 4 (e) of the Ports and Waterways Safety Act. Current law limits such leases to no more than five years.

Paragraph (3) of Section 302 of the Senate amendment is similar to the House provision, but would allow 20-year leases between the Coast Guard and non-Federal entities.

The conference substitute adopts the House provision.

Section 202. *Nonappropriated Fund Instrumentalities*

Section 202 of the House bill provides authority for Coast Guard exchanges and morale, welfare, and recreation systems (MWR) to enter into contracts or other agreements with another department, agency, or instrumentality of the Coast Guard or another Federal agency to provide goods and services beneficial to the efficient management and operation of the exchange and MWR systems.

Section 209 of the Senate amendment is similar to the House provision.

The conference substitute adopts the House provision.

This section provides Coast Guard Exchanges parity with Department of Defense non-appropriated fund instrumentalities (10 U.S.C. 2482a).

Section 203. *Term of Enlistments*

Section 203 of the House bill authorizes the Commandant of the Coast Guard to accept original enlistments for other than full years, and reenlistments for any term of years and months from two years to six years.

Section 207 of the Senate amendment is similar to the House provision.

The conference substitute adopts the Senate amendment.

This will make Coast Guard enlistments consistent with Department of Defense enlistments. The Coast Guard will gain greater billet alignment between commands and assignments during transfer seasons, and greater flexibility in maintaining force readiness.

Section 204. *Enlisted Member Critical Skill Training Bonus*

Section 204 of the House bill authorizes the Coast Guard to offer an incentive bonus to encourage enlisted members to enter certain critical skill specialties.

Section 201 of the Senate amendment is similar to the House provision.

The conference substitute adopts the House provision.

The Coast Guard currently has authority to offer enlistment bonuses (37 U.S.C. 309)

and retention bonuses (37 U.S.C. 323), but does not have authority to offer a bonus to a member who voluntarily enters a specialty school to gain training in a critical skill. This proposal authorizes such a bonus to enlisted members who complete training in a skill designated as critical, provided at least four years of obligated active service remain on the member's enlistment at the time the training is completed. The Coast Guard has shortages of enlisted members on active duty in certain critical skills, such as Electricians Mate, Electronics Technician, Food Service Specialist, Machinery Technician, Storekeeper, and Telecommunications Specialist. Most of these skills result in assignments to ships, where being a junior enlisted Coast Guardsman is often very difficult due to working conditions and time spent at sea. Therefore, the Coast Guard has difficulty in encouraging junior enlisted personnel to seek out these specialties. The authority to provide an incentive bonus to enlisted members will assist in curtailing the shortages in certain critical skills.

Sec. 205 *Indemnity for Disabling Vessels Liable to Seizure or Examination*

Section 205 of the House bill eliminates the requirement to fire a warning shot as a condition precedent to indemnification under 14 U.S.C. 637, when use of a warning shot is not practical.

Section 312 of the Senate amendment is similar to the House bill and includes a report mandating the submission of information regarding the location, circumstances and consequences surrounding the use of any disabling firing.

The conference substitution adopts the House provision amended by the addition of the report included in the Senate amendment.

Under 14 U.S.C. 89, the Coast Guard is authorized to board, examine, and search vessels to detect violations of U.S. law. It may use "all necessary force to compel compliance", including the use of disabling fire to stop a vessel that refuses to comply with a lawful order to stop. 14 U.S.C. 637 indemnifies government personnel operating from Coast Guard vessels or aircraft and Naval vessels with Coast Guard members assigned from damages resulting from the use of disabling fire. Under current law the indemnity applies only if a warning shot is given prior to the use of disabling fire. In some instances, it may be dangerous or impracticable to fire warning shots. Warning shots are generally fired near, but not at, a non-compliant vessel, so they may pose a risk to others if used in congested waters or near shore. Disabling fire is specifically targeted at a particular vessel so it does not present a risk to others.

Section 206. *Administrative, Collection, and Enforcement Costs for Certain Fees and Charges*

Section 206 of the House bill amends section 664 of title 14 to better coordinate the statutory provisions governing fees and charges currently levied by the Coast Guard for services furnished under subtitle H of title 46 and under title 14, United States Code.

The Senate amendment does not contain a comparable provision.

The conference substitute adopts the House provision.

Under current law, there are three statutes pursuant to which the Coast Guard collects user fees for its services. The Independent Offices Appropriations Act of 1951, 31 U.S.C. 9701, applies general user fee authority to the entire Federal Government, including the Coast Guard. Also, under 46 U.S.C. 2110, the Secretary is required to establish user fees for services provided under subtitle 11 of

title 46, United States Code (primarily marine safety activities, e.g., inspection of certain vessels; licensing, certification, and documentation of personnel, etc.). Finally, section 664 of title 14, United States Code, provides authority for the Coast Guard to establish user fees for goods and services it provides. This proposal does not establish a new user fee or seek to authorize the collection of any amounts in excess of the full (direct and indirect) costs of providing a given service for which the fee is being charged.

Currently, the Secretary is authorized to recover appropriate collection and enforcement costs associated with delinquent payments of the fees and charges associated with services provided under subtitle II of title 46, but not under section 664 of title 14. This section will make parallel the provisions applicable to title 46 and title 14 user fees collection. This section authorizes the Secretary to recover appropriate collection and enforcement costs associated with delinquent payments of fees and charges authorized under title 14, and allows other Federal, State, local, or private entities to collect such a fee or charge. These authorities already exist for title 46 fees and charges.

Finally, this section amends title 14, to define what constitutes the costs of collecting a fee or charge, so that it explicitly includes reasonable administrative, personnel, contract, equipment, supply, training, and travel expenses related to administration, management, and oversight of user fees authorized by law. Importantly, this will include the compilation and analysis of cost and user data. In recent years, both Congress and the Executive Branch have sought to obtain such data from Federal agencies on a recurring basis.

Section 207. *Expansion of Coast Guard Housing Authorities*

Section 207 of the House bill provides the Coast Guard with the same direct loan authority for the acquisition and construction of housing currently available to the Department of Defense, allows the Commandant to make differential lease payments, if necessary, to encourage private construction of Coast Guard housing, and allows for multiple demonstration projects to be conducted at any Coast Guard installation in Alaska.

Section 203 of the Senate amendment is similar to the House provisions except that it does not include language that would grant the Secretary of the department in which the Coast Guard is operating to enter into limited partnerships with eligible entities, establish additional demonstration projects in Alaska, or the ability to make differential lease payments.

The conference substitute adopts the House provision.

In 1996, Congress enacted a broad set of authorities for the Department of Defense to use in its Military Housing Privatization Initiative. The existing Coast Guard housing authorities are more limited. Section 687(g) of title 14 authorizes a demonstration project in Kodiak, Alaska to acquire or construct military family or unaccompanied housing through contracts with Alaska-based small business concerns qualified under the Small Business Administration's section 8(a) program. Section 207 allows for more than one demonstration project, and allows the projects to be conducted at any Coast Guard installation in Alaska.

Section 208. *Requirement for Constructive Credit*

Section 208 of the House bill reduces the amount of mandatory constructive credit granted to a Reserve Law Specialist upon designation or assignment to one year from the current level of three years. This section will allow the Coast Guard to consider the officer's education and experience, potential

career opportunities, and service needs to determine appropriate credit.

Section 208 of the Senate amendment is substantively the same as the House provision.

The Conference substitute adopts the Senate amendment.

Section 209. Maximum Ages for Retention in an Active Status

Section 209 of the House bill changes the mandatory age at which a Reserve officer is transferred to the Retired Reserve from sixty-two years of age to sixty years of age and would change the mandatory age at which a Reserve officer (other than those eligible for retirement or a Reserve rear admiral or rear admiral (lower half)) shall be discharged from sixty-two years of age to sixty years of age. It aligns Coast Guard Reserve officers' maximum retention age with that of other armed services Reserve officers, and also codifies the longstanding Coast Guard policy to remove Reserve officers from active status at age sixty.

Section 206 of the Senate amendment is substantively the same as the House provision.

The Conference substitute adopts the House provision.

Section 210. Travel Card Management

Sec. 210 of the House bill authorizes the Coast Guard to use pay offsets to recover delinquent amounts owed by military members and civilian employees who hold Federal contractor-issued travel charge cards.

Sec. 210 of the Senate amendment is a substantively similar provision.

The Conference substitute adopts the Senate amendment.

This section would authorize the Coast Guard to disburse travel reimbursement directly to the issuer of a contractor-issued travel charge card and would allow the Coast Guard to withhold pay from Coast Guard personnel who have delinquent travel charge cards accounts. This provision is similar to authority granted to the Department of Defense in 1999.

Section 211. Coast Guard Fellows and Detailees

Sec. 211 of the House Bill provides statutory authority for a Coast Guard Congressional Fellowship Program, adopts the restrictions contained in the House Ethics Manual and prohibits all Coast Guard Fellows from engaging in duties that will result in any direct or indirect benefit to the Coast Guard, other than broadening the fellow's knowledge.

The Senate amendment does not contain a comparable provision.

The Conference substitute requires the Coast Guard, in consultation with the Attorney General, to report on its existing standards with regards to Congressional detailees and compare those standards to other Federal agency detailees and to make any recommendations, if necessary, to ensure separation of interests and issues of separation of powers.

Section 212. Long-Term Lease of Special Use Real Property

Section 212 of the House bill allows the Coast Guard to enter into a lease of up to 20 years for a new facility constructed by Muskegon County that meets criteria established by the Commandant.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that authorizes the Secretary to enter into long-term leases for up to 20 years for special use real property for the purposes of carrying out Coast Guard aviation, maritime and navigation missions other than general purpose office and storage space.

Currently, the Coast Guard's general leasing authority is limited to the current fiscal

year. This proposal would provide the Coast Guard with the authority to lease special use real property, including unimproved or vacant land, for terms not to exceed 20 years. This 20-year limitation is consistent with the Coast Guard's current authority to lease real property for navigation and consistent with the Coast Guard's current authority to lease real property for navigation and communications systems sites. The Coast Guard would use this expanded leasing authority to acquire leasehold interests in non-Federally-owned lands in those instances when the landowner is unwilling or unable (e.g. in the case of a municipality limited by state law or local ordinance) to convey the property's title to the United States. Such leasehold interests would be acquired for direct support of Coast Guard missions, such as sites for small boat stations, air search and rescue stations, or helicopter landing pads. Opportunities for the Coast Guard to enter into long-term leases have arisen at a variety of facilities over the past several years, such as Muskegon County, Michigan, which has been discussing the possible lease of a facility constructed by the County at Muskegon County Airport as an air search and rescue station; station buildings in Carquinez and Morro Bay, California; a pier and cutter support team building in Cordova, Alaska; and other facilities throughout the country.

The conferees expect the Coast Guard to use this new authority judiciously and in the best interest of the United States. Additionally, the conferees direct the Coast Guard to report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives 30 days prior to entering into any long-term lease utilizing this authority detailing the circumstances of the lease and the Coast Guard's requirements leading to this lease.

Section 213. National Coast Guard Museum

Section 213 of the House bill allows the Coast Guard to establish a National Coast Guard Museum to be located in New London, Connecticut. The House provision also prohibits the spending of Federal funds for planning, engineering, design, construction, operation or maintenance of the Museum, and mandates the submission of an operation and maintenance plan to Congress before the Museum is established.

Section 409 of the Senate amendment allows for the establishment of a National Coast Guard Museum to be located in New London, Connecticut or a location of comparable historic connection to the Coast Guard. The Senate provision contains no prohibition of Federal funds for Museum construction and activities and mandates the submission of an operation and maintenance plan to Congress before the Museum is established.

The Conference substitute adopts a provision that authorizes the Commandant of the Coast Guard to establish a National Coast Guard Museum to be located in New London, Connecticut at, or in close proximity to, the Coast Guard Academy. The provision restricts the Coast Guard from expending federally appropriated funds for engineering, design or construction costs. The provision also requires that the Museum be supported with nonappropriated, nonfederal funds to the greatest extent possible, and establishes the preservation and protection of historic artifacts as the priority use for Federal funds. Before the establishment of any museum under this section, the Commandant is required to submit to Congress a plan for constructing, operating and maintaining such a museum. Such plan is to include a discussion of any shortfall of funds for engineering, design or construction. The provi-

sion prohibits the Commandant from establishing a national Coast Guard museum other than under this section.

The conferees do not consider the conduct of academic programs relating to the curriculum of the Coast Guard Academy, the Coast Guard leadership Program or other Coast Guard programs that utilize the collections, artifacts and facilities of the Museum to be operation and maintenance activities of the Museum. Therefore, such programs are not subject to the limitation on operation and maintenance funding.

Section 214. Limitation on Number of Commissioned Officers

Section 214 of the House bill provides a temporary increase in the authorized cap on Coast Guard officers to 6,700 for fiscal year 2004.

Section 202 of the Senate amendment would permanently increase the authorized cap on Coast Guard officers to 7,100 and authorizes an increase in the percentage of Commanders and Lieutenant Commanders to 15 and 22 percent, respectively.

The Conference substitute adopts a provision that will temporarily increase the authorized cap on Coast Guard officers to 6,700 officers for the fiscal years 2004, 2005 and 2006 and authorizes an increase in the percentage of Commanders and Lieutenant Commanders to 15 and 22 percent, respectively.

Currently, the overall number of officers cannot exceed 6,200. Increased homeland security requirements, however, are expected to drive up the officer needs of the Coast Guard by 17 percent. With a current officer corps of approximately 5,600 officers, an additional 900 officers for homeland security missions will require a change to the officer ceiling in section 42 of title 14, United States Code. The Coast Guard budget proposes to convert 78 billets from military to civilian positions in each of fiscal years 2003 and 2004. Conferees urge the Coast Guard to accelerate the conversion of those jobs that are not required for military purposes to civilian positions. This conversion will provide for increased continuity in positions and decrease the need for additional officer billets in the future.

This section will meet the short-term needs of the Coast Guard in addressing changes necessitated by increased responsibilities related to homeland security missions. The Coast Guard has assured the conferees that the Service does not intend to increase the officer Corps beyond the authorized level before the end of Fiscal Year 2006.

Section 215. Redistricting Notification Requirement

Section 215 of the House bill requires the Commandant to notify the Committee at least 180 days before implementing a plan to change the boundaries of Coast Guard districts, or before shifting more than 10 percent of the personnel or equipment from the station where they are based.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision amended by adding the Committee on Commerce, Science, and Transportation of the Senate as a committee to be notified before such redistricting action occurs and by amending the language to define an action requiring notification under this section as a permanent transfer of a percentage of personnel or equipment away from a District Office to which they were previously assigned.

The conferees understand the Department of Homeland Security is undertaking efforts to comply with Section 706 of the Homeland Security Act and create a plan for the consolidation and co-location of agency regional offices. The conferees remain concerned of

the impact this will have on the Coast Guard's mission-based district organization.

The conferees note that Coast Guard districts are currently organized to take into account the interrelated nature of specific riverine, estuarine, and other marine systems. The districts are arranged to address predominate missions and threats which confront specific marine systems. In addition, the service has built an extensive system of secure communications at these offices from which they control the wide range of Coast Guard operations. Arbitrarily dividing up the current district structure to comport with the conveniences of other Department of Homeland Security agencies could severely undermine the Coast Guard's mission effectiveness.

Section 216. Report on Shock Mitigation Standards

Section 217 of the House bill requires the Secretary to establish shock mitigation standards for boat decking material on Coast Guard vessels.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision which requires the Commandant of the Coast Guard to report to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the necessity of and possible standards for decking material in order to mitigate adverse effects of shock and vibration of Coast Guard vessels on crew members.

Section 217. Recommendations to Congress by Commandant of the Coast Guard

Section 219 of the House bill authorizes the Commandant of the Coast Guard to make recommendations to the Congress without the direction and guidance of the Administration.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

Section 218. Coast Guard Education Loan Repayment Program

Section 221 of the House Bill allows the Secretary to repay certain loans incurred by active enlisted members of the Coast Guard for purposes of higher education.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

This section would allow the Secretary to repay a portion of certain higher education loans incurred by active enlisted members of the Coast Guard. The amount of repayment is limited to 33⅓% of the loan or \$1,500 per year of service by the enlisted member.

Section 219. Contingent Expenses

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that increases the funding level authorized for Coast Guard contingent expenses to an amount of \$50,000 per fiscal year.

These funds are used by the Service for representational and reception purposes. The current authorized level is \$7,500 and has not been increased since being established in 1949.

Section 220. Reserve Admirals

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that clarifies language that outlines the

maximum term of service in active status for reserve rear admirals of the Coast Guard to ensure that reserve officers may serve a full four-year term at that position.

Section 221. Confidential Investigative Expenses

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that increases the funding level authorized for Coast Guard confidential investigative expenses to an amount of \$45,000 per fiscal year.

The current authorized amount is \$15,000 and has not been increased since being established in 1974.

Section 222. Innovative Construction Alternatives

The House bill does not contain a comparable provision.

Section 407 of the Senate amendment authorizes the Commandant of the Coast Guard to consult with the Office of Naval Research and other Federal agencies with research and development programs that may provide innovative construction alternatives for the Integrated Deepwater System.

The Conference substitute adopts the Senate provision.

Section 223. Delegation of Port Security Authority

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that authorizes the President to delegate the authority to issue rules and regulations under 50 U.S.C. 191 to the Secretary of the department in which the Coast Guard is operating. 50 U.S.C. 191 allows for the emergency regulation of vessels in time of national emergency.

Section 224. Fisheries Enforcement Plans and Reporting

The House bill does not contain a comparable provision.

Section 321 of the Senate amendment would require the Coast Guard and National Oceanic and Atmospheric Administration to improve their consultations with each other and with State and local authorities in setting priorities for and coordinating the enforcement of fisheries laws and regulations.

The Conference substitute adopts the Senate provision, as amended.

Section 225. Use of Coast Guard and Military Child Development Centers

The House bill does not contain a comparable provision.

Section 211 of the Senate amendment would allow the Secretary of Defense and the Secretary of the department in which the Coast Guard is operating to agree to provide day care services without requiring reimbursement. It also would provide children of Coast Guard members the same access as children of DOD members to DOD child care facilities.

The Conference substitute adopts the Senate provision as amended, to require mutual reimbursement for use of each other's centers.

Section 226. Property Owned by Auxiliary Units and Dedicated Solely for Auxiliary Use

The House bill does not contain a comparable provision.

Section 204 of the Senate amendment allows for the treatment of real and personal property owned by a unit of the Coast Guard Auxiliary to be considered as Federal property for purposes of liability.

The Conference substitute adopts the Senate provision with an amendment.

This section would state that real and personal property owned by a unit of the Coast Guard Auxiliary shall be considered Federal property for liability purposes at all times unless the property is being used outside the scope of the Auxiliary mission. This section also allows the Secretary of the department in which the Coast Guard is operating to reimburse the Auxiliary for operation, maintenance, repair, or replacement of Auxiliary property when it is being used exclusively for Auxiliary business.

TITLE III—NAVIGATION

Section 301. Marking of Underwater Wrecks

Section 301 of the House bill gives the Commandant of the Coast Guard discretion in the manner in which a sunken vessel is to be marked for purposes of navigation.

Section 301 of the Senate amendment is a similar provision.

The Conference substitute adopts the Senate amendment that grants the Commandant of the Coast Guard discretion to permit a sunken wreck to be marked without using a lighted buoy if the Commandant determines that placing a light would be impractical and granting such a waiver would not create an undue hazard to navigation.

Under current law, the owner or operator of a vessel wrecked and sunk in a navigable channel must immediately mark it with a "buoy or beacon during the day and a lighted lantern at night", and maintain the marker until the wreck is removed. In navigable channels on the Western Rivers, use of a lighted aid to mark a wreck is generally not practicable due to the fast current and floating debris common in those rivers. Lighted aids, which are larger and heavier than unlighted markers, tend to submerge in the fast current, and are pushed off station by the force of the current on debris snagged by the aid. It is largely for this reason that of the over 10,000 buoys positioned by the Coast Guard to mark navigable channels on the Western Rivers, only 12 are seasonal lighted buoys, and those are limited to pooled waters behind dams where current is not a factor. Mariners operating vessels on these rivers are accustomed to navigating with unlighted buoys. Due to the failure of owners/operators to mark their wrecked vessels, the Coast Guard currently performs much of this type of marking. The Coast Guard generally uses unlighted buoys for this purpose.

Section 302. Use of Electronic Devices; Cooperative Agreements

Section 302 of the House bill amends the Ports and Waterways Safety Act (33 U.S.C. 1223) (PWSA) to authorize the Secretary to prohibit the use on the bridge of vessels of certain electric and electronic devices that interfere with communications or navigation equipment. This section also amends the PWSA to authorize the Commandant to enter into cooperative agreements with non-Federal entities to carry out Ports and Waterways Safety Act vessel operating requirements, including vessel traffic services.

Section 302 of the Senate amendment would authorize the Secretary to prohibit the use of certain electronic devices that could interfere with shipboard navigation or communications systems. It also would authorize the Secretary to enter into partnerships and cooperative ventures with non-Federal entities to carry out Ports and Waterways Safety Act vessel operating requirements, including vessel traffic services, and would allow longer-term, 20-year leases between the Coast Guard and such partners. The Senate provision also exempts from the prohibition electronic or other devices that use a certain portion of the spectrum currently owned by a private entity.

The Conference substitute adopts the House provision with a slight clarification

that the use of electronic or other devices that interfere with a vessel's communication or navigation equipment is prohibited aboard vessels, but restricts the Secretary from using this authority with respect to electronic or other devices certified to transmit in the maritime services by the Federal Communications Commission and used within the frequency bands 157.1875–157.4375 MHz and 161.7875–162.0375 MHz.

With the increased reliance on Geographic Positioning Systems (GPS), interference to GPS receivers could become a significant problem, especially when GPS is integrated with automatic heading control and dynamic positioning systems that control the navigation and movement of the vessel. Interference has been known to cause GPS systems to generate false positions. A slight position "error" may cause enough of a heading change to run a ship aground.

Section 303. Inland Navigation Rules Promulgation Authority

Section 303 of the House bill proposes to remove the Inland Navigation Rules from 33 U.S.C. 2001 if the Secretary promulgates Inland Navigation Rules through a regulatory proceeding. The statutory rules remain in effect until such regulations become effective.

Section 314 of the Senate amendment contains a similar provision.

The Conference substitute adopts the House provision.

This change allows for future changes to the Inland Navigation Rules through the regulatory process without the need for statutory changes.

Section 304. Saint Lawrence Seaway

The House bill contains no similar provision.

The Senate bill contains no similar provision.

The conference substitute maintains the role of the Secretary of Transportation in carrying out the Ports and Waterways Safety Act as it relates to the Saint Lawrence Seaway.

TITLE IV—SHIPPING

Section 401. Reports From Charterers

Section 401 of the House bill gives the Secretary the authority to require reports from vessel charterers to ensure compliance with laws governing vessels engaged in coastwise trade and fisheries. Under current law, the Secretary may require reports from vessel owners and masters.

Section 303 of the Senate amendment includes an identical provision.

The Conference substitute adopts the House provision.

Section 402. Removal of Mandatory Revocation for Proved Drug Convictions in Suspension and Revocation Cases

Section 402 of the House bill would remove the automatic requirement to suspend a merchant mariner's credentials in every document suspension and revocation case involving a drug conviction, thereby giving the Coast Guard Administrative Law Judge additional discretion in appropriate cases involving minor offenses.

Section 306 of the Senate amendment contains an identical provision under a different heading.

The Conference substitute adopts the Senate provision.

Under current law, a merchant mariner's credential (MMC) must be revoked if the credential holder is convicted of violating a State or Federal drug law, or found to use, or be addicted to, a dangerous drug. However, if evidence of proof of cure is provided, the credential 15 of a drug user or addict need not be revoked. No option other than revocation is provided for a drug offense conviction.

In 1994, the Coast Guard began using Settlement Agreements to resolve suspension and revocation cases without a hearing. These have been particularly successful in cases involving drug use where the Administrative Law Judge (ALJ) need not revoke credentials if the holder provides satisfactory proof of cure. The Coast Guard seeks the discretion to suspend a mariner's credentials in dangerous drug law conviction cases. Use of that discretion will allow the use of Settlement Agreements to resolve cases involving minor drug convictions. The Coast Guard believes that granting ALJ's discretion to approve settlement agreements will improve the administration of the MMC program by removing the requirement for a hearing and revocation in every case involving a drug conviction. This will allow minor cases to be settled quickly leaving resources available to focus on more serious cases.

Section 403. Records of Merchant Mariner Documents

Section 403 of the House bill strikes the prohibition on "general or public inspection" of merchant mariners' documents (MMDs).

Section 307 of the Senate amendment contains a substantively similar provision.

The Conference substitute adopts the Senate provision.

Striking this prohibition will bring merchant mariners' documents (MMDs) under the record protection and release policies of the Privacy Act, 5 U.S.C. 552a, and Freedom of Information Act (FOIA), 5 U.S.C. 552. Since no similar prohibition exists for merchant mariners' licenses, or certificates, this change provides equal treatment for all merchant mariners' credentials. With this change, release of information regarding all credentials will be governed by the Privacy Act and FOIA.

The prohibition against "general or public inspection" of MMDs was enacted decades before the Privacy Act and FOIA. The prohibition denies access to MMDs even to individuals with legitimate reasons for accessing that information. Even a request to verify a mariner's qualifications is refused by the National Maritime Center (NMC). NMC cannot confirm to an employer that a mariner is documented. The prohibition prevents family members and historians seeking information about deceased mariners, even upon presentation of a valid death certificate, from receiving information.

Section 404. Exemption of Unmanned Barges From Certain Citizenship Requirements

Section 404 of the House bill exempts unmanned barges from the requirement that all documented vessels be under the command of a citizen of the United States unless those vessels are engaged in a coastwise voyage.

Section 308 of the Senate amendment is a similar provision.

The Conference substitute adopts the Senate provision.

When an unmanned U.S. barge is in service with a tug or other vessel not under the operational control of a U.S. citizen, the current requirement places an administrative burden on the barge operator that results in no practical benefit.

To comply with the U.S. citizen-in-command requirement, a U.S. citizen deckhand is sometimes designated as the "barge master" on the towing vessel, so that the unmanned barge will be "under the command of" a U.S. citizen. This solution is an artificial one that lends no real value, since the "barge master" is not in command as a practical matter, having no control over the tug. Rather, it is the master of the tug who has control of both the tug and the barge, and makes the decisions concerning navigation, crew hiring and firing, discipline, and compliance with laws and regulations. Designating a U.S. citizen "barge master" on board the tug does not confer decision making authority on that citizen, but it could burden that person with the consequences of the tug operator's actions.

Under current law, an unmanned barge not under command of a U.S. citizen is subject to seizure and forfeiture. Strict enforcement of this requirement would effectively prohibit owners of U.S. documented barges from bareboat chartering their vessels to foreign interests. To comply with existing law, a U.S. citizen would have to be aboard any foreign tug that tows a bareboat chartered U.S. barge and be designated as in command of that barge. Lighter Aboard Ship (LASH) barges discharged in foreign ports cannot comply with this requirement unless the vessel carrying the LASH barges also carries at least one U.S. citizen who would leave the LASH carrier to accompany the barges when discharged.

Section 405. Compliance With International Safety Management Code

Section 405 of the House bill requires foreign flag vessels departing and returning to the same U.S. port, or returning to another port under the jurisdiction of the United States, to comply with the International Safety Management (ISM) Code when any part of the voyage occurs on the high seas.

Section 316 of the Senate amendment contains a similar provision.

The Conference substitute adopts the House provision.

This section would require foreign flagged vessels on "voyages to nowhere" to comply with the ISM Code. It would amend section 3201 of title 46 to require foreign flagged vessels departing and returning to the same U.S. port, or returning to another port under the jurisdiction of the U.S., to comply with the ISM Code when any part of the voyage occurs on the high seas.

Section 406. Penalties

Section 406 of the House bill increases the maximum civil administrative penalty for violations of Federal recreational boat safety regulations from \$2,000 to a maximum of \$5,000, and increases the maximum for a related series of violations from \$100,000 to \$250,000. Current law applies these penalties for wrongful manufacture or sale. This section also applies the penalties to wrongful labeling and failure to notify of a recall.

Section 310 of the Senate amendment follows the House provision in increasing civil penalties. The Senate provision also adds a criminal penalty provision for knowing and willful violations of section 4307(a).

The Conference substitute adopts the civil penalties provision and establishes criminal penalties for willful and knowing violation of section 4310 (f). Section 4310 (f) allows the Secretary to require a recall of a recreational vessel or associated equipment.

Section 407. Revision of Temporary Suspension Criteria in Document Suspension and Revocation Cases

Section 407 of the House bill corrects a drafting error, and allows the Coast Guard to temporarily suspend or revoke a merchant mariner's credentials (MMCs) if the mariner has been convicted of certain National Driver Register Act (NDRA) offenses.

Section 304 of the Senate amendment contains a similar provision.

The Conference substitute largely adopts the Senate provision and further describes conditions that would allow the Secretary to temporarily suspend an MMC.

Under current law, an MMC could only be suspended or revoked for an NDRA conviction if the mariner was acting under the authority of the credential when the NDRA violation occurred. Since there are no reasonable scenarios under which a mariner will

commit a motor vehicle-related offense while on board ship, this section restores the intent of the provision to allow suspension or revocation after a conviction for operating a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance, or a traffic violation arising in connection with a fatal traffic accident, reckless driving, or racing on the highways.

Current law allows for longer-term suspension or revocation of the MMC as a result of an NDRA suspension after a suspension and revocation hearing. The provision amended by this section only deals with temporary suspensions or revocations of no more than 45 days prior to a hearing. This section also provides authority to temporarily suspend an MMC if the holder threatens the security of a vessel or the port.

Section 408. Revision of Bases for Document Suspension and Revocation Cases

Section 408 of the House bill allows the Coast Guard to suspend or revoke a merchant mariner's credentials (MMC) if the mariner commits an act of incompetence whether or not the mariner is acting under the authority of the MMC at the time the act occurs.

Section 305 of the Senate amendment contains a similar provision.

The Conference substitute adopts the Senate provision, and further defines circumstances under which the Secretary of the department in which the Coast Guard is operating may suspend or revoke merchant mariner's credentials.

Under current law, the Coast Guard can only undertake suspension and revocation proceedings if the mariner commits an act of incompetence while acting under the authority of the MMC. The section allows an MMC to be revoked whenever the mariner commits an act of incompetence related to the operation of a vessel. The section also adds security threat as a basis for which the Secretary may suspend or revoke an MMC.

Section 409. Hours of Service on Towing Vessels

Section 409 of the House bill grants the Secretary of the department in which the Coast Guard is operating the authority to prescribe maximum hours of service for individuals engaged on a towing vessel that is required to have a licensed operator under section 8904 of title 46, United States Code. However, before prescribing those regulations, the Secretary is required to conduct and report to Congress on the results of a demonstration project involving the implementation of Crew Endurance Management Systems on these vessels.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

In September 2001, a towing vessel struck a bridge at South Padre Island, TX. The bridge collapsed, and 5 people died when their cars or trucks went into the water. On May 26, 2002, a towing vessel struck the I-40 highway bridge over the Arkansas River at Webber Falls, OK. The bridge collapsed, and 14 people died when their cars or trucks went into the Arkansas River.

As a result of these accidents, the Coast Guard and the American Waterways Operators established a Joint Working Group to examine the statistics of bridge allisions and measures that could be taken to help prevent these types of casualties. The study used a database of 2,692 bridge allision cases between 1992-2001. One of the recommendations of the working group's May, 2003 report is to "require the implementation of Crew Endurance Management Systems (CEMS) throughout the towing industry as a means of improving decision making fitness. In addition,

on June 1, 1999, the National Transportation Safety Board issued Recommendation M-99-1 to the Coast Guard that stated the Coast Guard should "Establish within 2 years scientifically based hours-of-service regulations that set limits on hours of service, provide 19 predictable work and rest schedules, and consider circadian rhythms and human sleep and rest requirements." This section would give the Coast Guard the legal authority to implement these recommendations.

The Conferees expect that the Secretary will carefully evaluate the results of the demonstration project prior to determining the need to establish maximum hours of service regulations as permitted under subsection (a). Prior to promulgating any such regulations, the Conferees also expect that the Secretary will evaluate the costs and benefits of establishing maximum hours of service requirements on towing vessels. This evaluation should include a review of Coast Guard casualty data to determine whether there is statistical evidence to support the need for new hours of service regulations.

Section 410. Electronic Charts

Section 410 of the House bill requires shipboard automatic identification systems to include electronic charts and related display.

Section 324 of the Senate amendment would require the Coast Guard, in consultation with NOAA, to report on the costs of completing Electronic Navigation Charts for the existing suite of NOAA charts, the costs and benefits of requiring electronic navigation systems on vessels, and a description of international standards in this area.

The conference substitute requires certain vessels to be equipped with and be able to operate electronic charts.

The section applies to self propelled commercial vessels of at least 65 feet in length, vessels carrying more passengers than an amount prescribed by the Secretary, a towing vessel of more than 26 feet in length and 600 horsepower, and any other vessel for which the Secretary decides that electronic charts are necessary for the safe navigation of the vessel. On September 22, 1993, at about 2:45 a.m. the towing vessel *Mauvilla* and its barges became lost in the fog and struck and displaced the Big Bayou Canot railroad bridge near Mobile, Alabama. Later that night the Amtrak train, Sunset Limited, derailed as it went over the bridge and fell into the water killing 42 passengers and 5 crewmembers. The Conferees believe that electronic charts tied to a Global Positioning Satellite receiver will help prevent accidents such as this in the future. The conferees recognize that vector electronic charts may not be available for all of the navigable waters of the United States. However, the Secretary may allow a vessel operator to use raster electronic charts until vector charts become available for those waters.

This section also allows the Secretary to waive the requirement for a vessel to be equipped with an electronic chart system if the Secretary finds that an electronic chart and related display is not necessary for the safe operation of a vessel or class of vessels on the waters on which those vessels operate. If the vessel is also required to have an Automatic identification system (AIS) on board the vessel under section 70114 of title 46, United States Code, the Conferees believe that the Secretary should require the AIS system information to be integrated with the electronic chart display.

Section 411. Prevention of Departure

Section 411 of the House bill allows the Coast Guard to conduct examinations to ensure that a passenger vessel calling on a U.S. port complies with the International Convention for the Safety of Life at Sea (SOLAS) so long as a U.S. citizen passenger is aboard.

Section 315 of the Senate amendment contains a similar provision.

The Conference substitute adopts the Senate provision with a clarifying amendment.

Current law authorizes the Secretary to prevent a foreign passenger vessel from departing a U.S. port, with passengers who are embarked at that port, if the Secretary finds that the vessel does not comply with the standards stated in (SOLAS). However, the statute does not provide a similar authority to the Secretary regarding control of a foreign passenger vessel that may have embarked passengers from a nearby foreign port and is conducting a voyage to a U.S. port. The result of this distinction is that a foreign vessel embarking U.S. passengers from a neighboring country such as Canada or a Caribbean country and calling on U.S. ports would not be subject to the same detailed examination as a foreign passenger vessel embarking passengers from a U.S. port conducting a similar voyage. Without the ability to conduct such an examination, it is difficult for the Coast Guard to assure that such vessels are in compliance with SOLAS regulations.

Section 412. Service of Foreign Nationals for Maritime Educational Purposes

Section 412 of the House bill would allow foreign nationals enrolled at the United States Merchant Marine Academy to operate aboard a vessel as an unlicensed seaman for purposes of fulfilling educational requirements for graduation from the Academy.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

Section 413. Classification Societies

Section 413 of the House bill prohibits a classification society from operating in interstate or foreign commerce without the review of the society's activities and subsequent approval of the Secretary of the department in which the Coast Guard is operating. The section also outlines criteria which must be met in the determination of the Secretary before a society receives the Secretary's approval.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that prohibits a classification society from reviewing or certifying the construction, repair, or alteration of a vessel while in the United States unless the society has applied for and received approval from the Secretary of the department in which the Coast Guard is operating or the society is a full member of the International Association of Classification Societies. The provision also outlines criteria which must be met in the determination of the Secretary before a society receives the Secretary's approval.

Section 414. Drug Testing Reporting

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that requires Federal agencies to submit results of positive drug tests and verified test violations from civilian and certain uniformed personnel employed aboard Federally-operated vessels to the Coast Guard.

Section 415. Inspection of Towing Vessels

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adds towing vessels, as defined in section 2101 of title 46, United States Code, as a class of vessels that are subject to safety inspections under chapter 33 of that title. Section 3306 of title 46 details the items that are to be regulated

under the chapter to secure the safety of individuals and property on board the vessel. This includes design, construction, alteration and repair of the superstructures, hulls, fittings, equipment appliances, propulsion equipment, machinery, lifesaving equipment, firefighting equipment, and vessel stores and other supplies of a dangerous nature.

The Coast Guard may prescribe different standards for towing vessels than for other types of inspected vessels. Similarly, the Coast Guard can prescribe different standards for the various types of towing vessels based on size, horsepower, type of operation, area of operation. For example, the Coast Guard can prescribe different standards with regard to propulsion machinery and hulls for a towing vessel pushing barges down the Mississippi River than for vessels that provide towing assistance for recreational vessels.

New section 3306(j) of title 46, United States Code, authorizes the Secretary of the department in which the Coast Guard is operating to establish by regulation a safety management system appropriate for the characteristics, methods of operation, and nature of service of towing vessels. Safety management systems allow the Coast Guard to oversee the maintenance and repair of vessel equipment and ship systems subject to inspection through an approved safety management plan that includes maintenance schedules and system tests. The Coast Guard may enforce the plan through audits of the vessel's logs and vessel operator's records rather than having to directly oversee the repair or maintenance work conducted on a particular piece of equipment or ship system.

Section 416. Potable Water

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that requires vessels subject to inspection by the Coast Guard to have an adequate supply of potable water for drinking and washing.

Section 417. Transportation of Platform Jackets

The House bill does not contain a comparable provision.

Section 406 of the Senate amendment would make a technical clarification to a provision under the MTSA that allows the use of foreign launch barges in certain offshore construction.

The Conference substitute amends the thirteenth proviso (pertaining to transportation by launch barge) to allow previously non-qualified launch barges built before December 31, 2000 and has a launch capacity of at least 12,000 gross tons to participate in the coastwise trade under certain conditions.

Section 418. Renewal of Advisory Groups

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision, which reauthorizes several safety advisory committees through September 30, 2010.

TITLE V—FEDERAL MARITIME COMMISSION

Section 501. Authorization of Appropriations for Federal Maritime Commission

Section 501 of the House bill authorizes appropriations for the Federal Maritime Commission for Fiscal Year 2004.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that authorizes appropriations for the Federal Maritime Commission for each of the Fiscal Years 2005 through 2008.

Section 502. Report on Ocean Shipping Information Gathering Efforts

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that requires the Chairman of the Federal Maritime Commission to submit a report to Congress regarding the sharing of ocean shipping information with Federal, State, and local government agencies to assist law enforcement and anti-terrorism efforts.

TITLE VI—MISCELLANEOUS

Section 601. Increase in Civil Penalties for Violations of Certain Bridge Statutes

Section 601 of the House bill increases the civil penalties for bridge violations under the Rivers and Harbors Appropriations Act of August 18, 1894; the Rivers and Harbors Appropriations Act of March 3, 1899; the Bridge Act of 1906; and the General Bridge Act of 1946 to a maximum of \$25,000 per-day per-violation. This section phases in that increase over 5 years.

Section 309 of the Senate amendment also increases the civil penalties for bridge violations to a maximum of \$25,000 per-day, per-violation upon enactment of the Act.

The Conference substitute adopts the House provision.

Bridges constructed across the navigable waters of the United States are considered obstructions to navigation and must provide for the reasonable needs of navigation. Civil penalties for 20 potential bridge statute violations range in amounts from \$220 to \$1,100 per day and involve matters such as failure to install and keep bridge lights and other signals in working order; unreasonable delay in operating a draw opening after signal; and failure to give timely notice of construction or modification events affecting navigation. Vessel owners and operators are also subject to penalties—for example, for signaling a drawbridge to open for a nonstructural vessel appurtenance unessential to navigation or easily lowered.

The Coast Guard maintains that current civil penalties for violations of bridge laws and regulations are insufficient to effectively discourage violations. Current law sets the civil penalty at a maximum \$1,000 per-day per-violation with each day a violation continued constituting a separate offense. With the minor adjustments allowed under the Federal Civil Monetary Penalty Inflation Adjustment Act of 1990, the maximum civil penalty is now \$1,100 per-day per violation.

Section 602. Conveyance of Decommissioned Coast Guard Cutters

Section 602 of the House bill directs the Commandant of the Coast Guard to convey three decommissioned Coast Guard vessels for historical display purposes to nonprofit corporations in Port Huron, Michigan, Sherman Oaks, California, and Duluth, Minnesota, respectively.

Section 403 of the Senate amendment contains a similar provision, but makes the transfer of the vessels discretionary.

The Conference substitute adopts the Senate provision.

As a condition of conveyance, the recipients must agree that the vessel (1) will be used for education and historical display purposes; (2) must not be used for commercial transportation; and (3) will be made available to the United States Government if needed in time of war or national emergency. The recipient must also agree to hold the government harmless for claims arising from exposure to hazardous materials.

Section 603. Tonnage Measurement

Section 603 of the House bill deems the motor vessel *Bluefin* to be 488 gross tons and

the motor vessel *Coastal Merchant* to be 493 gross tons, as measured under regulations prescribed under section 14502 of title 46, United States Code, for purposes of applying the optional regulatory measurement under section 14305 of title 46, United States Code.

The Senate amendment does not contain a comparable provision.

The Conference substitute authorizes the Secretary of the department in which the Coast Guard to apply section 8104(o) of title 46, United States Code, to the vessels *M/V Bluefin* and *M/V Coastal Merchant* unless such application would compromise safety.

Section 604. Operation of Vessel "Stad Amsterdam"

Section 604 of the House bill authorizes the vessel *Stad Amsterdam* to carry non-paying guests within U.S. waters and between ports and places in the U.S. These are individuals who are not directly and substantially connected with the operation, navigation, ownership, or business of the vessel, who are friends, guests, or employees of the owner of the vessel, and who are not actual or prospective customers for hire of the vessel.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision similar to the House provision, but limits the authorization to 45 calendar days per year and requires the Secretary to revoke the authorization if the terms of the authorization are not adhered to.

This section does not authorize the vessel to carry individuals for a fare or to be chartered on a for-hire basis in the coastwise trade. In fact, this section prohibits *Stad Amsterdam* from being "used to carry individuals for a fare or to be chartered on a for-hire basis in the coastwise trade." This means that the owners may not solicit or accept payment for the carriage of friends, guests, and employees in U.S. domestic waters.

Existing law requires that vessels carrying passengers for hire in the coastwise trade be U.S. built, U.S. manned, U.S. owned, and U.S. documented. Prior to 2002, the U.S. Customs Service ruled that non-paying guests of the owner or operator were not considered passengers. Therefore, vessels carrying non-paying guests in U.S. coastal waters did not have to meet domestic build, crew, ownership, and documentation requirements. In June 2002, Customs ruled that individuals be "considered passengers unless they are directly and substantially connected with the operation, navigation, ownership, or business of the vessel." This section applies the earlier Customs ruling to non-paying guests on the *Stad Amsterdam*.

Section 605. Great Lakes Regional National Maritime Enhancement Institute

Section 605 of the House bill authorizes \$5 million to be appropriated to the Secretary of Transportation in each of the Fiscal Years 2004 through 2008 to study cargo transportation on the Great Lakes.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that authorizes the Secretary of Transportation to designate a National Maritime Enhancement Institute in the Great Lakes region. The provision also requires the Secretary to conduct a study a number of issues related to marine cargo transportation in the Great Lakes and to report the result on this study to Congress. The study is to be completed within two years of the enactment of the Act and \$1.5 million is authorized to be appropriated to the Secretary of Transportation for each of fiscal years 2005 and 2006.

Section 606. Koss Cove

Section 607 of the House bill designates a cove lying off the southern coast of

Erlington Island in Alaska as "Koss Cove", in honor of the late Able Bodied Seaman Eric Steiner Koss. Seaman Koss served aboard the National Oceanic and Atmospheric Administration vessel *Rainier*, and died in the performance of a nautical charting mission in this cove.

Section 404 of the Senate amendment contains a similar provision.

The Conference substitute adopts the House provision.

Section 607. Miscellaneous Certificates of Inspection

Section 608 of the House bill section provides coastwise trade endorsements for two U.S.-flag, U.S. owned, and U.S. built vessels, the *Ocean Leader* and the *Revelation*.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision with an amendment that provides coastwise trade endorsements for two additional vessels, the *Miss Linda*, and the *Ragland*.

Section 608. Requirements for Coastwise Endorsement

Section 609 of the House bill requires the Secretary of the department in which the Coast Guard is operating to implement final regulations to carry out section 12106(e) of title 46, United States Code, regarding lease financing by foreign entities of vessels intended to be used in the coastwise trade.

The Senate amendment does not contain a comparable provision.

The Conference substitute requires that foreign owners of U.S.-built vessels engaged in the coastwise trade annually certify that the owner is a financial institution without any active interest in the operation of the vessel or any affiliation with a parent company, subsidiary or other affiliate that operates vessels for hire or has the ability to directly or indirectly control or direct the use of any vessel.

The substitute exempts certain vessels that carry predominantly proprietary cargo (defined as petroleum-derived products) and vessels owned by one entity engaged in the transportation and distribution of petroleum products in Alaska from these requirements.

The substitute allows vessels that had been procured by lease financing under the Coast Guard's pre-February 4, 2004 policy to maintain their coastwise endorsements for the life of the vessel. Replacement vessels for such vessels may receive a coastwise endorsement if replacement is due to an act of God or a marine casualty, or if a contract to build such a replacement vessel is entered into prior to December, 31, 2004. Offshore supply vessels procured by lease financing under the Coast Guard's pre-February 4, 2004 policy may maintain their coastwise endorsement for 3 years after the date of enactment of this Act.

Section 609. Correction of References to National Driver Register

Section 614 of the House bill makes technical corrections to the National Driver Register Act of 1982 (23 U.S.C. 401 note).

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

Section 610. Wateree River

Section 615 of the House bill designates a portion of the Wateree River in the state of South Carolina stretching from 100 feet upstream of the railroad bridge located at approximately mile marker 10.0 to a point 100 feet downstream of the bridge to be non-navigable waters for purposes of bridge administration.

Section 405 of the Senate amendment contains a similar provision.

The Conference substitute adopts the House provision.

Section 611. Merchant Mariners' Documents Demonstration Program

Section 616 of the House bill authorizes the Secretary of the department in which the Coast Guard is operating to establish a pilot program in the 17th Coast Guard District to improve processing and procedures for issuing merchant mariners' documents. The provision directs the Secretary to consult with the Secretary of the Air Force so that any such demonstration program will implement some of the measures currently in place in the Air Force program.

The Senate amendment does not contain a comparable provision.

The Conference substitute authorizes the Secretary to establish a merchant mariner documents technology demonstration program.

In carrying out any pilot project under this section, the Conferees expect the Secretary to give particular consideration to the distances that must be traveled between areas in which mariners work and processing offices. The Conferees also expect the Secretary to consider the seasonal nature of work done in those areas. Clearly the greatest benefits to be derived from automated documents processing would come in areas where the distance to and from work sites is the greatest, and the duration of the work the shortest. Any pilot project should demonstrate methods to improve processing and procedures for issuing merchant mariners' documents. The Conferees encourage the Secretary to consult with the Secretary of the Air Force regarding the efficiency and effectiveness of the content management technology and information management tools that are currently used by the Department of the Air Force in the Air Force Publishing Directorate.

Section 612. Conveyance

Section 617 of the House bill conveys the light station built on Sentinel Island, Alaska and the surrounding land to the Gastineau Channel Historical Society of Juneau, Alaska. Under terms of the conveyance all navigational aids on the island and all property must be maintained in working condition by the Society.

The Senate amendment does not contain a comparable provision.

The Conference substitute directs the Secretary of the department in which the Coast Guard is operating to convey Sentinel Island to the entity that receives ownership of the light station through the competitive process outlined by the National Historic Light-house Preservation Act (16 U.S.C. 470w-7). The provision retains the terms of conveyance that were included in the original House provision.

Section 613. Bridge Administration

Section 619 of the House bill repeals section 325 of Public Law 97-369 (96 Stat. 1785) which prohibits approval of any project or action which would interfere with the reasonable needs of navigation on the Columbia Slough, Oregon.

Section 408 of the Senate amendment is a substantively similar provision which removes the prohibition of approval of any such project by amending the statute rather than repealing it.

The Conference substitute adopts the Senate provision.

Section 614. Sense of the Congress Regarding Carbon Monoxide and Watercraft

Section 620 of the House bill expresses the sense of the Congress that the Coast Guard should continue to place a high priority on addressing the safety risks posed to boaters by elevated levels of carbon monoxide unique

to watercraft, and work with vessel and engine manufacturers, the American Boat & Yacht Council, other Federal agencies, and the entire boating community in order to determine the best ways to minimize the number of carbon monoxide-related boating deaths occurring each year.

The Senate amendment does not contain a comparable amendment.

The Conference substitute adopts the House provision.

Section 615. Mitigation of Penalty Due to Avoidance of a Certain Condition

Section 624 of the House bill deems for penalty mitigation purposes a certain violation of Federal law owing to avoidance of a specified hazardous condition involving power lines across the Mississippi River at Chalmette, Louisiana, to have been committed by reason of a safety concern.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that deems for penalty mitigation purposes a certain violation of Federal law owing to avoidance of a specified condition involving the lack of vertical clearance due to water height on the Mississippi River at Chalmette, Louisiana, to have been committed by reason of a safety concern. The provision also mitigates the penalty assessed for a violation incurred while the vessel in question was repositioned to the Port of New Orleans, Louisiana to an amount not more than \$100 per passenger.

Section 616. Certain Vessels to be Tour Vessels

Section 625 of the House bill deems the passenger vessel *Empress of the North* as a tour vessel for purposes of certain regulations with respect to vessel operations in Glacier Bay National Park and Preserve, Alaska.

The Senate amendment does not contain a comparable provision.

The Conference substitute allows for a vessel over 100 gross tons, but no larger than 300 gross tons, to be deemed a tour vessel, solely for purposes of permit allocations, if it meets certain criteria. Such vessels would only be eligible for existing permits for operating in Glacier Bay, and only if a vessel under 100 gross tons is not seeking the permit. Up to three vessels that meet these criteria are eligible for such permits, but only one such vessel can enter Glacier Bay on a given day. Finally, the provision makes it clear that all other regulations that apply to vessels of at least 100 gross tons still apply to these vessels, including restrictions pertaining to speed, route and closed waters.

Section 617. Sense of Congress Regarding Timely Review and Adjustment of Great Lakes Pilotage Fees

Section 626 of the House bill expresses the sense of the Congress that the CG Secretary should, on a timely basis, review, and adjust the pilotage rates payable for services performed by U.S. registered pilots on the Great Lakes.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision. The conferees urge the Coast Guard to review and adjust (if appropriate) these rates on an annual basis as provided in the Coast Guard regulations.

Section 618. Westlake Chemical Barge Documentation

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute authorizes U.S. built, U.S. manned, U.S. owned barges to operate in the coastwise trade.

Section 619. Correction to Definition

The House bill does not contain a comparable provision.

Section 311 of the Senate amendment makes a technical correction to the reference to the Coast Guard in a list of defined federal law enforcement agencies included in Public Law 107-173.

The Conference substitute adopts the Senate provision.

Section 620. LORAN-C

The House bill does not contain a comparable provision.

Section 402 of the Senate amendment authorizes DOT to transfer \$25 million in FY 2004 from the FAA to the Coast Guard for recapitalization of the LORAN-C radio navigation system.

The Conference substitute adopts the Senate provision, as amended to provide an authorization for 2005.

Section 621. Deepwater Report

The House bill does not contain a comparable provision.

Section 322 of the Senate amendment would require the CG to provide a report on the performance of the prime contractor under the first five-year term of the contract for the Integrated Deepwater Program.

The Conference substitute adopts the Senate provision, as amended to require additional information to be included in the report, such as any anticipated changes in the mix of legacy and replacement assets over the life of the program, and projected costs. As part of this report, the Conferees understand that the Coast Guard will provide a revised Integrated Deepwater Systems Program plan, including any planned changes related to the replacement of legacy assets with new assets and associated costs. The Conferees also expect the report to discuss the Coast Guard's intentions with respect to replacement of the engines on its HU-25 aircraft, and expect the Coast Guard to notify the Committee on Commerce, Science and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House at least 30 days prior to expending any funds to replace the engines on its HU-25 aircraft, or develop plans to replace such engines.

Section 622. Judicial Review of National Transportation Safety Board Final Orders

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute allows the Commandant of the Coast Guard to seek a judicial review of an order of the Board issued pursuant to a review of a Coast Guard action if it will have an adverse impact on maritime safety or security.

Section 623. Interim Authority for Dry Bulk Cargo Residue Disposal

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute extends the interim authority of the Coast Guard to issue regulations regarding dry bulk cargo residue through not later than September 30, 2008.

The current program was developed with the input of a broad range of stakeholders, including experts from the maritime industry, government, and the scientific community. A recent study for the Coast Guard has recommended that the current policy be continued in part because that policy is specific, limiting cargo sweepings to certain areas of the Great Lakes while prohibiting discharges in environmentally sensitive areas such as fish spawning areas. Most important, the current program limits cargo sweepings to small amounts of non-toxic, non hazardous materials. In administering the program, the Coast Guard has considered and balanced the

needs of environmental protection and maritime commerce.

On January 13, 2004 the Coast Guard announced its intention to conduct an environmental assessment of the current policy and then proceed to a permanent regulatory program. [69 Fed Reg 1994] The substitute directs that the current policy serve as the basis for an environmental assessment that will begin within 90 days of enactment, authorizes any necessary regulatory proceeding, and sets the foundation for the establishment of a permanent system. It is expected that the current program will be made permanent or replaced with an alternative regime that appropriately balances the needs of maritime commerce and environmental protection by no later than September 30, 2008.

Section 624. Small Passenger Vessel Safety

The House bill does not contain a comparable provision.

Section 323 of the Senate amendment would require the Coast Guard to provide a report on compliance with small passenger vessel regulations, including recommendations for improvement.

The Conference substitute adopts the Senate provision with minor amendments.

Section 625. Conveyance of Motor Lifeboat

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that allows the Coast Guard to transfer a 44' motor lifeboat to the city of Ludington, Michigan for historical purposes.

Section 626. Study of Routing Measures

The House bill does not contain a comparable provision.

Section 325 of the Senate amendment would require the Coast Guard to carry out studies of routing measures to reduce ship strikes of North Atlantic Right Whales.

The Conference substitute adopts a provision that is similar to the Senate provision. It directs the Coast Guard to cooperate with NOAA in carrying out analyses of routing measures to reduce ship strikes of North Atlantic Right Whales. The Coast Guard has an important role to play in such analyses, due to its mandates and expertise with respect to such studies. The bill requires that the Coast Guard provide a report with its final analysis to Congress no later than 18 months following enactment of this Act.

Section 627. Conveyance of Lighthouses

The House bill does not contain a comparable provision.

Section 401 of the Senate amendment would require the Secretary of the Interior to monitor any already executed or proposed lighthouse conveyance, and take any steps necessary to protect the United States' reversionary interest.

The Conference substitute adopts a similar provision to the Senate provision, which was amended to make technical changes.

Section 628. Waiver

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute authorizes the Secretary to waive the application of the definition of "passenger" for one of two adult chaperones aboard vessels owned or chartered by the Boy Scouts of America at its Florida National High Adventure Sea base program provided that the Secretary determines that such a waiver does not compromise safety.

Section 629. Approval of Modular Accommodation Units for Living Quarters

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute requires the Secretary of the department in which the Coast Guard is operating to approve for a period of five years modular accommodation units on floating offshore facilities that had previously been approved using incorrect criteria, provided that the use of these units will not compromise safety.

TITLE VII—AMENDMENTS RELATING TO THE OIL POLLUTION ACT OF 1990

Section 701. Vessel Response Plans

Section 701 of the House bill would require any vessel over 400 gross tons that carries oil, including as bunkers, to submit a pollution response plan.

Section 317 of the Senate amendment is a similar provision.

The Conference substitute adopts the House provision, as amended to make technical changes.

Section 702. Tank Level and Pressure Monitors

Section 702 of the House bill would amend the Oil Pollution Act of 1990 to make issuance of regulations concerning tank level and pressure monitoring (TLP) devices discretionary vice mandatory.

Section 318 of the Senate amendment is a similar provision, which includes a report on alternative technologies.

The Conference substitute adopts the Senate provision.

Section 703. Liability and Cost Recovery

Section 703 of the House bill clarifies the liability waiver provisions for certain innocent parties. First, state and local governments are not considered liable as owners or operators if they acquired ownership of the property involuntarily and have not caused or contributed to a discharge or a substantial threat of a discharge of oil. Second, financial institutions are not owners or operators either if they hold indicia of ownership primarily to protect their security interest and do not participate in management of the property, or if they did not participate in management of the property prior to foreclosure and seek to divest the property at the earliest practicable, commercially reasonable time. Finally, subsequent innocent purchasers are not liable if they acquired the property after the placement of the oil on, in or at the real property, and either are a government entity that acquired the property through the exercise of eminent domain authority or through an involuntary transfer or acquisition, acquired the property by inheritance or bequest, or did not know or have reason to know about the oil after having conducted all appropriate inquiries.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision as amended to make technical changes.

The purpose of this section is to provide to innocent purchasers, municipalities and lenders the same protection against liability from oil discharges under the Oil Pollution Act of 1990 as are provided for such entities under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended. To the extent that differences in the language exist, these are either technical in nature or were necessary to fit with the terminology used in the Oil Pollution Act.

Section 704. Oil Spill Recovery Institute

Section 704 of the House bill authorizes funding to the Oil Spill Recovery Institute (currently authorized through 2012) until one year after it is determined that oil and gas exploration, development, and production in Alaska have ceased.

The Senate amendment does not contain a comparable provision.

The Conference substitute makes technical corrections to the Oil Spill Recovery Institute's current authorization.

Section 705. Alternatives

Section 705 of the House bill would require within 1 year of the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall establish and publish an environmental equivalency evaluation index to assess outflow performance due to collisions and groundings for double hull tank vessels and alternative hull designs. The Secretary shall take into account the recommendations in the NRC Marine Board report entitled 'Environmental Performance of Tanker Design in Collision and Grounding' dated 2001.

The Senate amendment does not contain a comparable provision.

The Conference Substitute adopts the House provision.

Section 706. Authority to Settle

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision which authorizes the head of any department or agency responsible for recovering amounts for which a person is liable under this title may consider, compromise, and settle a claim for such amounts from the Oil Spill Liability Trust Fund, if the claim has not been referred to the Attorney General and does not exceed \$500,000.

Section 707. Report on Implementation of the Oil Pollution Act of 1990

The House bill does not contain a comparable provision.

Section 319 of the Senate amendment would require the Coast Guard to provide a report to Congress with respect to a number of recent issues arising from implementation of the Oil Pollution Act (OPA) of 1990.

The Conference Substitute adopts the Senate provision, as amended to make technical changes.

Section 708. Loans for Fishermen and Aquaculture Producers Impacted by Oil Spills

The House amendment does not contain a comparable provision.

Section 320 of the Senate amendment would allow the use of the Oil Spill Liability Trust Fund to provide loans to qualified fishermen and aquaculture producers who have been impacted by an oil spill, until such time as adequate interim payments are made under the Act, or in the event that no interim payments are made.

The Conference substitute adopts the Senate provision.

TITLE VIII

Section 801. Enforcement

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute adds a new section to Chapter 701 of title 46, United States Code, to provide express authority to carry a firearm, to seize property, and to make an arrest while at a maritime facility under guidelines to be approved by the Secretary and the Attorney General. The provision would also allow State and local law enforcement personnel to make warrantless arrests for felony violations of duly promulgated Coast Guard security zone regulations.

The conferees understand the need to clarify the Coast Guard's law enforcement authority while conducting onshore port security operations and have authorized members of the Coast Guard to make arrests and

seize property while conducting port security operations at facilities defined under section 70101 of title 46. The conferees do not intend this section to authorize members of the Coast Guard to use this authority while in transit to or from such facilities. The conferees fully expect that before this authority is used, the Coast Guard will properly train all service members who could use this authority in the execution of their duties.

Section 802. In Rem Liability for Civil Penalties

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference establishes in rem liability for any vessel used to violate regulations issued under the authorization of the Maritime Transportation Security Act in order to recover financial penalties assessed following such violations, and certain costs related to compliance with lawfully issued orders. The substitute authorizes the Captain of the Port to withhold clearance of any vessel if the owner or operators are suspected to be subject to a financial penalty resulting from violations of port security violations. The substitute also allows clearance to be granted upon the filing of a surety bond.

Section 803. Maritime Information

Section 618 of the House bill authorizes funds to the Secretary of the department in which the Coast Guard is operating to implement a system to collect, integrate, and analyze information regarding vessels operating on or inbound to U.S. waters and to implement a long range automatic vessel tracking system for all vessels operating in U.S. waters.

The Senate amendment does not contain a comparable provision.

The Conference substitute requires the Secretary to develop a long-range vessel tracking system consistent with international treaties, conventions, and agreements to which the United States is a party, and allows the Secretary to acquire vessel risk profiling data from the private sector. It also requires the Secretary to develop a plan to improve the collection, collaboration, 37 coordination, dissemination and use of maritime information by Federal agencies. The Secretary is required to submit this plan to Congressional committees.

In considering its recommendations under subsection (b), the conferees encourage the Department to be aware of the important role played by existing non-profit maritime associations in the collection and dissemination of maritime information and encourage the Department to work with maritime exchanges to build upon and improve communications with the private sector.

Section 804. Maritime Security Transportation Grants

Section 622 of the House bill transfers authority for the port security grant program from the Secretary of Transportation, acting through the Maritime Administration, to the Secretary of the Department of Homeland Security, acting through the Commandant of the Coast Guard. Section 627 of the House bill directs the Secretary of Transportation, in making grants for implementation of security plans, to give priority to otherwise eligible projects concerning implementation of security plans with respect to public transportation systems.

The Senate amendment does not contain a comparable section.

The Conference substitute adopts, in lieu of sections 622 and 627 of the House bill, a provision that directs the Secretary to establish a grant program for implementation of the Area Maritime Transportation Security Plans and Facility Security Plans that

will be reviewed by the Federal Maritime Security Coordinator and the Maritime Administration prior to a grant being awarded. In addition, the Secretary is required to transmit a report and provide recommendations for the grant process.

Section 805. Security Assessments of Waters under the Jurisdiction of the United States

Section 623 of the House bill directs the Secretary of the department in which the Coast Guard is operating to conduct a vulnerability assessment of the navigable waters adjacent to Indian Point Energy Center in Westchester County, New York and to report on that assessment to specified congressional committees.

The Senate amendment does not contain a comparable provision.

The Conference substitute directs the Secretary to conduct vulnerability assessments of waters adjacent to nuclear facilities in the United States. The conferees do not intend this section to require the Coast Guard to conduct vulnerability assessments of nuclear facilities. The conferees understand the Federal agencies with oversight of such facilities are conducting such assessments.

Section 806. Membership of Area Maritime Security Advisory Committees

Section 414 of the House bill requires Area Maritime Security Advisory Committees to include members from the port industry, terminal operators, port labor organizations, and other users of port areas.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts the House provision.

Section 807. Joint Operations Center for Port Security

The House bill does not contain a comparable provision.

The Senate amendment does not contain a comparable provision.

The Conference substitute requires the Secretary to submit a report to Congressional committees of jurisdiction regarding the establishment of joint operational centers for port security, and an estimate of the number, location and costs of such centers that would be necessary to implement port security measures outlined in the Marine Transportation Security Act of 2002.

Section 808. Investigations

Section 606 of the House bill authorizes the Secretary of Transportation to carry out an Agile Port and Intelligent Border Security National Demonstration Project under agreement with the Center for the Commercial Deployment of Transportation Technologies.

The Senate amendment does not contain a comparable provision.

The Conference substitute adopts a provision that directs the Secretary of the department in which the Coast Guard is operating to conduct certain investigations and pilot projects to enhance the security at American ports. The section authorizes an amount of \$35 million for each of the next four fiscal years to award grants and to fund programs that would investigate or demonstrate methods of improving port security. The provision also authorizes the Secretary to establish National Port Security Centers at colleges and universities to conduct these investigations and requires the Secretary to submit to Congress a report annually to ensure that funds authorized under this section are used to support investigations and pilot programs outlined in this section. In awarding grants and funding pilot programs, the Committee encourages the Secretary to focus funding authorized to implement this section on research and development of technologies that maximize security while minimizing the disruption of maritime transportation and commerce.

Section 809. Vessel and Intermodal Security Reports

Section 610 of the House bill requires the Secretary of the department in which the Coast 39 Guard is operating to provide Congress with a report that will provide a complete breakdown of the number and types of cargo containers and vessels that enter the United States each year, and the cost incurred to conduct security inspections on those containers and vessels.

The Senate amendment does not contain a similar provision.

The Conference substitute adopts the House provision with an amendment that requires the Secretary and the Inspector General of the department in which the Coast Guard is operating to submit a number of reports, plans, evaluations, and take actions regarding the security of marine intermodal transportation, specifically the security of cargo containers.

From the Committee on Transportation and Infrastructure, for consideration of the House bill and the Senate amendments, and modifications committed to conference:

DON YOUNG,
HOWARD COBLE,
JOHN J. DUNCAN, JR.,
PETE HOEKSTRA,
FRANK L. BIONDO,
ROB SIMMONS,
MARIO DIAZ-BALART,
JAMES L. OBERSTAR,
BOB FILNER,
TIMOTHY BISHOP,
NICK LAMPSON.

For consideration of the House bill and Senate amendments, and modifications committed to conference:

CHRIS COX,
BENNIE G. THOMPSON.

Managers on the Part of the House.

JOHN MCCAIN,
TED STEVENS,
TRENT LOTT,
KAY BAILEY HUTCHISON,
OLYMPIA SNOWE,
FRITZ HOLLINGS,
DANIEL K. INOUE,
JOHN BREAUX,
RON WYDEN,
JIM INHOFE,
JIM JEFFORDS.

Managers on the Part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 4613, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2005

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight, July 20, 2004, to file a conference report on the bill (H.R. 4613) making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes.

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

There was no objection.

GENERAL LEAVE

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4850, and that I may include tabular material on the same.

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

There was no objection.

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DISTRICT OF COLUMBIA
APPROPRIATIONS ACT, 2005

The SPEAKER pro tempore (Mr. SWEENEY). Pursuant to House Resolution 724 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. 4850.

□ 1500

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. 4850) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2005, and for other purposes, with Mr. BASS in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRELINGHUYSEN).

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

Mr. Chairman, I am pleased to present the fiscal year 2005 District of Columbia appropriations bill. This bill passed out of full committee on July 14.

The bill before us totals \$560 million in Federal funds and \$8.2 billion in local funds. Within this total, the District expects to receive approximately \$1.9 billion in Federal grant funds.

The bill is the product of hard work by every member of the Subcommittee on the District of Columbia. I personally want to thank each of them for their input into the bill. I especially want to thank my ranking member, the gentleman from Pennsylvania (Mr. FATTAH), for his advice, counsel, and support in the development of this bill. I enjoyed working with him on behalf of the city of Washington.

The subcommittee held hearings and visited many local sites, including the District of Columbia public schools and charter schools, and police and fire department facilities, to name just a few. We developed this bill with the input from members of the subcommittee, other House Members, the Mayor and city council, and interested citizens.

I believe that this bill continues Congress's commitment to our Nation's Capital. As with every piece of legislation, there are many deserving

projects that could not be accommodated within our funding allocation, but this is a balanced and equitable bill, a bill that everyone can and should support.

I am pleased to note that the District of Columbia continues to make significant progress in improving both its financial and program management. This is the seventh balanced budget the District has submitted to Congress for review; and, once again, the District received a clean audit from the city's independent auditors. The city also had a recent upgrading in its bond rating by Moody's Investors Service to an A rating, and this is the first time the city has received an A rating from all three of the major rating agencies. It should be remembered that it was not long ago that the city's credit rating was the lowest of the low. Mayor Williams and the city council should be commended for their actions.

After detailed review of the budget, the bill continues the Federal commitment began in 1997 for funding the District of Columbia courts as well as the Defender Services and the Court Services and the Defender Supervision Agency and the Public Defender Service. The bill also provides \$118.9 million for other high-priority District and congressional programs projects.

Among these: \$25.6 million for the recently authorized and very successful resident tuition support program; \$15 million for emergency planning and security costs; \$10 million for the District of Columbia Water and Sewer Authority to continue the combined sewer overflow project; \$3 million for continued work on the Anacostia Waterfront Initiative; as well as \$7 million for the capital development in the District to complete construction of a multi-agency unified communications center, which benefits police, fire, EMS, and other city agencies; \$6 million for a new public library learning center initiative; and \$5 million for foster care improvement.

At the city's request, the bill also changes the city's reserve requirement from 7 to 6 percent. This change frees up additional resources, provides the city with more flexibility in balancing its budget, and does so without impacting the city's favorable bond rating.

As I noted earlier, the District has accomplished much, but still more needs to be done. We are particularly troubled by some of the more intractable problems facing the District that seem to revolve around its children. If this bill has a theme, it is to continue to make sure to help the children of the District of Columbia. To help address this issue, this bill also includes \$5 million for the recently established foster care improvement program, additional money for family literacy, and \$6 million for the new library/learning center initiative subject to a 1-to-1 match by the District.

Over the past year, we visited many of the city's schools, and I can tell my colleagues from personal observation

there is a real need to improve student and teacher performance. In these visits, I was struck by the very poor physical condition of some of the District's schools and by the lack of resources available to students, especially in their school libraries. This is a new initiative, and it is designed to enhance and restore District of Columbia elementary school libraries as fully functioning learning centers and, in doing so, bring together local, Federal, and potentially private resources. This initiative, when implemented, will enhance our ability to provide critical educational resources the city's children deserve in order to receive a quality education.

This bill also fully funds the school improvement program authorized last year. This bill maintains the three-pronged commitment made last year to both the District schools, the District of Columbia charter schools, and \$14 million for opportunity scholarships

for students in underachieving schools. This three-pronged approach is designed to improve academic performance, while promoting school choice and more potential parent involvement.

Mr. Chairman, this bill also retains the general provisions from last year's bill, which are the same as the President's request.

Mr. Chairman, I believe it is important to move this bill through the appropriations process as quickly as possible so as to allow the District to spend its own funds to operate the programs and projects in the bill at the beginning of the fiscal year in October.

Let me personally thank the gentleman from the District of Columbia (Ms. NORTON) for her comments earlier in the day during the debate on the D.C. rule. She is an incredible leader of this city, and it has been a pleasure to work with her. I do appreciate her cooperation by not offering an amend-

ment, because I know in her heart she continues to be a principal advocate on behalf of the city, and I am grateful for her support and her action in that regard.

To summarize, Mr. Chairman, the bill we have before us is a fiscally responsible, balanced bill that deserves bipartisan support. It was not done alone. The gentleman from Pennsylvania (Mr. FATTAH) and I count on some key people. I would like to thank them for helping to put this bill together. The subcommittee led by our clerk, Joel Kaplan, Martha Foley, and Clelia Alvarado for their professional work on the bill. I also want to thank Nancy Fox from my staff and Michelle Anderson-Lee from the gentleman from Pennsylvania's (Mr. FATTAH) staff for their hard work.

At this point I will include for the RECORD a table detailing the various accounts included in the bill.

District of Columbia Appropriations Bill - FY 2005 (H.R. 4850)
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request

TITLE I					
FEDERAL FUNDS					
Federal payment for Resident Tuition Support.....	16,900	17,000	25,600	+8,700	+8,600
Federal payment for Emergency Planning and Security Costs in the District of Columbia.....	10,935	15,000	15,000	+4,065	---
Federal payment to the District of Columbia Courts....	166,775	228,069	202,110	+35,335	-25,959
Defender Services in District of Columbia Courts.....	31,811	41,500	41,500	+9,689	---
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia.....	167,441	187,490	183,490	+16,049	-4,000
Federal payment to the District of Columbia Water and Sewer Authority.....	29,823	10,000	10,000	-19,823	---
Federal payment for Hospital Bioterrorism Preparedness in the District of Columbia.....	7,456	---	---	-7,456	---
Federal payment for the Anacostia Waterfront Initiative /1.....	4,971	3,000	3,000	-1,971	---
Federal payment to the Criminal Justice Coordinating Council	1,292	1,300	1,300	+8	---
Federal payment for the Unified Communications Center.	---	7,000	---	---	-7,000
Federal payment for the D.C. Fire and Emergency Medical Services Department.....	---	10,000	---	---	-10,000
Federal payment for Capital Development in the District of Columbia /2.....	8,102	---	7,000	-1,102	+7,000
Federal payment for Public School Facilities.....	4,473	---	---	-4,473	---
Federal payment for Public School Libraries.....	---	---	6,000	+6,000	+6,000
Federal payment for the Family Literacy Program.....	1,988	---	1,000	-988	+1,000
Federal payment for Transportation Assistance.....	3,479	---	---	-3,479	---
Federal payment for Foster Care Improvements in the District of Columbia.....	13,917	---	5,000	-8,917	+5,000
Federal Payment to the Office of the Chief Financial Officer of the District of Columbia.....	32,159	---	19,000	-13,159	+19,000
Federal Payment for emergency personnel cross training	497	---	---	-497	---
Federal payment for School Improvement.....	39,764	40,000	40,000	+236	---

Total, Federal funds to the District of Columbia	541,783	560,359	560,000	+18,217	-359

1/ Funds are for the Anacostia Riverwalk and Trail construction.

2/ Funds are for the Unified Communications Center construction

DISTRICT OF COLUMBIA FUNDS

Operating Expenses

Governmental direction and support.....	(284,415)	(416,069)	(416,069)	(+131,654)	---
Economic development and regulation.....	(276,647)	(334,745)	(334,745)	(+58,098)	---
Public safety and justice.....	(745,958)	(797,423)	(797,423)	(+51,465)	---
Public education system.....	(1,157,841)	(1,223,424)	(1,223,424)	(+65,583)	---
Human support services.....	(2,360,067)	(2,533,825)	(2,533,825)	(+173,758)	---
Public Works.....	(327,046)	(331,936)	(331,936)	(+4,890)	---
Reserve.....	---	---	---	---	---
Cash Reserve.....	(50,000)	(50,000)	(50,000)	---	---
Repayment of Loans and Interest.....	(311,504)	(347,700)	(347,700)	(+36,196)	---
Repayment of General Fund Recovery Debt.....	---	---	---	---	---
Payment of Interest on Short-Term Borrowing.....	(3,000)	(4,000)	(4,000)	(+1,000)	---
Certificates of Participation.....	(4,911)	(11,252)	(11,252)	(+6,341)	---
Settlements and Judgments.....	(22,522)	(20,270)	(20,270)	(-2,252)	---
Wilson Building.....	(3,704)	(3,633)	(3,633)	(-71)	---
Workforce Investments.....	(22,308)	(38,114)	(38,114)	(+15,806)	---
Non-Departmental Agency.....	(19,639)	(13,946)	(13,946)	(-5,693)	---
Equipment Lease Operating.....	---	(23,109)	(23,109)	(+23,109)	---
Pay-As-You-Go Capital.....	(11,267)	(6,531)	(6,531)	(-4,736)	---
Pay-As-You-Go Capital Contingency.....	---	(43,137)	(43,137)	(+43,137)	---
Tax Increment Financing Program.....	(1,940)	---	---	(-1,940)	---
Medicaid Disallowance.....	(57,000)	---	---	(-57,000)	---
Emergency Planning and Security Costs.....	---	---	---	---	---

District of Columbia Appropriations Bill - FY 2005 (H.R. 4850)
 (Amounts in thousands) -

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
<hr/>					
Total, operating expenses, general fund.....	(5,659,769)	(6,199,114)	(6,199,114)	(+539,345)	---
Enterprise and Other Funds					
Water and Sewer Authority.....	(259,095)	(275,289)	(275,289)	(+16,194)	---
Washington Aqueduct.....	(55,553)	(47,972)	(47,972)	(-7,581)	---
Stormwater Permit Compliance enterprise fund.....	(3,501)	(3,792)	(3,792)	(+291)	---
Lottery and Charitable Games enterprise fund.....	(242,755)	(247,000)	(247,000)	(+4,245)	---
Sports and Entertainment Commission.....	(13,979)	(7,322)	(7,322)	(-6,657)	---
District of Columbia Retirement Board.....	(13,895)	(15,277)	(15,277)	(+1,382)	---
Washington Convention Center enterprise fund.....	(69,742)	(77,176)	(77,176)	(+7,434)	---
National Capital Revitalization Corporation.....	(7,849)	(7,849)	(7,849)	---	---
University of the District of Columbia.....	---	(85,102)	(85,102)	(+85,102)	---
D.C. Personal Trust Fund.....	---	(953)	(953)	(+953)	---
D.C. Public Library Trust Fund.....	---	(17)	(17)	(+17)	---
Unemployment Compensation Fund.....	---	(180,000)	(180,000)	(+180,000)	---
<hr/>					
Total, Enterprise Funds.....	(666,369)	(947,749)	(947,749)	(+281,380)	---
<hr/>					
Total, operating expenses.....	(6,326,138)	(7,146,863)	(7,146,863)	(+820,725)	---
Capital Outlay					
General fund	(904,913)	(725,886)	(725,886)	(-179,027)	---
Water and Sewer Fund.....	(229,807)	(371,040)	(371,040)	(+141,233)	---
<hr/>					
Total, Capital Outlay.....	(1,134,720)	(1,096,926)	(1,096,926)	(-37,794)	---
<hr/>					
Total, District of Columbia funds.....	(7,460,858)	(8,243,789)	(8,243,789)	(+782,931)	---
<hr/>					
Grand total:					
Federal Funds to the District of Columbia...	541,783	560,359	560,000	+18,217	-359
District of Columbia funds.....	(7,460,858)	(8,243,789)	(8,243,789)	(+782,931)	---
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District of Columbia Appropriations Bill - FY 2005 (H.R. 4850)
 (Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
CONGRESSIONAL BUDGET RECAP					
Across-the-board reduction (P.L 108-199).....	---	---	---	---	---
Scorekeeping adjustments:					
TBD.....	---	---	---	---	---
Total, adjustments.....	---	---	---	---	---
Total (including adjustments).....	541,783	560,359	560,000	+18,217	-359
Amounts in this bill.....	(541,783)	(560,359)	(560,000)	(+18,217)	(-359)
Scorekeeping adjustments.....	---	---	---	---	---
Prior year outlays.....	---	---	---	---	---
RECAP BY FUNCTION					
Mandatory.....	---	---	---	---	---
General purpose discretionary.....	541,783	560,359	560,000	+18,217	-359
Prior year outlays.....	---	---	---	---	---
Total, discretionary.....	541,783	560,359	560,000	+18,217	-359
DISCRETIONARY 302(b) ALLOCATION					
General purpose discretionary.....	541,783	560,359	560,000	+18,217	-359
General purpose 302(b) allocation.....	---	560,000	560,000	+560,000	---
Over/under allocation.....	---	---	---	---	---

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

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

(Mr. FATTAH asked and was given permission to revise and extend his remarks.)

Mr. FATTAH. Mr. Chairman, I thank the chairman of the subcommittee, who has done a yeoman's job in working and providing leadership to the Congress on the critical issues facing the District. A great Nation indeed requires us to have a capital that is responsive in both substance and symbol to the Nation and to the world, and the chairman has worked long and hard with his staff on this bill. I would accept his comments as my own opening comments on the bill, because I think it puts into perspective the approach that he has taken, which is that we have worked in a bipartisan fashion; and I think we have a product that is worthy of unanimous support here in the House as we move this bill through the process.

I join with him again, although I will not name them all, in complimenting the staff who have really done a great job. This would not have been possible without the help and advice and counsel of the delegate, the person elected by the residents here in the District to represent their interests; and the gentlewoman from the District of Columbia (Ms. NORTON) has been invaluable to both the chairman and me as we have worked through this process.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Virginia (Mr. TOM DAVIS), the distinguished chairman of the Committee on Government Reform.

(Mr. TOM DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. TOM DAVIS of Virginia. Mr. Chairman, I thank my friend for yielding me this time.

Over the past decade, the District of Columbia, which previously had faced a fiscal crisis of Shakespearean proportions, has embarked on an impressive road to financial recovery. With the help of the now-dormant Control Board and the 1997 Revitalization Act, the District has taken care of its financial house. It has balanced its budget for 7 consecutive years without tricks or gimmicks, and it has a cash reserve that is the envy of almost every municipality in the Nation.

The Federal assistance provided in our annual appropriation bills promotes and advances the rebirth of our Nation's Capital.

This year's bill funds a wide range of programs that will enhance the quality of life for D.C. residents and those who visit and work in the Nation's Capital. The increase in funding for emergency planning and security will help ensure that we are ready for the worst. I am pleased to see that the Child and Family Services Agency will continue to

receive adequate funding to help protect the District's most vulnerable residents and that the D.C. court will have additional funds to continue its much-needed renovation project.

I am particularly pleased the D.C. College Access Program will receive enhanced funding. The increase reflects the program's indisputable positive impact on the District. The College Access Program has been a key component of the District's revitalization efforts, and I am heartened that the gentleman from New Jersey (Chairman FRELINGHUYSEN) agrees that Congress needs to continue its partnership with the District in providing access to higher education, resources, and opportunities.

Since the inception of this legislation, the number of high school seniors in the District going on to college has increased by 28 percent. That is a remarkable achievement. The impact is undeniable. The national average over the same period, while it was 28 percent in the District of Columbia, was 5 percent nationally.

Finally, I want to thank the gentleman from New Jersey (Chairman FRELINGHUYSEN) for fully funding the D.C. School Choice initiative. The bill before us maintains the careful balance that was struck last year. Of the \$40 million for education, there is \$13 million for the District's public schools for teacher training, recruitment, and improving student achievement. These funds are in addition to the large increases already guaranteed to D.C. public schools through Federal programs. There is another \$13 million for D.C. charter schools to support and expand their capacity, and there is \$13 million for the School Choice Scholarship program, along with an additional \$1 million for administrative expenses.

The fact is, the District of Columbia is one of the most troubled public school systems in the United States; and working with the local government, working with the school system, working with the Mayor, we are trying to reverse that.

Again, I want to thank the gentleman from New Jersey (Chairman FRELINGHUYSEN) for the time and the energy he and his staff have devoted in reviewing the D.C. budget and bringing this bill to the floor. I also thank the ranking member, the gentleman from Pennsylvania (Mr. FATTAH), for his work and, of course, my colleague, the gentlewoman from the District of Columbia (Ms. NORTON), for our continued partnership.

Mr. FATTAH. Mr. Chairman, consuming whatever time I may, just to make a few brief remarks before I yield to the delegate, the District operates unlike any other city in our country, because it has the responsibility to be the home of the Nation's Federal Government. There are no problems that exist in the District that have been solved elsewhere in the country. Whatever problems exist in this city exist other places. But the District has, in a

unique way, been able to tackle its fiscal problems far better than any other city in the country: a 7-year balanced budget, bond ratings that have been elevated by all three of the rating agencies, and a cash reserve, I say to the gentleman from Florida (Mr. YOUNG), that any city would be the envy of. The city's leaders, I would say, deserve all of the credit; that is, the Mayor, the city council, and the civic leadership here have worked so very hard.

The gentleman from Virginia (Mr. TOM DAVIS) and I and others, like our chairman, have been involved in important ways, whether it is the financial relief bill or the college access program, the chairman's initiative on libraries that he has allowed me to join with him on; but it is really his initiative to make sure that in our elementary schools here in the District that there is real access to material that will help inspire reading as a lifelong activity of the young people here.

□ 1515

All of that is important, but the District has had to operate without the benefit of a State government. It has had to operate with the increased cost of being the home of the Nation's Capital, and again, its own leadership has brought it to this moment when I think we can have a bill come to the floor without controversy and move through, because it is out of respect for their hard work.

Mr. Chairman, I yield 7 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. FATTAH) for yielding me this time.

We are not going to tarry long this time, and that is itself an extraordinary victory and feat of leadership. Members should know that I have seen this. The smallest appropriation often take the longest period of time to get through this House, much to the consternation of Members.

I spoke during the Committee on Rules about the extraordinary leadership of the gentleman from Florida (Chairman YOUNG) and the gentleman from Wisconsin (Mr. OBEY), who have always been wonderful captains of the ship, pressing to get this appropriation out, understanding what a waste of time it would be for Members to involve themselves deeply in this matter, often going to extraordinary lengths to clear this bill. They have been just where they always were.

The gentleman from Virginia (Chairman TOM DAVIS) deserves a lot of credit for his invaluable assistance to the Committee on Appropriations and to me with this bill, and I have already given my thanks to the Committee on Rules, who gave us the cleanest bill under the circumstances.

But the real applause belongs to the gentleman from New Jersey (Chairman FRELINGHUYSEN) and the gentleman from Pennsylvania (Mr. FATTAH). I can

say to both of them that I do not believe we have gotten this bill through in as short a period of time since I have been in Congress. This is my seventh term.

I want to thank them for the exceptionally smooth and efficient way they have handled the D.C. appropriation now for 2 years. It has affected the operations of the District of Columbia, not only the efficiency of this House.

I want to thank them for their regard for self-government in the District of Columbia. I want to thank them for their respect for the efficiency of the House of Representatives itself and the processes. There are very few Members that care beans about this. That is no insult to you, Members. I don't care beans about your districts either. That is your job.

And finally, I want to thank both the chairman and the ranking member for their keen understanding of the need to move the bill to get the city's own money to the bill, and that has been what has been most important about the way in which they have handled this bill. We cannot spend a red cent of our own money until the House says so, and almost all of this bill consists of our own money.

The District has always deserved self-respect for running its own affairs. That is the way we believe in this country, but I must say, Mr. Chairman, that the city today, and most of the Members of the House agree, has really earned congressional respect. I think a real tribute is due to Mayor Tony Williams, Chair of the Council Linda Cropp and the entire D.C. Council for the way they have improved the city, I mean in every important way, from the city operations, the day-to-day operations, to its bond rating.

They have taken this city from fiscal crisis, now to more than a balanced budget, to a better financial position than our far-richer surrounding States, not because they have managed to raise significant revenue, but because of the very conservative prudence with which they have run the D.C. government.

I mean, they still have a structural deficit, which means that we have high taxes and high debt because of the structural relationship with the Federal Government, and I appreciate that this entire region and the gentleman from Pennsylvania (Mr. FATTAH) have gone on to a bill to help us correct the structural deficit.

So to be prudent, even though you are carrying a federally imposed structural deficit is to deserve high praise. In Virginia, they have just gone through a terribly long period, and they finally had to raise taxes in order to assure their financial standing and keep their bond rating. Maryland, they are still struggling with gambling, something we are not going to have in the District of Columbia in order to pull it out of crisis.

The D.C. economy is run so well that people are moving in, not moving out.

The city has become so attractive, that you cannot find a scrap of land on which to build any longer. We are building all through the inner city, the poorest wards of the city, because of the way in which the city is now being run.

Finally, to let me give you a sense of the District's financial prudence, I appreciate that the committee is going to allow the District to save for its emergency and contingency fund not 7 percent of its budget but 6 percent. Now, that is interesting, because going down from 7 percent to 6 percent is not going to affect its bond rating, because it is still the strictest conditions for an emergency and contingency fund in the United States, or pretty close to it.

The District is going to have 2 years instead of 1 year to repay any funds it happens to withdraw, does not withdraw from this bond, 2 years instead of 1 year to repay the fund, and that still makes these conditions among the strictest in the country. Forty-five States with similar emergency contingency funds have no replenishment requirement; and yet, the District must pay it back if it uses it within 2 years.

And among the six States which do require you to replenish any money you take out of the contingency fund, no State requires you to pay back as readily as our fund does.

But, Mr. Chairman, perhaps what I am most proud of is that the District has the highest rating. You have alluded to that in its history, an A rating. This is a city that 8 years ago was in virtual bankruptcy, and I would like to read what Moody's, one of the three investment houses that has given the District an A rating, has said. "The upgrade reflects the sustained improvement in the District's economy and property tax base, as well as the District's multiyear record of improved financial management, controls and results. In addition, the District's elected leadership has demonstrated a commitment to maintaining this balance," that enviable language from investment houses.

The District has done this with the assistance of Congress. It has done it with the structural deficit. It is not because it struck it rich. It is because of conservative budgeting and financial management. We have taken the lead as a city, but we have done it with a partnership, with a Congress, that is now paying off.

I am proud to represent the city. I believe that the city has made us proud of our Capital, and I am particularly grateful to the Chair and to the ranking member for their contribution to what the District has achieved.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM), a distinguished member of the committee, who is vice chairman of the committee and has served on the committee for 10 years.

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding me

this time, and I would like to thank the ranking member, the gentlewoman from the District of Columbia (Ms. NORTON) and the chairman. And sometimes my colleagues may think this is a free vote to vote "no" on. After all, it is the D.C. bill.

A lot of times, if you ask Members of Congress to serve on the Committee on Appropriations, Subcommittee on the District of Columbia, you have to pull them out from under the bed. They will not do it. But I want to tell you, if you want a rewarding job, take something like D.C. that had so many problems. I mean, instead of a sterling city like San Diego that does not need much upgrade, if you take D.C., that is where you can make the most and have the most benefit, and I think we have done that, a lot of it.

A very controversial name with the Democrats is Newt Gingrich, but Newt Gingrich set a path to upgrade this city's Capital and to move it forward for the first time in decades, and I would like to remind my people that if you are thinking about voting "no," think where we have come on this bill.

I have seen this bill take 3 or 4 hours on the House floor. We passed it in about four minutes. Does it mean everything we agreed on? No. But we came together as Republican and Democrat Representatives, and we have done a lot.

I remember when the schools could not open because the fire department had to control the schools. They were unsafe. They would not open. And that has been fixed by the folks mentioned.

Summer school, we did not have a summer school, and we opened it up for the first time. We had 12,000 children volunteer for summer school, not because they had to, because they wanted to learn. That is why this opportunity scholarship program, I think, is important; and also the program of the gentleman from Virginia (Mr. TOM DAVIS) and the chairman and ranking member put forward on college scholarships and college access.

I happen to believe as a conservative that there should be no child that qualifies for college that should not have that opportunity, because it is either pay-me-now or pay-me-a-lot-later by not giving education. And those are going to be the people that are the rich that we give tax breaks to from the other side, I think, some day because they have got a college education.

But I look at the waterfront and the Anacostia River. One of the things that is a challenge to this committee and to this body, every time it rains in Washington, D.C., the Anacostia River is flooded from the sewage system at Washington, D.C. It has the highest fecal count of any river almost in the world. The pollutants are terrible. Fish die because the bacteria is so high, it eats all the oxygen. The waterfront has been fixed. They used to give 1-year leases, and who is going to invest in a waterfront.

This waterfront is going to be like San Diego or San Francisco. It is going

to be revenue-producing for the city instead of drawing money. It is already starting to do that, and that is because of this committee and Mayor Williams.

I especially want to give attention to Mayor Williams and the job he has done.

Mr. SHAYS. Mr. Chairman, I rise today in support of H.R. 4850, the D.C. Appropriations Bill.

I am particularly pleased the legislation included \$14 million for school vouchers because I believe too many children in our Nation's Capital are not getting the education they need and deserve.

The D.C. School Choice Incentive Act provides scholarships of up to \$7,500 to students in D.C. schools identified for improvement, corrective action, or restructuring. It targets resources to students and families lacking the financial resources to take advantage of available educational options.

The scholarships cover costs of tuition, fees, and transportation expenses.

There is little doubt that D.C. public schools are in serious crisis, but it is not a crisis caused by a lack of resources. In fact, D.C. public schools spend more per pupil than surrounding school districts in Virginia and Maryland.

Clearly, alternatives to increased funding should be tested.

I oppose directly spending Federal tax dollars on private schools. But just as I support providing Pell grants to college students for use at the university of their choice, public or private, including religious schools, I also support school choice programs that provide parents with similar choices for their elementary and secondary school children.

Opponents of school choice argue such a proposal could drain public schools of money and students. These scholarships are assistance to the students, not the schools. And because all funding for the scholarship program comes from new funds, no public, private or charter school will be drained of its funding. They will just have fewer students to educate.

By promoting a competitive model, all schools are forced to improve academically, provide better quality services, and create an administrative structure that operates efficiently.

For these reasons I support this legislation, and I urge my colleagues to do so as well.

Mr. NUSSLE. Mr. Chairman, I rise today to speak on H.R. 4850, the District of Columbia Appropriations Act for Fiscal Year 2005.

Under authority granted in Article I of the United States Constitution (section 8, clause 17), this bill appropriates Federal payments to the District to fund certain activities, and also approves the District of Columbia's entire budget, including the expenditure of local funds (\$8.2 billion in local funds for fiscal year 2005). Although a vast majority of the funds discussed in this bill are local funds originating from the District of Columbia, I speak today only about the \$560 million in Federal funds appropriated in this bill.

This is the ninth bill we are considering pursuant to the 302(b) allocation adopted by the Appropriations Committee on June 9. I am pleased to report that it is consistent with the levels established the conference report to S. Con. Res. 95, the concurrent resolution on the budget for fiscal year 2005, which the House adopted as its fiscal blueprint on May 19.

H.R. 4850 provides \$560 million in new discretionary BA, which is equal to the 302(b) allocation to the Subcommittee on the District of Columbia; outlays are 416 million below the allocation. The bill contains no emergency-designated new budget authority, nor does it include rescissions of previously enacted appropriations.

Accordingly, the bill complies with section 302(f) of the Budget Act, which prohibits consideration of bills in excess of an appropriations subcommittee's 302(b) allocation of budget authority and outlays established in the budget resolution.

Nonetheless, because House-passed appropriations bills to date have exceeded their allocations by a total of \$114 million, it is possible that conference agreements on appropriations bills will cause a breach in the BA ceiling unless corrective action is taken by the Appropriations Committee.

With that reservation, I express my support for H.R. 4850.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in support of the base bill considered today, the District of Columbia Appropriations Act for Fiscal Year 2005. I thank Chairman FRELINGHUYSEN and Ranking Member FATAH for their hard work in crafting this legislation. Furthermore, I congratulate my colleague on the House Select Committee on Homeland Security from the District of Columbia herself, Mr. NORTON on the achievements that she has made through this bill in the areas of public education, public works, and in the HIV/AIDS initiative.

With the work of Ranking Member FATAH and Ms. NORTON, an amendment was offered to use four million unused dollars from last year's vouchers bill for the District's public schools but was withdrawn without a vote. Nevertheless, the base bill will give \$14 million to fund private school vouchers.

Other educational initiatives funded in this bill include \$13 million for public schools; \$13 million for charter schools; and a 50 percent increase in funding for Ms. NORTON's D.C. College Access Act, H.R. 4012—one of her major priorities. The \$8 million increase allocated for tuition assistance, \$25.6 million up from \$17 million in 2004 not only will help the city retain taxpayers but will also continue the strength of the college Access Act in expanding college education. H.R. 4012 would reauthorize the tuition grant program for five years.

Already, over 6,500 students have benefited from the grant program, which allows District residents to attend any public college or university in the country at lower in-state tuition rates. Furthermore, this program provides \$2,500 annually for students to attend private colleges and universities in the region or private Historically Black Colleges and Universities throughout the country.

At this time, I also commend Ms. NORTON on introducing H.R. 4269, the District of Columbia Fair Federal Compensation Act of 2004. The bill outlines the unique situation of the District of Columbia as a federal city. It proposes an annual federal payment of \$800 million with provisions to adjust the amount in the future. The \$800 million would be made available to address important structural needs of the city, which the District Government cannot fully fund from its current budget: transportation and street maintenance, information technology and DCPS capital improvements. These items are essential to the running of the city.

In addition, this bill will include other funding that my colleague, Congresswoman ELEANOR HOLMES NORTON, has been working diligently on, including \$3 million for the Anacostia Waterfront Initiative and \$10 million to continue the Combined Sewer Overflow Long Term Plan. This plan will update and repair the District of Columbia's antiquated sewer system. By acting on this now, we avoid any catastrophic costs that would occur if we wait for further damage or contamination to the District's drinking water supply system. This initiative is of particular interest to elderly residents who live in older or sub-standard homes.

I join my colleague from the District in expressing disappointment in the continued placement of riders on the budget to ban the needle exchange program. We should not condition funding on the ceased participation in a program that aims to reduce the spread of HIV/AIDS and save lives.

Mr. Chairman, again, I support the base bill for the benefits that it will bring to our Nation's capital; however, I share disappointment in the prohibition on the needle exchange program contained in its provisions.

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

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

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Clerk will read.

The Clerk read as follows:

H.R. 4850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia and related agencies for the fiscal year ending September 30, 2005, and for other purposes, namely:

TITLE I—FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

For a Federal payment to the District of Columbia, to be deposited into a dedicated account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, \$25,600,000, to remain available until expended: *Provided,* That such funds, including any interest accrued thereon, may be used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of-State tuition at public institutions of higher education, or to pay up to \$2,500 each year at eligible private institutions of higher education: *Provided further,* That the awarding of such funds may be prioritized on the basis of a resident's academic merit, the income and need of eligible students and such other factors as may be authorized: *Provided further,* That the District of Columbia government shall maintain a dedicated account for the Resident Tuition Support Program that shall consist of the

Federal funds appropriated to the Program in this Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and any interest earned in this or any fiscal year: *Provided further*, That the account shall be under the control of the District of Columbia Chief Financial Officer, who shall use those funds solely for the purposes of carrying out the Resident Tuition Support Program: *Provided further*, That the Office of the Chief Financial Officer shall provide a quarterly financial report to the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose therefor: *Provided further*, That not more than 7 percent of the total amount appropriated for this program may be used for administrative expenses.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF COLUMBIA

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, \$15,000,000, to remain available until expended, to reimburse the District of Columbia for the costs of providing public safety at events related to the presence of the national capital in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions: *Provided*, That any amount provided under this heading shall be available only after notice of its proposed use has been transmitted by the President to Congress and such amount has been apportioned pursuant to chapter 15 of title 31, United States Code.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, \$202,110,000, to be allocated as follows: for the District of Columbia Court of Appeals, \$8,952,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, \$84,948,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Court System, \$40,699,000, of which not to exceed \$1,500 is for official reception and representation expenses; and \$67,511,000, to remain available until September 30, 2006, for capital improvements for District of Columbia courthouse facilities: *Provided*, That notwithstanding any other provision of law, a single contract or related contracts for development and construction of facilities may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause "availability of Funds" found at 48 CFR 52.232-18: *Provided further*, That funds made available for capital improvements shall be expended consistent with the General Services Administration master plan study and building evaluation report: *Provided further*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), and such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate: *Provided further*, That 30 days after providing written notice to the Committees on Appropriations of the House of Representatives and Senate, the District of Columbia Courts may reallocate not more than \$1,000,000 of the funds provided under this heading among the items and entities funded under this heading for operations, and not more than 4 percent of the funds provided under this heading for facilities.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

For payments authorized under section 11-2604 and section 11-2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Court of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual agreements to provide guardian ad litem representation, training, technical assistance and such other services as are necessary to improve the quality of guardian ad litem representation, payments for counsel appointed in adoption proceedings under chapter 3 of title 16, D.C. Code, and payments for counsel authorized under section 21-2060, D.C. Official Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), \$41,500,000, to remain available until expended: *Provided*, That the funds provided in this Act under the heading "Federal Payment to the District of Columbia Courts" (other than the \$67,511,000 provided under such heading for capital improvements for District of Columbia courthouse facilities) may also be used for payments under this heading: *Provided further*, That in addition to the funds provided under this heading, the Joint Committee on Judicial Administration in the District of Columbia shall use funds provided in this Act under the heading "Federal Payment to the District of Columbia Courts" (other than the \$67,511,000 provided under such heading for capital improvements for District of Columbia courthouse facilities), to make payments described under this heading for obligations incurred during any fiscal year: *Provided further*, That funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: *Provided further*, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), and such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

For salaries and expenses, including the transfer and hire of motor vehicles, of the Court Services and Offender Supervision Agency for the District of Columbia and the Public Defender Service for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government

Improvement Act of 1997, \$183,490,000, of which not to exceed \$2,000 is for official receptions and representation expenses related to Community Supervision and Pretrial Services Agency programs; of which not to exceed \$25,000 is for dues and assessments relating to the implementation of the Court Services and Offender Supervision Agency Interstate Supervision Act of 2002; of which \$115,343,000 shall be for necessary expenses of Community Supervision and Sex Offender Registration, to include expenses relating to the supervision of adults subject to protection orders or the provision of services for or related to such persons; of which \$39,314,000 shall be available to the Pretrial Services Agency; and of which \$28,833,000 shall be transferred to the Public Defender Service for the District of Columbia: *Provided*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: *Provided further*, That the Director is authorized to accept and use gifts in the form of in-kind contributions of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: *Provided further*, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous proviso, and shall make such records available for audit and public inspection: *Provided further*, That the Court Services and Offender Supervision Agency Director is authorized to accept and use reimbursement from the D.C. Government for space and services provided on a cost reimbursable basis: *Provided further*, That the Public Defender Service is authorized to charge fees to cover costs of materials distributed to attendees of educational events, including conferences, sponsored by the Public Defender Service, and notwithstanding section 3302 of title 31, United States Code, said fees shall be credited to the Public Defender Service account to be available for use without further appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

For a Federal payment to the District of Columbia Water and Sewer Authority, \$10,000,000, to remain available until expended, to continue implementation of the Combined Sewer Overflow Long-Term Plan: *Provided*, That the District of Columbia Water and Sewer Authority provides a 100 percent match for this payment.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE

For a Federal payment to the District of Columbia Department of Transportation, \$3,000,000, to remain available until September 30, 2006, for design and construction of a continuous pedestrian and bicycle trail system from the Potomac River to the District's border with Maryland.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

For a Federal payment to the Criminal Justice Coordinating Council, \$1,300,000, to support initiatives related to the coordination of Federal and local criminal justice resources in the District of Columbia.

FEDERAL PAYMENT FOR CAPITAL DEVELOPMENT IN THE DISTRICT OF COLUMBIA

For a Federal payment to the District of Columbia for capital development, \$7,000,000, to remain available until expended, for the Unified Communications Center.

FEDERAL PAYMENT FOR PUBLIC SCHOOL
LIBRARIES

For a Federal payment to the District of Columbia Public Schools, \$6,000,000, to remain available until expended, for a public school library enhancement program: *Provided*, That the District of Columbia Public Schools provides a 100 percent match for this payment: *Provided further*, That the Federal portion is for the acquisition of library resources: *Provided further*, That the matching portion is for any necessary facilities upgrades.

FEDERAL PAYMENT FOR THE FAMILY LITERACY
PROGRAM

For a Federal payment to the District of Columbia, \$1,000,000, for a Family Literacy Program to address the needs of literacy-challenged parents while endowing their children with an appreciation for literacy and strengthening familial ties: *Provided*, That the District of Columbia shall provide a 100 percent match with local funds as a condition of receiving this payment.

FEDERAL PAYMENT FOR FOSTER CARE
IMPROVEMENTS IN THE DISTRICT OF COLUMBIA

For the Federal payment to the District of Columbia for foster care improvements, \$5,000,000: *Provided*, That \$3,000,000 shall be for the Child and Family Services Agency, of which \$2,000,000 shall be to continue an early intervention program to provide intensive and immediate services for foster children; of which \$1,000,000 shall be for the emergency support fund to purchase items necessary to allow children to remain in the care of an approved and licensed family member: *Provided further*, That \$1,500,000 shall be for the Department of Mental Health to provide all court-ordered or agency-required mental health screenings, assessments and treatments for children under the supervision of the Child and Family Services Agency: *Provided further*, That \$500,000 shall be for the Washington Metropolitan Council of Governments, to continue a program in conjunction with the Foster and Adoptive Parents Advocacy Center, to provide respite care and recruitment of foster parents: *Provided further*, That these Federal funds shall supplement and not supplant local funds.

FEDERAL PAYMENT TO THE OFFICE OF THE
CHIEF FINANCIAL OFFICER OF THE DISTRICT
OF COLUMBIA

For a Federal payment to the Office of the Chief Financial Officer of the District of Columbia, \$19,000,000: *Provided*, That these funds shall be available for the projects and in the amounts specified in the Statement of the Managers on the conference report accompanying this Act: *Provided further*, That each entity that receives funding under this heading shall submit to the Office of the Chief Financial Officer of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate a report on the activities to be carried out with such funds no later than March 15, 2005.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

For Federal payment for a school improvement program in the District of Columbia, \$40,000,000, to be allocated as follows: for the District of Columbia Public Schools, \$13,000,000 to improve public school education in the District of Columbia; for the State Education Office, \$13,000,000 to expand quality charter schools in the District of Columbia; for the Secretary of the Department of Education, \$14,000,000 to provide opportunity scholarships for students in the District of Columbia in accordance with division C title III of the District of Columbia Appropriations Act, 2004 (Public Law 108-199, 118 Stat. 126), of which up to \$1,000,000 may

be used to administer and fund assessments for the opportunity scholarship program: *Provided*, That the District of Columbia Public Schools shall submit a plan for the use of funds provided under this heading for public school education to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Education and the Workforce and the Committee on Government Reform of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate: *Provided further*, That the funds provided under this heading for public school education shall not be made available until 30 calendar days after the submission of a spending plan by the District of Columbia Public Schools to the Committees on Appropriations of the House of Representatives and Senate.

TITLE II—DISTRICT OF COLUMBIA
FUNDS

OPERATING EXPENSES

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided: *Provided*, That notwithstanding any other provision of law, except as provided in section 450A of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.50a) and provisions of this Act, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 2005 under this heading shall not exceed the lesser of the sum of the total revenues of the District of Columbia for such fiscal year or \$6,199,114,000 (of which \$4,165,485,000 shall be from local funds, \$1,687,554,000 shall be from Federal grant funds, \$332,761,000 shall be from other funds, and \$13,314,000 shall be from private funds), in addition, \$98,900,000 from funds previously appropriated in this Act as Federal payments: *Provided further*, That this amount may be increased by proceeds of one-time transactions, which are expended for emergency or unanticipated operating or capital needs: *Provided further*, That such increases shall be approved by enactment of local District law and shall comply with all reserve requirements contained in the District of Columbia Home Rule Act as amended by this Act: *Provided further*, That the Chief Financial Officer of the District of Columbia shall take such steps as are necessary to assure that the District of Columbia meets these requirements, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year 2005, except that the Chief Financial Officer may not reprogram for operating expenses any funds derived from bonds, notes, or other obligations issued for capital projects.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, \$416,069,000 (including \$261,068,000 from local funds, \$100,256,000 from Federal grant funds, and \$54,745,000 from other funds), in addition, \$19,000,000 from funds previously appropriated in this Act under the heading "Federal Payment to the Chief Financial Officer of the District of Columbia", and \$500,000 from funds previously appropriated in this Act under the heading "Federal Payment for Foster Care Improvements in the District of Columbia" shall be available to the Metropolitan Washington Council of Governments: *Provided*, That not to exceed \$9,300 for the Mayor, \$9,300 for the Chairman of the Council of the District of Columbia, \$9,300 for the City Administrator, and \$9,300 for the Office of the Chief Financial Officer shall be available from this appropriation for official re-

ception and representation expenses: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: *Provided further*, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally generated revenues: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Office of the Chief Technology Officer's delegated small purchase authority shall be \$500,000: *Provided further*, That the District of Columbia government may not require the Office of the Chief Technology Officer to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed \$500,000.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, \$334,745,000 (including \$55,764,000 from local funds, \$93,050,000 from Federal grant funds, \$185,806,000 from other funds, and \$125,000 from private funds), of which \$13,000,000 collected by the District of Columbia in the form of BID tax revenue shall be paid to the respective BIDs pursuant to the Business Improvement Districts Act of 1996 (D.C. Law 11-134; D.C. Official Code, sec. 2-1215.01 et seq.), and the Business Improvement Districts Amendment Act of 1997 (D.C. Law 12-26; D.C. Official Code, sec. 2-1215.15 et seq.): *Provided*, That such funds are available for acquiring services provided by the General Services Administration: *Provided further*, That Business Improvement Districts shall be exempt from taxes levied by the District of Columbia: *Provided further*, That local funds in the amount of \$1,200,000 shall be appropriated for the Excel Institute.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, \$797,423,000 (including \$760,849,000 from local funds, \$6,599,000 from Federal grant funds, \$29,966,000 from other funds, and \$9,000 from private funds), in addition, \$1,300,000 from funds previously appropriated in this Act under the heading "Federal Payment to the Criminal Justice Coordinating Council": *Provided*, That not to exceed \$500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved.

PUBLIC EDUCATION SYSTEM

(INCLUDING TRANSFERS OF FUNDS)

Public education system, including the development of national defense education programs, \$1,223,424,000 (including \$1,058,709,000 from local funds, \$151,978,000 from Federal grant funds, \$8,957,000 from other funds, \$3,780,000 from private funds) in addition,

\$25,600,000 from funds previously appropriated in this Act under the heading "Federal Payment for Resident Tuition Support", \$6,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Public School Libraries", and \$26,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for School Improvement in the District of Columbia" to be allocated as follows:

(1) DISTRICT OF COLUMBIA PUBLIC SCHOOLS.—\$888,944,000 (including \$760,494,000 from local funds, \$117,450,000 from Federal grant funds, \$7,330,000 from other funds, \$3,670,000 from private funds), in addition, \$6,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for District of Columbia Public Schools and \$13,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Public School Libraries" shall be available for District of Columbia Public Schools and \$13,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for School Improvement in the District of Columbia" shall be available for District of Columbia Public Schools: *Provided*, That notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public School employees shall be a non-negotiable item for collective bargaining purposes: *Provided further*, That this appropriation shall not be available to subsidize the education of any non-resident of the District of Columbia at any District of Columbia public elementary or secondary school during fiscal year 2005 unless the nonresident pays tuition to the District of Columbia at a rate that covers 100 percent of the costs incurred by the District of Columbia that are attributable to the education of the nonresident (as established by the Superintendent of the District of Columbia Public Schools): *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia Public Schools on July 1, 2005, an amount equal to 10 percent of the total amount of the local funds appropriations request provided for the District of Columbia Public Schools in the proposed budget of the District of Columbia for fiscal year 2006 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for the District of Columbia Public Schools under the District of Columbia Appropriations Act, 2006: *Provided further*, That not to exceed \$9,300 for the Superintendent of Schools shall be available from this appropriation for official reception and representation expenses.

(2) TEACHERS' RETIREMENT FUND.—\$9,200,000 from local funds shall be available for the Teacher's Retirement Fund.

(3) STATE EDUCATION OFFICE.—\$43,104,000 (including \$10,015,000 from local funds, \$32,913,000 from Federal grant funds, and \$176,000 from other funds), in addition, \$25,600,000 from funds previously appropriated in this Act under the heading "Federal Payment for Resident Tuition Support" shall be available for the State Education Office and \$13,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for School Improvement in the District of Columbia" shall be available for the State Education Office: *Provided*, That of the amounts provided to the State Education Office, \$500,000 from local funds shall remain available until June 30, 2006 for an audit of the student enrollment of each District of Columbia Public School and of each District of Columbia public charter school.

(4) DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOLS.—\$196,802,000 from local funds shall be available for District of Columbia public charter schools: *Provided*, That there shall be

quarterly disbursement of funds to the District of Columbia public charter schools, with the first payment to occur within 15 days of the beginning of the fiscal year: *Provided further*, That if the entirety of this allocation has not been provided as payments to any public charter schools currently in operation through the per pupil funding formula, the funds shall remain available for public education in accordance with section 2403(b)(2) of the District of Columbia School Reform Act of 1995 (D.C. Official Code, sec. 38-1804.03(b)(2)): *Provided further*, That of the amounts made available to District of Columbia public charter schools, \$100,000 shall be made available to the Office of the Chief Financial Officer as authorized by section 2403(b)(5) of the District of Columbia School Reform Act of 1995 (D.C. Official Code, sec. 38-1804.03(b)(5)): *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia public charter schools on July 1, 2005, an amount equal to 25 percent of the total amount of the local funds appropriations request provided for payments to public charter schools in the proposed budget of the District of Columbia for fiscal year 2006 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for such payments under the District of Columbia Appropriations Act, 2006.

(5) UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY.—\$49,602,000 from local funds shall be available for the University of the District of Columbia subsidy: *Provided*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 2005, a tuition rate schedule that will establish the tuition rate for non-resident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: *Provided further*, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the University of the District of Columbia on July 1, 2005, an amount equal to 10 percent of the total amount of the local funds appropriations request provided for the University of the District of Columbia in the proposed budget of the District of Columbia for fiscal year 2006 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for the University of the District of Columbia under the District of Columbia Appropriations Act, 2006: *Provided further*, That not to exceed \$9,300 for the President of the University of the District of Columbia shall be available from this appropriation for official reception and representation expenses.

(6) DISTRICT OF COLUMBIA PUBLIC LIBRARIES.—\$30,831,000 (including \$28,978,000 from local funds, \$1,093,000 from Federal grant funds, \$651,000 from other funds, and \$110,000 from private funds) shall be available for the District of Columbia Public Libraries: *Provided*, That not to exceed \$7,500 for the Public Librarian shall be available from this appropriation for official reception and representation expenses.

(7) COMMISSION ON THE ARTS AND HUMANITIES.—\$4,941,000 (including \$3,618,000 from local funds, \$523,000 from Federal grant funds, and \$800,000 from other funds) shall be available for the Commission on the Arts and Humanities.

HUMAN SUPPORT SERVICES

(INCLUDING TRANSFER OF FUNDS)

Human support services, \$2,533,825,000 (including \$1,165,314,000 from local funds, \$1,331,670,000 from Federal grant funds, \$27,441,000 from other funds, \$9,400,000 from private funds), in addition, \$4,500,000 from funds previously appropriated in this Act under the heading "Federal Payment to Foster Care Improvements in the District of Columbia": *Provided*, That \$29,600,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That no less than \$8,498,720, to remain available until expended, shall be deposited in the Addiction Recovery Fund, established pursuant to section 5 of the Choice in Drug Treatment Act of 2000, effective July 8, 2000 (D.C. Law 13-146; D.C. Official Code, sec. 7-3004), to be used exclusively for the purpose of the Choice in Drug Treatment program, established pursuant to section 4 of the Choice in Drug Treatment Act of 2000 (D.C. Law 13-146; D.C. Official Code, sec. 7-3003), of which \$7,500,000 shall be provided from local funds: *Provided further*, That none of the \$8,498,720 for the Choice in Drug Treatment program shall be used by the Department of Health's Addiction Prevention and Recovery Administration to provide youth residential treatment services or youth outpatient treatment services: *Provided further*, That no less than \$2,000,000 shall be available to the Department of Health's Addiction Prevention and Recovery Administration exclusively for the purpose of providing youth residential treatment services: *Provided further*, That no less than \$1,575,416 shall be available to the Department of Health's Addiction Prevention and Recovery Administration exclusively for the purpose of providing youth outpatient treatment services, of which \$750,000 shall be made available exclusively to provide intensive outpatient treatment slots, outpatient treatment slots, and other program costs for youth in the care of the Youth Services Administration: *Provided further*, That no less than \$1,400,000 shall be used by the Department of Health's Addiction Prevention and Recovery Administration to fund a Child and Family Services Agency pilot project entitled Family Treatment Court: *Provided further*, That \$1,200,000 of local funds, to remain available until expended, shall be deposited in the Adoption Voucher Fund, established pursuant to section 3805(a) of the Adoption Voucher Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code, sec. 4-344(a)), to be used exclusively for the purposes set forth in section 3805(b) of the Adoption Voucher Fund Act (D.C. Official Code, sec. 4-344(b)): *Provided further*, That no less than \$300,000 shall be used by the Department of Health's Environmental Health Administration to operate the Total Maximum Daily Load program: *Provided further*, That no less than \$1,268,500 shall be used by the Department of Health's Environmental Health Administration to operate its air quality programs, of which no less than \$242,000 shall be used to fund 4 full-time air quality employees: *Provided further*, That the Department of Human Services, Youth Services Administration shall not expend any appropriated fiscal year 2005 funds until the Mayor has submitted to the Council by September 30, 2004, a plan, including time lines, to close the Oak Hill Youth Center at the earliest feasible date. All of the above proviso amounts in this heading relate back to and are a subset of the first-referenced appropriation amount of \$2,533,825,000.

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor

and three passenger-carrying vehicles for use by the Council of the District of Columbia and leasing of passenger-carrying vehicles, \$331,936,000 (including \$312,035,000 from local funds, \$4,000,000 from Federal grant funds, and \$15,901,000 from other funds): *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

CASH RESERVE

For the cumulative cash reserve established pursuant to section 202(j)(2) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (D.C. Official Code, sec. 47-392.02(j)(2)), \$50,000,000 from local funds.

REPAYMENT OF LOANS AND INTEREST

For payment of principal, interest, and certain fees directly resulting from borrowing by the District of Columbia to fund District of Columbia capital projects as authorized by sections 462, 475, and 490 of the District of Columbia Home Rule Act (D.C. Official Code, secs. 1-204.62, 1-204.75, and 1-204.90), \$347,700,000 from local funds.

PAYMENT OF INTEREST ON SHORT-TERM BORROWING

For payment of interest on short-term borrowing, \$4,000,000 from local funds.

CERTIFICATES OF PARTICIPATION

For principal and interest payments on the District's Certificates of Participation, issued to finance the ground lease underlying the building located at One Judiciary Square, \$11,252,000 from local funds.

SETTLEMENTS AND JUDGMENTS

For making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government, \$20,270,000 from local funds: *Provided*, That this appropriation shall not be construed as modifying or affecting the provisions of section 103 of this Act.

WILSON BUILDING

For expenses associated with the John A. Wilson building, \$3,633,000 from local funds.

WORKFORCE INVESTMENTS

For workforce investments, \$38,114,000 from local funds, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for which employees are properly payable: *Provided*, That of this amount \$3,548,000 shall remain available until expended to meet the requirements of the Compensation Agreement Between the District of Columbia Government Units 1 and 2 Approval Resolution of 2004, effective February 17, 2004 (Res. 15-459; 51 DCR 2325).

NON-DEPARTMENTAL AGENCY

To account for anticipated costs that cannot be allocated to specific agencies during the development of the proposed budget, \$13,946,000 (including \$4,000,000 from local funds and \$9,946,000 from other funds) to be transferred by the Mayor of the District of Columbia within the various appropriations headings in this Act: *Provided*, That \$4,000,000 from local funds shall be for anticipated costs associated with the No Child Left Behind Act.

EMERGENCY PLANNING AND SECURITY FUND

For Emergency Planning and Security Fund, \$15,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Emergency Planning and Security Costs in the District of Columbia".

TAX INCREMENT FINANCING PROGRAM

For a Tax Increment Financing Program, such amounts as are necessary to meet the Tax Increment Financing requirements, not to exceed \$9,710,000 from the District's general fund balance.

EQUIPMENT LEASE OPERATING

For Equipment Lease Operating \$23,109,000 from local funds: *Provided*, That for equipment leases, the Mayor may finance \$19,453,000 of equipment cost, plus cost of issuance not to exceed 2 percent of the par amount being financed on a lease purchase basis with a maturity not to exceed 5 years.

EMERGENCY AND CONTINGENCY RESERVE FUNDS

For the emergency reserve fund and the contingency reserve fund under section 450A of the District of Columbia Home Rule Act (Public Law 98-198, as amended; D.C. Official Code, sec. 1-204.50a), such additional amounts from the District's general fund balance as are necessary to meet the balance requirements for such funds under section 450A.

FAMILY LITERACY

From funds previously appropriated in this Act under the heading "Federal Payment for the Family Literacy Program", \$1,000,000.

PAY-AS-YOU-GO CAPITAL

For Pay-As-You-Go Capital funds in lieu of capital financing, \$6,531,000 from local funds, to be transferred to the Capital Fund.

PAY-AS-YOU-GO CONTINGENCY

For Pay-As-You-Go Contingency Fund, \$43,137,000, subject to the Criteria for Spending Pay-As-You-Go Funding Act of 2004, approved by the Council of the District of Columbia on 1st reading, May 14, 2004 (Title I of Bill 15-768), there are authorized to be transferred from the contingency fund to certain other headings of this Act as necessary to carry out the purposes of this Act. Expenditures from the Pay-As-You-Go Contingency Fund shall be subject to the approval of the Council by resolution.

REVISED REVENUE ESTIMATE CONTINGENCY PRIORITY

If the Chief Financial Officer for the District of Columbia certifies through a revised revenue estimate that funds are available from local funds, such available funds shall be expended as provided in the Contingency for Recordation and Transfer Tax Reduction and the Office of Property Management and Library Expenditures Act of 2004, approved by the Council of the District of Columbia on 1st reading, May 14, 2004 (Bill 15-768), including up to \$2,000,000 to the Office of Property Management, and up to \$1,200,000 to the District of Columbia Public Library.

ENTERPRISE AND OTHER FUNDS

WATER AND SEWER AUTHORITY

For operation of the Water and Sewer Authority, \$275,289,000 from other funds, of which \$15,180,402 shall be apportioned for repayment of loans and interest incurred for capital improvement projects and payable to the District's debt service fund. For construction projects, \$371,040,000, to be distributed as follows: \$181,656,000 for the Blue Plains Wastewater Treatment Plant, \$43,800,000 for the sewer program, \$9,118,000 for the stormwater program, \$122,627,000 for the water program, and \$13,839,000 for the capital equipment program; in addition, \$10,000,000 from funds previously appropriated in this Act under the heading "Federal Payment to the District of Columbia Water and Sewer Authority": *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation account shall apply to projects approved under this appropriation account.

WASHINGTON AQUEDUCT

For operation of the Washington Aqueduct, \$47,972,000 from other funds.

STORMWATER PERMIT COMPLIANCE

ENTERPRISE FUND

For operation of the Stormwater Permit Compliance Enterprise Fund, \$3,792,000 from other funds.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act, 1982, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia (D.C. Law 3-172; D.C. Official Code, sec. 3-1301 et seq. and sec. 22-1716 et seq.), \$247,000,000 from other funds: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board: *Provided further*, That the Lottery and Charitable Games Enterprise Fund is hereby authorized to make transfers to the general fund of the District of Columbia, in excess of this appropriation, if such funds are available for transfer.

SPORTS AND ENTERTAINMENT COMMISSION

For the Sports and Entertainment Commission, \$7,322,000 from other funds: *Provided*, That the paragraph under the heading "Sports and Entertainment Commission" in Public Law 108-199 (118 Stat. 125) is amended by striking the term "local funds" and inserting the term "other funds" in its place.

DISTRICT OF COLUMBIA RETIREMENT BOARD

For the District of Columbia Retirement Board, established pursuant to section 121 of the District of Columbia Retirement Reform Act of 1979 (D.C. Official Code, sec. 1-711), \$15,277,000 from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided*, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an itemized accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund, \$77,176,000 from other funds.

NATIONAL CAPITAL REVITALIZATION CORPORATION

For the National Capital Revitalization Corporation, \$7,850,000 from other funds.

UNIVERSITY OF THE DISTRICT OF COLUMBIA

For the University of the District of Columbia, \$85,102,000 (including \$49,603,000 from local funds previously appropriated in this Act under the heading "Public Education Systems", \$15,192,000 from Federal funds, \$19,434,000 from other funds, and \$873,000 from private funds): *Provided*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 2005, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable

public institutions of higher education in the metropolitan area.

UNEMPLOYMENT INSURANCE TRUST FUND

For the Unemployment Insurance Trust Fund, \$180,000,000 from other funds.

OTHER POST EMPLOYEE BENEFITS TRUST FUND

For the Other Post Employee Benefits Trust Fund, \$953,000 from other funds.

DC PUBLIC LIBRARY TRUST FUND

For the DC Public Library Trust Fund, \$17,000 from other funds: *Provided*, That \$7,000 shall be for the Theodore W. Noyes Trust Fund; *Provided further*, That \$10,000 shall be for the Peabody Trust Fund.

CAPITAL OUTLAY

(INCLUDING RESCISSIONS)

For construction projects, an increase of \$1,087,649,000, of which \$839,898,000 shall be from local funds, \$38,542,000 from Highway Trust funds, \$37,000,000 from the Rights-of-way funds, \$172,209,000 from Federal grant funds, and a rescission of \$361,763,000 from local funds appropriated under this heading in prior fiscal years, for a net amount of \$725,886,000, to remain available until expended; in addition, \$7,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Capital Development in the District of Columbia" and \$3,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for the Anacostia Waterfront Initiative": *Provided*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That the Office of the Chief Technology Officer of the District of Columbia shall implement the following information technology projects on behalf of the District of Columbia Public Schools: Student Information System (project number T2240), Student Information System PCS (project number T2241), Enterprise Resource Planning (project number T2242), E-Rate (project number T2243), and SETS Expansion PCS (project number T2244).

TITLE III—GENERAL PROVISIONS

SEC. 101. Whenever in this Act, an amount is specified within an appropriation for a particular purpose or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 102. Appropriations in this act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor, or, in the case of the Council of the District of Columbia, funds may be expended with the authorization of the Chairman of the Council.

SEC. 103. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government.

SEC. 104. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly provided herein.

SEC. 105. (a) Except as provided in subsection (b), no part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat

legislation pending before Congress or any State legislature.

(b) The District of Columbia may use local funds provided in this Act to carry out lobbying activities on any matter other than—

(1) the promotion or support of any boycott; or

(2) statehood for the District of Columbia or voting representation in Congress for the District of Columbia.

(c) Nothing in this section may be construed to prohibit any elected official from advocating with respect to any of the issues referred to in subsection (b).

SEC. 106. (a) None of the funds provided under this Act to the agencies funded by this Act, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2005, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditures for an agency through a reprogramming of funds which—

(1) creates new programs;

(2) eliminates a program, project, or responsibility center;

(3) establishes or changes allocations specifically denied, limited or increased under this Act;

(4) increases funds or personnel by any means for any program, project, or responsibility center for which funds have been denied or restricted;

(5) reestablishes any program or project previously deferred through reprogramming;

(6) augments any existing program, project, or responsibility center through a reprogramming of funds in excess of \$1,000,000 or 10 percent, whichever is less; or

(7) increases by 20 percent or more personnel assigned to a specific program, project or responsibility center,

unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the reprogramming.

(b) None of the local funds contained in this Act may be available for obligation or expenditure for an agency through a transfer of any local funds in excess of \$1,000,000 from one appropriation heading to another unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the transfer, except that in no event may the amount of any funds transferred exceed 4 percent of the local funds in the appropriations.

SEC. 107. Consistent with the provisions of section 1301(a) of title 31, United States Code, appropriations under this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

SEC. 108. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2-139; D.C. Official Code, sec. 1-601.01 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-2041.22(3)), shall apply with respect to the compensation of District of Columbia employees. For pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.

SEC. 109. No later than 30 days after the end of the first quarter of fiscal year 2005, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate the new fiscal year 2005 revenue estimates as of the end of such quarter. These

estimates shall be used in the budget request for fiscal year 2006. The officially revised estimates at midyear shall be used for the mid-year report.

SEC. 110. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6-85; D.C. Official Code, sec. 2-303.03), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical, but only if the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and has been reviewed and certified by the Chief Financial Officer of the District of Columbia.

SEC. 111. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3-171; D.C. Official Code, sec. 1-123).

SEC. 112. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 113. None of the Federal funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9-114; D.C. Official Code, sec. 32-701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 114. (a) Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(b)(1) No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to subsection (a) until—

(A) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

(B) the Council has reviewed and approved the acceptance, obligation, and expenditure of such grant.

(2) For purposes of paragraph (1)(B), the Council shall be deemed to have reviewed and approved the acceptance, obligation, and expenditure of a grant if—

(A) no written notice of disapproval is filed with the Secretary of the Council within 14 calendar days of the receipt of the report from the Chief Financial Officer under paragraph (1)(A); or

(B) if such a notice of disapproval is filed within such deadline, the Council does not by resolution disapprove the acceptance, obligation, or expenditure of the grant within 30 calendar days of the initial receipt of the report from the Chief Financial Officer under paragraph (1)(A).

(c) No amount may be obligated or expended from the general fund or other funds of the District of Columbia government in anticipation of the approval or receipt of a grant under subsection (b)(2) or in anticipation of the approval or receipt of a Federal,

private, or other grant not subject to such subsection.

(d) The Chief Financial Officer of the District of Columbia may adjust the budget for Federal, private, and other grants received by the District government reflected in the amounts appropriated in this Act, or approved and received under subsection (b)(2) to reflect a change in the actual amount of the grant.

(e) The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia and to the Committees on Appropriations of the House of Representatives and Senate not later than 15 days after the end of the quarter covered by the report.

SEC. 115. (a) Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For purposes of this paragraph, the term "official duties" does not include travel between the officer's or employee's residence and workplace, except in the case of—

(1) an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department;

(2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day or is otherwise designated by the Fire Chief;

(3) the Mayor of the District of Columbia; and

(4) the Chairman of the Council of the District of Columbia.

(b) The Chief Financial Officer of the District of Columbia shall submit by March 1, 2005, an inventory, as of September 30, 2004, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.

SEC. 116. None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government for fiscal year 2005 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, sec. 2-302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year using the format, terminology, and classifications contained in the law making the appropriations for the year and its legislative history.

SEC. 117. (a) None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or

civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

(b) Nothing in this section bars the District of Columbia Corporation Counsel from reviewing or commenting on briefs in private lawsuits, or from consulting with officials of the District government regarding such lawsuits.

SEC. 118. (a) None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

(b) Any individual or entity who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this Act.

SEC. 119. None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District of Columbia) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and the officer's agency as a result of this Act (and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted. The Chief Financial Officer of the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and Senate by the 10th day after the end of each quarter a summary list showing each report, the due date, and the date submitted to the Committees.

SEC. 120. (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any tetrahydrocannabinols derivative.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.

SEC. 121. Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing the issue of the provision of contraceptive coverage by health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a "conscience clause" which provides exceptions for religious beliefs and moral convictions.

SEC. 122. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate quarterly reports addressing—

(1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets;

(2) access to substance and alcohol abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs;

(3) management of parolees and pre-trial violent offenders, including the number of halfway houses escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of

escapes to be provided in consultation with the Court Services and Offender Supervision Agency for the District of Columbia;

(4) education, including access to special education services and student achievement to be provided in consultation with the District of Columbia Public Schools and the District of Columbia public charter schools;

(5) improvement in basic District services, including rat control and abatement;

(6) application for and management of Federal grants, including the number and type of grants for which the District was eligible but failed to apply and the number and type of grants awarded to the District but for which the District failed to spend the amounts received; and

(7) indicators of child well-being.

SEC. 123. (a) No later than 30 calendar days after the date of the enactment of this Act, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the Council of the District of Columbia a revised appropriated funds operating budget in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.42), for all agencies of the District of Columbia government for fiscal year 2004 that is in the total amount of the approved appropriation and that realigns all budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

(b) This section shall apply only to an agency where the Chief Financial Officer of the District of Columbia certifies that a reallocation is required to address unanticipated changes in program requirements.

SEC. 124. None of the funds contained in this Act may be used to issue, administer, or enforce any order by the District of Columbia Commission on Human Rights relating to docket numbers 93-030-(PA) and 93-031-(PA).

SEC. 125. None of the Federal funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriation Act.

SEC. 126. Notwithstanding any other law, the District of Columbia Courts shall transfer to the general treasury of the District of Columbia all fines levied and collected by the Courts under section 10(b)(1) and (2) of the District of Columbia Traffic Act (D.C. Official Code, sec. 50-2201.05(b)(1) and (2)). The transferred funds shall remain available until expended and shall be used by the Office of the Corporation Counsel for enforcement and prosecution of District traffic alcohol laws in accordance with section 10(b)(3) of the District of Columbia Traffic Act (D.C. Official Code, sec. 50-2201.05(b)(3)).

SEC. 127. None of the funds contained in this Act may be made available to pay—

(1) the fees of an attorney who represents a party in an action or an attorney who defends an action, including an administrative proceeding, brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) in excess of \$4,000 for that action; or

(2) the fees of an attorney or firm whom the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either through an attorney, officer or employee of the firm, in any special education diagnostic services, schools, or other special education service providers.

SEC. 128. The Chief Financial Officer of the District of Columbia shall require attorneys in special education cases brought under the Individuals with Disabilities Act (IDEA) in

the District of Columbia to certify in writing that the attorney or representative rendered any and all services for which they receive awards, including those received under a settlement agreement or as part of an administrative proceeding, under the IDEA from the District of Columbia. As part of the certification, the Chief Financial Officer of the District of Columbia shall require all attorneys in IDEA cases to disclose any financial, corporate, legal, memberships on boards of directors, or other relationships with any special education diagnostic services, schools, or other special education service providers to which the attorneys have referred any clients as part of this certification. The Chief Financial Officer shall prepare and submit quarterly reports to the Committees on Appropriations of the House of Representatives and Senate on the certification of and the amount paid by the government of the District of Columbia, including the District of Columbia Public Schools, to attorneys in cases brought under IDEA. The Inspector General of the District of Columbia may conduct investigations to determine the accuracy of the certifications.

SEC. 129. The amount appropriated by this Act may be increased by no more than \$15,000,000 from funds identified in the comprehensive annual financial report as the District's fiscal year 2004 unexpended general fund surplus. The District may obligate and expend these amounts only in accordance with the following conditions:

(1) The Chief Financial Officer of the District of Columbia shall certify that the use of any such amounts is not anticipated to have a negative impact on the District's long-term financial, fiscal, and economic vitality.

(2) The District of Columbia may only use these funds for the following expenditures:

- (A) Unanticipated one-time expenditures.
- (B) Expenditures to avoid deficit spending.
- (C) Debt Reduction.
- (D) Unanticipated program needs.
- (E) Expenditures to avoid revenue shortfalls.

(3) The amounts shall be obligated and expended in accordance with laws enacted by the Council in support of each such obligation or expenditure.

(4) The amounts may not be used to fund the agencies of the District of Columbia government under court ordered receivership.

(5) The amounts may be obligated and expended only if approved by the Committees on Appropriations of the House of Representatives and Senate in advance of any obligation or expenditure.

SEC. 130. (a) Section 450A(a) of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.50a(a)) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

“(1) IN GENERAL.—There is established an emergency cash reserve fund (“emergency reserve fund”) as an interest-bearing account (separate from other accounts in the General Fund) into which the Mayor shall make a deposit in cash each fiscal year of such an amount as may be required to maintain a balance in the fund of at least 2 percent of the operating expenditures as defined in paragraph (2) of this subsection or such amount as may be required for deposit in a fiscal year in which the District is replenishing the emergency reserve fund pursuant to subsection (a)(7).”

(2) Paragraph (2) is amended to read as follows:

“(2) OPERATING EXPENSES.—For the purpose of this subsection, operating expenditures is defined as the amount reported in the District of Columbia's Comprehensive Annual Financial Report for the fiscal year immediately preceding the current fiscal year as

the actual operating expenditure from local funds, less such amounts that are attributed to debt service payments for which a separate reserve fund is already established under this Act.”

(3) Paragraph (7) is amended to read as follows:

“(7) REPLENISHMENT.—The District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the emergency reserve fund during the preceding fiscal years so that not less than 50 percent of any amount allocated in the preceding fiscal year or the amount necessary to restore the emergency reserve fund to the 2 percent required balance, whichever is less, is replenished by the end of the current fiscal year and 100 percent of the amount allocated or the amount necessary to restore the emergency reserve fund to the 2 percent required balance, whichever is less, is replenished by the end of the second fiscal year following each such allocation.”

(b) Section 450A(b) of such Act (sec. 1-204.50a(b), D.C. Official Code) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

“(1) IN GENERAL.—There is established a contingency cash reserve fund (“contingency reserve fund”) as an interest-bearing account, separate from other accounts in the general fund, into which the Mayor shall make a deposit in cash each fiscal year of such amount as may be required to maintain a balance in the fund of at least 4 percent of the operating expenditures as defined in paragraph (2) of this subsection or such amount as may be required for deposit in a fiscal year in which the District is replenishing the emergency reserve fund pursuant to subsection (b)(6).”

(2) Paragraph (2) is amended to read as follows:

“(2) OPERATING EXPENSES.—For the purpose of this subsection, operating expenditures is defined as the amount reported in the District of Columbia's Comprehensive Annual Financial Report for the fiscal year immediately preceding the current fiscal year as the actual operating expenditure from local funds, less such amounts that are attributed to debt service payments for which a separate reserve fund is already established under this Act.”

(3) Paragraph (6) is amended to read as follows:

“(6) REPLENISHMENT.—The District of Columbia shall appropriate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the contingency reserve fund during the preceding fiscal years so that not less than 50 percent of any amount allocated in the preceding fiscal year or the amount necessary to restore the contingency reserve fund to the 4 percent required balance, whichever is less, is replenished by the end of the current fiscal year and 100 percent of the amount allocated or the amount necessary to restore the contingency reserve fund to the 4 percent required balance, whichever is less, is replenished by the end of the second fiscal year following each such allocation.”

SEC. 131. For fiscal year 2005, the Chief Financial Officer shall re-calculate the emergency and contingency cash reserve funds amount established by section 450A of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.50a), as amended by this Act, and is authorized to transfer funds between the emergency and contingency cash reserve funds to reach the required percentages, and may transfer funds from the emergency and contingency cash reserve funds to the general fund of the District of Columbia to the extent that such funds are

not necessary to meet the requirements established for each fund, except that the Chief Financial Officer may not transfer funds from the emergency or the contingency reserve funds to the extent that such a transfer would lower the fiscal year 2005 total percentage below 7 percent.

SEC. 132. (a) Section 6 of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 (sec. 5-732, D.C. Official Code) is amended by striking the period at the end of the first sentence and inserting the following: “, and for the administrative costs associated with making such benefit payments.”

(b) The amendment made by subsection (a) shall apply with respect to fiscal year 2005 and each succeeding fiscal year.

SEC. 133. (a) CONTINUING AVAILABILITY OF AMOUNTS IN CHARTER SCHOOL FUND.—Section 2403(b)(1) of the District of Columbia School Reform Act of 1995 (sec. 38-1804.03(b)(1), D.C. Official Code) is amended by adding at the end the following new sentence: “Amounts in the Charter School Fund shall remain available until expended, and any amounts in the Fund remaining unobligated or unexpended at the end of a fiscal year shall not revert to the General Fund of the District of Columbia.”

(b) AVAILABILITY OF ADDITIONAL LOCAL FUNDS FOR CHARTER SCHOOL FUND.—Section 2403(b)(2)(A) of such Act (sec. 38-1804.03(b)(2)(A), D.C. Official Code) is amended by inserting after “District of Columbia,” the following: “together with any other local funds that the Chief Financial Officer of the District of Columbia certifies are necessary to carry out the purposes of the Fund during the fiscal year.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to fiscal year 2005 and each succeeding fiscal year.

SEC. 134. (a) CONTINUATION OF CERTAIN AUTHORITY OF CHIEF FINANCIAL OFFICER.—Section 2302 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108-11; 117 Stat. 593), is amended by striking “September 30, 2004” and inserting “September 30, 2005”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the Emergency Wartime Supplemental Appropriations Act, 2003.

SEC. 135. (a) Section 106(b) of the District of Columbia Public Works Act of 1954 (sec. 34-2401.25(b), D.C. Official Code) is amended by striking paragraph (5).

(b) Section 212(b) of such Act (sec. 34-2112(b), D.C. Official Code) is amended by striking paragraph (5).

(c) The amendments made by this section shall apply with respect to quarters occurring during fiscal year 2005 and each succeeding fiscal year.

SEC. 136. (a) APPROVAL OF BONDS BY JOINT COMMITTEE ON JUDICIAL ADMINISTRATION.—Section 11-1701(b), District of Columbia Official Code, is amended by striking paragraph (5).

(b) EXECUTIVE OFFICER.—

(1) IN GENERAL.—Section 11-1704, District of Columbia Official Code, is amended to read as follows:

“§ 11-1704. Oath of Executive Officer

“The Executive Officer shall take an oath or affirmation for the faithful and impartial discharge of the duties of that office.”

(2) CLERICAL AMENDMENT.—The table of sections for subchapter I of chapter 17 of title 11, District of Columbia Official Code, is amended by amending the item relating to section 11-1704 to read as follows:

“11-1704. Oath of Executive Officer.”

(c) FISCAL OFFICER.—Section 11-1723, District of Columbia Official Code, is amended—

(1) by striking “(a)(1)” and inserting “(a)”;
 (2) by striking subsection (b); and
 (3) by redesignating paragraphs (2) and (3) of subsection (a) as subsections (b) and (c).
 (d) AUDITOR-MASTER.—Section 11-1724, District of Columbia Official Code, is amended by striking the second and third sentences.

(e) REGISTER OF WILLS.—

(1) IN GENERAL.—Section 11-2102, District of Columbia Official Code, is amended—

(A) in the heading, by striking “bond”;

(B) in subsection (a)(2), by striking “give bond,” and all that follows through “seasonably to record” and inserting “seasonably record”; and

(C) by striking the third sentence of subsection (a).

(2) CLERICAL AMENDMENT.—The item relating to section 11-2102 in the table of sections for chapter 21 of title 11, District of Columbia Official Code, is amended by striking “bond.”

SEC. 137. Section 11-1728, District of Columbia Official Code, is amended to read as follows:

“§ 11-1728. Recruitment and training of personnel; travel

“(a) The Executive Officer shall be responsible for recruiting such qualified personnel as may be necessary for the District of Columbia courts and for providing in-service training for court personnel.

“(b) Travel under Federal supply schedules is authorized for the travel of court personnel on official business. The Joint Committee shall prescribe such requirements, conditions, and restrictions for such travel as it considers appropriate, and shall include policies and procedures for preventing abuses of that travel authority.”

(b) The table of sections for subchapter II of chapter 17 of title 11, District of Columbia Official Code, is amended by amending the item relating to section 11-1728 to read as follows:

“11-1728. Recruitment and training of personnel; travel.”

SEC. 138. (a) Notwithstanding any other provision of this Act, the amount of local funds made available under this Act for the Office of the Inspector General shall be the amount provided in the annual estimate of the Inspector General of the expenditures and appropriations necessary for the operation of the Office for fiscal year 2005, as prepared by the Inspector General and submitted to the Mayor of the District of Columbia under section 208(a)(2)(A) of the District of Columbia Procurement Practices Act of 1985 (sec. 2-302.08(a)(2)(A), D.C. Official Code).

(b) The Chief Financial Officer of the District of Columbia shall take such steps as are necessary to carry out this section.

Mr. FRELINGHUYSEN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill through page 65, line 5, be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TANCREDO. Mr. Chairman, I move to strike the last word to engage in a colloquy with the gentleman from New Jersey (Mr. FRELINGHUYSEN), the distinguished chairman of the Committee on Appropriations, Subcommittee on the District of Columbia, regarding a move by certain District of Columbia Council members to enact a bill that would give noncitizens the right to vote in local elections.

Mr. Chairman, passage of such a measure would eliminate one of the few remaining distinctions between noncitizens and citizens, and I firmly believe that it is not too much to ask that American citizenship be a prerequisite for voting in an American election. Therefore, I am opposed to the adoption of such a measure.

Mr. Chairman, it was my intention to offer an amendment that would prohibit implementation of such a measure. However, after receiving assurances from the gentleman from Virginia (Chairman TOM DAVIS) of the Committee on Government Reform that that measure would be overturned by Congress before it becomes law, I am satisfied that the amendment will no longer be necessary.

□ 1530

Mr. Chairman, is that your understanding of the situation?

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

Mr. TANCREDO. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Yes, it is. I wanted to thank my distinguished colleague for bringing this issue to my attention. Let me say from the onset that I am very sympathetic to the gentleman's position on the issue. It is my understanding that the Committee on Government Reform has a 30-day review period in which to approve or disapprove all legislative provisions enacted by the city council.

Mr. TANCREDO. I thank the chairman for working with me on the issue. I will not offer my amendment.

AMENDMENT NO. 2 OFFERED BY MR. HEFLEY

Mr. HEFLEY. 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. HEFLEY:

At the end of the bill (before the short title), insert the following:

SEC. 139. Total Federal appropriations made in this Act (other than appropriations required to be made by a provision of law) are hereby reduced by \$5,600,000.

Mr. HEFLEY. Mr. Chairman, I rise again to offer an amendment to cut the level of funding in this appropriations bill by 1 percent. This equals about \$5.6 million. This is not the biggest bill that we deal with. However, the increase in the bill is over 3 percent over last year. I do not mean this at all as a slap against D.C., our Nation's Capital, certainly not a slap against the committee, because as most Members are aware, I have offered a series of these amendments on the appropriations bills because I think we have to start drawing the line somewhere and some time.

The budget we have for next year is too large, and we can do something about the deficit now if we would start doing it. I would really be remiss, however, Mr. Chairman, if I did not commend the chairman and ranking mem-

ber on a very difficult job that they have had to do; and, obviously, they have done a very excellent job of it as evidenced by the fact that we are not spending half a day on the D.C. bill down here, that they have worked out the problems beforehand.

So I commend them on a tremendous job that both of them and the committee have done. And it is many times a thankless job because most of the folks back home do not care what happens in the D.C. bill, and so it does not get them any great acclaim back home for the good job they are doing. But I would like to put in the record that they have done a good job.

Still, I do not think a cut of 1 cent on a dollar is too much to ask for or is unreasonable, given our current budget situation.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the amendment.

Let me say, Mr. Chairman, I have watched the gentleman from Colorado (Mr. HEFLEY) stand on an appropriations bill, and I know his heart is in the right place; and, reluctantly, I do rise in opposition to his amendment.

The entire Federal portion of the bill is only \$560 million. Within this total, the committee had to make some hard funding choices. It reduced a number of things that are key priorities to the Members of Congress and to the city's leadership. An additional 1 percent reduction in this bill would, I think, seriously hinder the District's ability to effectively manage its program at a time when the District government is sincerely making major improvements to its financial and program management.

I will not go through any examples, but I do rise in opposition. I understand where his heart is.

Mr. Chairman, I yield back the balance of my time.

Mr. FATTAH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to say that I would like to commend the gentleman from Colorado (Mr. HEFLEY) for his great service to the House as chairman of the Committee on Standards of Official Conduct. I served with him for many years on the committee. I cannot find a way to support his amendment today; but if he were to offer, for instance, to reduce by even a greater percent the reconstruction dollars of 20 billion we sent to Iraq, I would be prepared to vote to cut those dollars. But here in the Nation's Capital I believe that there are too many needs to be met.

I still have great respect for my colleague. Colorado has a warm place in my heart. My wife is from Colorado; but I would oppose this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. HEFLEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 113, noes 309, not voting 11, as follows:

[Roll No. 398]

AYES—113

Akin	Fossella	Neugebauer
Baker	Franks (AZ)	Norwood
Barrett (SC)	Garrett (NJ)	Otter
Bartlett (MD)	Gibbons	Oxley
Barton (TX)	Gingrey	Paul
Bass	Goode	Pence
Beauprez	Goodlatte	Petri
Bilirakis	Goss	Pickering
Bishop (UT)	Graves	Pitts
Blackburn	Green (WI)	Platts
Boehkert	Gutknecht	Ramstad
Boozman	Hayes	Rehberg
Bradley (NH)	Hayworth	Rogers (MI)
Brady (TX)	Hefley	Rohrabacher
Brown-Waite,	Hensarling	Royce
Ginny	Herger	Ryan (WI)
Burgess	Hoekstra	Schrock
Burns	Hostettler	Sensenbrenner
Burton (IN)	Hulshof	Sessions
Cannon	Hunter	Shadegg
Carter	Hyde	Shimkus
Chabot	Jenkins	Shuster
Chocola	Jones (NC)	Smith (WA)
Coble	Keller	Stearns
Cox	Kennedy (MN)	Stenholm
Crane	King (IA)	Strickland
Cubin	Lewis (KY)	Sullivan
Davis (TN)	Linder	Tancredo
Davis, Jo Ann	Manzullo	Tanner
Deal (GA)	McCotter	Taylor (MS)
DeMint	McHugh	Taylor (NC)
Diaz-Balart, M.	McInnis	Terry
Doggett	Mica	Thornberry
Duncan	Miller (FL)	Toomey
Everett	Miller, Gary	Upton
Feeney	Moran (KS)	Vitter
Flake	Musgrave	Wamp
Forbes	Myrick	Wilson (SC)

NOES—309

Abercrombie	Cramer	Greenwood
Ackerman	Crenshaw	Grijalva
Aderholt	Crowley	Gutierrez
Alexander	Culberson	Hall
Allen	Cummings	Harman
Andrews	Cunningham	Hart
Baca	Davis (AL)	Hastings (FL)
Bachus	Davis (CA)	Hastings (WA)
Baird	Davis (FL)	Herseth
Baldwin	Davis (IL)	Hill
Ballenger	Davis, Tom	Hinchee
Becerra	DeFazio	Hinojosa
Bell	DeGette	Hobson
Bereuter	Delahunt	Hoeffel
Berkley	DeLauro	Holden
Berman	DeLay	Holt
Berry	Deutsch	Honda
Biggert	Diaz-Balart, L.	Hooley (OR)
Bishop (GA)	Dicks	Houghton
Bishop (NY)	Dingell	Hoyer
Blumenauer	Dooley (CA)	Inslee
Blunt	Doolittle	Israel
Boehner	Doyle	Issa
Bonilla	Dreier	Istook
Bonner	Dunn	Jackson (IL)
Bono	Edwards	Jackson-Lee
Boswell	Ehlers	(TX)
Boucher	Emanuel	Jefferson
Boyd	Emerson	John
Brady (PA)	Engel	Johnson (CT)
Brown (OH)	English	Johnson (IL)
Brown (SC)	Eshoo	Johnson, E. B.
Brown, Corrine	Etheridge	Johnson, Sam
Burr	Evans	Jones (OH)
Calvert	Farr	Kanjorski
Camp	Fattah	Kaptur
Cantor	Filner	Kelly
Capito	Foley	Kennedy (RI)
Capps	Ford	Kildee
Capuano	Frank (MA)	Kilpatrick
Cardin	Frelinghuysen	Kind
Cardoza	Frost	King (NY)
Carson (OK)	Gallegly	Kingston
Case	Gephardt	Kirk
Castle	Gerlach	Klecza
Chandler	Gilchrest	Kline
Clay	Gillmor	Knollenberg
Clyburn	Gonzalez	Kolbe
Cole	Gordon	Kucinich
Conyers	Granger	LaHood
Costello	Green (TX)	Lampson

Langevin	Oberstar	Shays
Lantos	Obey	Sherman
Larsen (WA)	Oliver	Sherwood
Larson (CT)	Ortiz	Simmons
Latham	Osborne	Simpson
LaTourette	Ose	Skelton
Leach	Owens	Slaughter
Lee	Pallone	Smith (MI)
Levin	Pascrell	Smith (NJ)
Lewis (CA)	Pastor	Smith (TX)
Lewis (GA)	Payne	Snyder
Lipinski	Pearce	Solis
LoBiondo	Pelosi	Souder
Lofgren	Peterson (MN)	Spratt
Lowey	Peterson (PA)	Stark
Lucas (KY)	Pombo	Stupak
Lucas (OK)	Pomeroy	Sweeney
Lynch	Porter	Tauscher
Maloney	Portman	Tauzin
Markey	Price (NC)	Thomas
Matsui	Pryce (OH)	Thompson (CA)
McCarthy (MO)	Putnam	Thompson (MS)
McCarthy (NY)	Radanovich	Tiahrt
McCullum	Rahall	Tiberi
McCrery	Rangel	Tierney
McDermott	Regula	Towns
McGovern	Renzi	Turner (OH)
McIntyre	Reyes	Turner (TX)
McKeon	Reynolds	Udall (CO)
McNulty	Rodriguez	Udall (NM)
Meehan	Rogers (AL)	Van Hollen
Meek (FL)	Rogers (KY)	Velázquez
Meeks (NY)	Ros-Lehtinen	Visclosky
Menendez	Ross	Walden (OR)
Michaud	Rothman	Walsh
Millender-	Roybal-Allard	Waters
McDonald	Ruppersberger	Watson
Miller (MI)	Rush	Watt
Miller (NC)	Ryan (OH)	Waxman
Miller, George	Ryun (KS)	Weiner
Mollohan	Sabo	Weldon (FL)
Moore	Sánchez, Linda	Weldon (PA)
Moran (VA)	T.	Weller
Murphy	Sanchez, Loretta	Wexler
Murtha	Sanders	Whitfield
Nadler	Sandlin	Wicker
Saxton	Saxton	Wilson (NM)
Schakowsky	Neal (MA)	Wolf
Schiff	Schiff	Woolsey
Scott (GA)	Scott (GA)	Wu
Scott (VA)	Scott (VA)	Wynn
Serrano	Serrano	Young (AK)
Shaw	Shaw	Young (FL)

NOT VOTING—11

Buyer	Ferguson	Marshall
Carson (IN)	Harris	Matheson
Collins	Isakson	Quinn
Cooper	Majette	

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1559

Ms. WATSON and Mr. LYNCH changed their vote from “aye” to “no.” Messrs. CHABOT, COX, BOOZMAN and BOEHLERT changed their vote from “no” to “aye.”

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Ms. HARRIS. Mr. Chairman, on rollcall No. 398, I was unavoidably detained. Had I been present, I would have voted “no.”

The CHAIRMAN. Are there any other amendments to the bill?

If not, the Clerk will read the last two lines.

The Clerk read as follows:

This Act may be cited as the “District of Columbia Appropriations Act, 2005”.

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

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KLINE) having assumed the chair, Mr.

BASS, 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. 4850) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2005, and for other purposes, pursuant to House Resolution 724, reported the bill back to the House.

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

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

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

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

Under clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 371, nays 54, not voting 8, as follows:

[Roll No. 399]

YEAS—371

Abercrombie	Case	Gerlach
Ackerman	Castle	Gibbons
Aderholt	Chabot	Gilchrest
Alexander	Chandler	Gillmor
Allen	Alexander	Gingrey
Andrews	Clay	Gonzalez
Baca	Clyburn	Gordon
Baird	Cole	Granger
Bachus	Conyers	Green (TX)
Baldwin	Cooper	Green (WI)
Ballenger	Costello	Greenwood
Barrett (SC)	Cox	Grijalva
Barton (TX)	Cramer	Gutierrez
Bass	Crane	Hall
Beauprez	Crenshaw	Harman
Becerra	Crowley	Harris
Bell	Culberson	Hart
Bereuter	Cummings	Hastings (FL)
Berkley	Cunningham	Hastings (WA)
Berman	Davis (AL)	Hayes
Bilirakis	Davis (CA)	Herseth
Bishop (GA)	Davis (FL)	Hill
Bishop (NY)	Davis (IL)	Hinchee
Bishop (UT)	Davis (TN)	Hinojosa
Blackburn	Davis, Tom	Hobson
Blumenauer	DeFazio	Hoeffel
Blunt	DeGette	Hoekstra
Boehner	Delahunt	Holden
Bonilla	DeLauro	Holt
Bonner	DeLay	Honda
Bono	DeMint	Hooley (OR)
Boozman	Diaz-Balart, L.	Houghton
Boucher	Diaz-Balart, M.	Hoyer
Boyd	Dicks	Hulshof
Bradley (NH)	Dingell	Hunter
Brady (PA)	Doggett	Hyde
Brady (TX)	Dooley (CA)	Inslee
Brown (OH)	Doolittle	Israel
Brown (SC)	Doyle	Issa
Brown, Corrine	Dreier	Istook
Brown-Waite,	Edwards	Jackson (IL)
Ginny	Ehlers	Jackson-Lee
Burgess	Emanuel	(TX)
Burns	Emerson	Jefferson
Burr	Engel	Jenkins
Burton (IN)	English	John
Buyer	Eshoo	Johnson (CT)
Calvert	Farr	Johnson (IL)
Camp	Fattah	Johnson, E. B.
Cannon	Feeney	Johnson, Sam
Cantor	Filner	Jones (OH)
Capito	Foley	Kanjorski
Capuano	Forbes	Kaptur
Cardin	Ford	Keller
Cardoza	Frank (MA)	Kelly
Carson (OK)	Frelinghuysen	Kennedy (MN)
Carter	Frost	Kennedy (RI)
	Gallegly	Kildee
	Garrett (NJ)	Kilpatrick
	Gephardt	Kind

King (NY)	Nethercutt	Sessions
Kingston	Ney	Shadegg
Kirk	Northup	Shaw
Kleczka	Nunes	Shays
Kline	Nussle	Sherman
Knollenberg	Oberstar	Sherwood
Kolbe	Obey	Shimkus
Kucinich	Oliver	Shuster
LaHood	Ortiz	Simpson
Lampson	Osborne	Skelton
Langevin	Ose	Slaughter
Lantos	Owens	Smith (NJ)
Larsen (WA)	Oxley	Smith (TX)
Larson (CT)	Pallone	Smith (WA)
Latham	Pascarell	Snyder
LaTourette	Pastor	Solis
Leach	Payne	Souder
Lee	Pearce	Spratt
Levin	Pelosi	Stark
Lewis (CA)	Pence	Strickland
Lewis (GA)	Peterson (PA)	Stupak
Lewis (KY)	Pickering	Sullivan
Linder	Pitts	Sweeney
Lipinski	Platts	Tancredo
LoBiondo	Pombo	Tanner
Lofgren	Pomeroy	Tauscher
Lowey	Porter	Tauzin
Lucas (KY)	Portman	Terry
Lucas (OK)	Price (NC)	Thomas
Lynch	Pryce (OH)	Thompson (CA)
Maloney	Putnam	Thompson (MS)
Markey	Radanovich	Thornberry
Marshall	Rangel	Tiahrt
Matsui	Regula	Tiberi
McCarthy (MO)	Rehberg	Towns
McCarthy (NY)	Renzi	Turner (OH)
McCollum	Reyes	Turner (TX)
McCotter	Reynolds	Udall (CO)
McCrery	Rodriguez	Udall (NM)
McGovern	Rogers (AL)	Upton
McInnis	Rogers (KY)	Van Hollen
McIntyre	Rogers (MI)	Velázquez
McKeon	Rohrabacher	Visclosky
McNulty	Ros-Lehtinen	Vitter
Meehan	Ross	Walden (OR)
Meek (FL)	Rothman	Walsh
Meeks (NY)	Roybal-Allard	Wamp
Menendez	Ruppersberger	Waters
Mica	Rush	Watson
Millender-	Ryan (OH)	Watt
McDonald	Ryan (WI)	Waxman
Miller (MI)	Ryun (KS)	Weiner
Miller (NC)	Sabo	Weldon (FL)
Miller, Gary	Sánchez, Linda	Weldon (PA)
Mollohan	T.	Weller
Moore	Sanchez, Loretta	Whitfield
Moran (KS)	Sanders	Wicker
Moran (VA)	Sandlin	Wilson (NM)
Murphy	Saxton	Wilson (SC)
Murtha	Schakowsky	Wolf
Musgrave	Schiff	Woolsey
Myrick	Schrock	Wu
Nadler	Scott (GA)	Wynn
Napolitano	Scott (VA)	Young (AK)
Neal (MA)	Serrano	Young (FL)

□ 1618

So the bill was passed.
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 857 AND H.R. 1078

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 857 and H.R. 1078.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Record votes on postponed questions will be taken tomorrow.

RECOGNIZING 35TH ANNIVERSARY OF APOLLO 11 LUNAR LANDING

Mr. HALL. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 723) recognizing the 35th anniversary of the *Apollo 11* lunar landing, and for other purposes.

The Clerk read as follows:

H. RES. 723

Whereas President John F. Kennedy set a goal of landing Americans on the moon and returning them safely to Earth;

Whereas the National Aeronautics and Space Administration (NASA) created the Apollo space program to fulfill the goal set by President Kennedy;

Whereas on July 16, 1969, the Apollo 11 mission launched into space to attempt the first manned lunar landing;

Whereas on July 20, 1969, at 10:56 p.m. eastern daylight time, astronaut Neil A. Armstrong ushered in a new era in space exploration when he stepped onto the lunar surface and declared, "That's one small step for man, one giant leap for mankind.";

Whereas Neil Armstrong, the mission commander, and fellow astronauts Michael Collins, the command module pilot, and Edwin E. "Buzz" Aldrin, Jr., the lunar module pilot, exemplified bravery and determination in successfully completing the mission;

Whereas the Apollo 11 mission demonstrated the technological abilities of the United States and established the United States as a leader in space exploration;

Whereas the Apollo 11 mission inspired further exploration of the universe and led to more than three decades of continued voyage and discovery; and

Whereas the Apollo 11 mission continues to inspire exploration as NASA envisions returning to the moon and eventually landing a person on Mars: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes the 35th anniversary of the Apollo 11 lunar landing;

(2) commends the astronauts and other men and women of the National Aeronautics and Space Administration (NASA) whose efforts assured the success of the Apollo 11 mission; and

(3) supports the continued leadership of the United States in the exploration of space.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HALL) and the gentleman from Texas (Mr. LAMPSON) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. HALL).

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

Mr. Speaker, on this day 35 years ago, two Americans stepped onto the surface of the Moon and ushered in a new era in space exploration. The astronauts of *Apollo 11*, Neil Armstrong, Buzz Aldrin, and Michael Collins, not only made history, they also fulfilled an American dream. Their successful Moon landing was the culmination of years of preparation by hundreds of thousands of people in government, in industry, and universities. And they became heroes to all Americans in the process.

In 1961, President John F. Kennedy laid out a goal of landing an American on the Moon and returning him safely to Earth. On July 16, 1969, NASA launched the *Apollo 11* spacecraft into orbit to fulfill this quest. The successful mission demonstrated the United States' technological and economic power, and it established our Nation as the leader in space exploration from that moment to the present.

During their walk on the Moon, Neil Armstrong and Buzz Aldrin took pictures, planted an American flag, and gathered rocks, tangible items to take back to Earth for posterity. They also gave the world a sense of wonder and awe and an enthusiasm about future space travel. Astronaut Neil Armstrong's first step on the lunar surface was indeed a "giant leap for mankind," but it was also a first step toward a new era of discovery and innovation.

The next three decades witnessed enormous strides in space exploration and research. Experiments conducted on the Space Shuttle and International Space Station expanded health research into our most threatening diseases. Microgravity experiments helped scientists fight infections, produce medicines to treat patients who have suffered from strokes, and combat osteoporosis. From the development of MRI technology to microchips, the scientific partnerships between NASA and American universities and companies continue to ensure our Nation's viability, increase our Nation's competitiveness, and help drive our economy.

As Buzz Aldrin said before Congress, the footprints on the Moon "belong to the American people, and since we came in peace for all mankind, those footprints belong also to all people of the world." Michael Collins told Congress, "Man has always gone where he has been able to go. It is that simple. He will continue pushing back his frontier, no matter how far it may carry

NAYS—54

Bartlett (MD)	Goodlatte	Norwood
Berry	Goss	Otter
Biggert	Graves	Paul
Boehler	Gutknecht	Peterson (MN)
Boswell	Hayworth	Petri
Coble	Hefley	Rahall
Cubin	Hensarling	Ramstad
Davis, Jo Ann	Herger	Royce
Deal (GA)	Hostettler	Sensenbrenner
Deutsch	Jones (NC)	Simmons
Duncan	King (IA)	Smith (MI)
Etheridge	Manzullo	Stearns
Evans	McDermott	Stenholm
Everett	McHugh	Taylor (MS)
Flake	Michaud	Taylor (NC)
Fossella	Miller (FL)	Tierney
Franks (AZ)	Miller, George	Toomey
Goode	Neugebauer	Wexler

NOT VOTING—8

Carson (IN)	Ferguson	Matheson
Collins	Isakson	Quinn
Dunn	Majette	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KLINE) (during the vote). Members are reminded that there are 2 minutes remaining in this vote.

him from his homeland. Someday, in the not too distant future, when I listen to an earthling step out onto the surface of Mars or some other planet, I hope to hear him say: 'I come from the United States of America.'"

We are the keepers of this dream. As we celebrate today's anniversary, we can also rekindle this vision. Venturing to the Moon, Mars and beyond is challenging, but our citizens have never shied away from a challenge. As a democratic people who look to the future for inspiration and solutions, we have a destiny to continue to lead in space travel. In a world marred by conflict, we can once again usher in an era of peaceful exploration.

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

Mr. LAMPSON. Mr. Speaker, I yield myself such time as I may consume. I rise in support of H. Res. 723.

It was 35 years ago that humans first walked on the Moon. It was a magnificent achievement and it is fitting that we in the House of Representatives pause to commemorate it today. The landing of Eagle at Tranquility Base was the culmination of a national effort that began in 1961 when a young, energetic President, John F. Kennedy, challenged America to achieve great things in space. America rose to that challenge and barely 8 years after President Kennedy said that we would go to the Moon by the end of the decade, we did.

Neil Armstrong and Buzz Aldrin took those historic first steps on July 20, 1969, while Mike Collins orbited overhead and all the world's population held its collective breath. Clearly Neil, Buzz and Mike had the "right stuff," as did the other Mercury, Gemini and Apollo astronauts and as do the astronauts who are serving in our Nation's space program today.

Yet it was not just the heroism and steel nerves of the astronauts that made Apollo a success. It was the efforts of tens of thousands of unsung heroes from government, industry and academia, namely the scientists, engineers, program managers, technicians and others who individually and collectively made it possible for 12 Americans to land on and explore the surface of the Moon between 1969 and 1972.

I was teaching physical science in a middle school during that time. The children in my classes, their eyes would light up when we would watch on television and discuss what was going on. The interest that developed from them was unimaginable. I know that it is what inspired so many of those young people to want to become the astronauts of today.

Neil Armstrong spoke his first words from the Moon to Mission Control in the Ninth District of Texas, where we have neighbors who worked on the Apollo program and some who participate in the space exploration efforts of today. That is where those kids that I taught went to work.

Last July, Glynn and Marilyn Lunney from my district brought their

two grandchildren to my office to take a tour of this Capitol. In passing the statue of *Apollo 13* astronaut Jack Swigert downstairs, Mrs. Lunney said, "There's Jack." They knew who Jack was because Mr. Lunney had been a flight director on Apollo missions, including *Apollo 11*. The Lunneys are just a few of the many individuals in Texas' Ninth Congressional District whom I salute today.

The Lunneys' son started a company that took one of those spin-offs from the space exploration efforts to create a vagus nerve stimulator which saves the lives of people who are suffering from epilepsy and seizures today. So many wonderful things have come from that program.

Just beyond the fences of Johnson Space Center are reminders of the living legacy of NASA's pioneer programs in our community. The names of sports teams, local businesses, and even the streets that we drive display the impact of manned space flight. Today, I salute all southeast Texans involved in manned space flight, including Johnson Space Center's civil service and contractor workforce of over 16,000 in Houston's bay area.

I am pleased to be an original cosponsor of this congressional resolution commemorating a shining achievement that is an inspiration to all they do. Yet I have to confess that I look forward to the day when we will not just be commemorating the past but will also be celebrating new accomplishments in space exploration.

The last Americans, indeed the last human beings, to venture out beyond low Earth orbit visited the Moon 32 years ago. It is time for Americans to get back to the Moon. And it is time for Americans to set out on voyages of exploration to all of the interesting places in our solar system. Robotic explorers have already blazed a scientifically productive trail, and they will continue to do so in the years to come, but I have no doubt that humans will, and should, follow.

I want America to lead that exploration effort, and I intend to work with the White House and my colleagues in Congress to craft an exploration program that all America will embrace. However, that is work for another day. Today is a day for commemorating the achievement of the Apollo team. I urge my colleagues to support this important resolution.

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

Mr. HALL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. BOEHLERT), chairman of the Committee on Science.

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I rise in support of this resolution, which I was proud to cosponsor with the gentleman from Texas (Mr. HALL). At this time of fiscal constraint and inter-

national discord, it is good to remember that brief moment in history when the entire world, together, collectively held its breath and watched as human beings stepped for the first time onto the surface of the Moon.

One sign of the success of the Apollo mission is that it is hard to conjure now just how strange and wondrous and awe-inspiring that moment was. Neil Armstrong's and Buzz Aldrin's steps were the culmination of millennia of human dreams and aspirations. Whatever else the Apollo program did, it fundamentally changed the human sense of the possible. It changed our sense of what was in reach.

I would point out that the Apollo program also changed our own sense of the planet. Those pictures of Earth as a blue dot revolving through empty space, those pictures of Earthrise, those pictures of an Earth whose air pollution could be picked up from miles into the heavens, with those pictures the Apollo program also brought home the preciousness of our own planet and its and our own fragility.

So I want to join with my colleagues today in trying to recapture that sense of excitement and wonder and awe that space travel evoked. I want to join in reminding Americans of the unique and courageous accomplishments of the Apollo astronauts and the scientists and engineers who worked behind the scenes. And I want to encourage us all to think through all the lessons of the Apollo program.

America must continue its ventures in space, manned and robotic. And we need to think about how to ensure that those ventures will enrich our culture, our scientific understanding, our sense of what it means to be human, and our ability to survive on our own planet.

The Apollo program has left us a remarkable legacy that we can respect best by continuing to debate its meaning.

Mr. LAMPSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Washington (Mr. McDERMOTT).

(Mr. McDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, the name Buzz Aldrin is legendary in America's manned space flight program, but the name Buzz Lightyear may be better known today. "To infinity and beyond," Buzz Lightyear calls out in the movie "Toy Story" and everyone smiled. Buzz Aldrin actually did it.

Thirty-five years ago today, Buzz Aldrin commanded the lunar module during man's first landing on the Moon. Buzz Aldrin followed Neil Armstrong onto the lunar surface. It was a defining moment in world history and the entire world stopped what it was doing to watch. If you were alive on that day, you know where you were, what you were doing, and how good it felt to be an American.

□ 1630

We were proud. The world was proud of us. For a few moments at least, the world was united. How we could use that today.

In part that is why this resolution is so important. It honors President John F. Kennedy for his vision and his leadership. JFK, not Captain Kirk, was the first to challenge us to go where no one had gone before. Kennedy inspired us to believe that we could do what was almost certainly impossible, and we did it.

This resolution honors the men and women of NASA. It honors Buzz Aldrin and every astronaut for their courage, sacrifice, and extraordinary service to this country and to humanity. I hope this resolution rekindles the spirit, enthusiasm, and hope embodied in a great moment for America and the world.

The world-renowned writer Arthur C. Clarke said, "The only way to discover the limits of the possible is to go beyond them into the impossible." In other words, to infinity and beyond.

Mr. HALL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROHRBACHER), chairman of Space and Aeronautics Subcommittee.

Mr. ROHRBACHER. Mr. Speaker, on July 20, 1969, all humankind witnessed the greatest technological achievement in history: men setting foot on the Moon and then successfully returning to Earth. The tremendous accomplishment of those three men and, yes, of the United States of America, is remembered to this day. Neil Armstrong, Buzz Aldrin, Mike Collins stand as shining examples of courage and technological genius, along with those many people in NASA that helped them and were on that trip with them every second of the journey. We honor the people of NASA who were responsible for this great achievement, and we honor these three brave astronauts for their heroism in taking that one giant leap for mankind 35 years ago.

On reflection, that day in history represented more than man's mastery of science and engineering. Rather, NASA's success in this endeavor has given us a sense of unlimited potential for our Nation and the world. Buzz Aldrin said it best when he observed, "The significance of what we did was not embodied in the few rocks that we brought back or what we saw . . . But the significance really was the impact we had on millions of people around the world." And, yes, millions of people in the United States.

Now we have the opportunity today to repeat history with President Bush's vision for space exploration. I believe there are young people who will be just as inspired by this great quest as those were by the first Moon landing.

Thus, the occasion that we celebrate today also forces us to look forward. As President Bush pointed out last year following the tragic loss of the Space Shuttle *Columbia*, "This cause of exploration and discovery is not an option

we choose. It is a desire written in the human heart. We are that part of creation which seeks to understand all of creation. We find the best among us, send them forth into unmapped darkness, and pray they will return. They go in peace for all mankind, and all mankind is in their debt." That was President Bush.

Today we look back and honor this great achievement of 35 years ago and commend the astronauts and the others who were responsible for this great achievement. But also today we are looking forward to a path ahead and a recommitment ourselves to America's leadership in the exploration of space and America's leading humankind to conquer this new frontier.

Mr. LAMPSON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Houston, 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, I want to thank the distinguished gentleman from Texas, who has the pleasure of representing Johnson's Space Center, for his great leadership. There has not been a moment that he has not been committed to the progress and future of that great center along with so many others.

What does one say about the gentleman from Texas (Mr. HALL), who has led us in science for so many years? I am delighted to join him in this resolution.

And might I say the proud fact is that this resolution is a bipartisan resolution. It recognizes that space is bipartisan. And might I just emphasize now 35 years later the great debt of gratitude that we owe to Neil Armstrong and Buzz Aldrin and Michael Collins because I do not know if we understand that they were, in fact, are the very first humans to step on a planet outside of Earth's atmosphere. They were the very first humans, and in essence we can call them the true explorers who went into another atmosphere, another planet. The many things that we look at on television, science fiction, these individuals actually did do it.

But I think these words are so very important and prominent as they laid this plaque after 2 hours and 11 minutes: "Here men from Planet Earth first set foot upon the Moon July 1969 AD. We came in peace for all mankind." These words should be forever prominent in our mind: they came in peace for all mankind.

That is why I rise today to join in celebration of H. Res. 723. I believe that Buzz and all of them, Neil and Michael, would be very proud that since they landed, women have gone into space, African Americans, Hispanics, people from foreign lands have all gone together in peace. That is what it represents.

It is interesting that this young man, this young man who defined Camelot in 1961, John F. Kennedy, a Democrat,

spoke to the world and the Nation; and he did not raise up a partisan flag about space. He joined all of us as Americans. That is why we rise today because this is, in fact, an American Dream, an American cause.

I too salute all of those who work for NASA all over the Nation in the space centers all around the country, whether it is in Huntsville, whether it is in Mississippi or California or Florida, and particularly those at the Johnson Space Center, some 16,000 employees strong. I salute them. And the reason I do that is because they do not wear a partisan hat. They realize that space is important.

Let me say, however, Mr. Speaker, that as we take risks and we recognize risks are important, let us be cognizant of the importance of safety. And I realize that those who were willing to take risks in those early days also valued their intellect, their courage, what they valued, the men and women on the ground who were on the cutting edge of making sure that it was as safe as it could be in that time frame. It is now our obligation to likewise look to the future, the President's new proposal, and ensure that not only do we move forward on Mars exploration, that we do it in a safe manner, that we make sure that the international space station is safe, we make sure that the human space flight is safe, because that is what this whole effort is about.

1969 was the ending of a troubling time in America. In 1968 we saw the assassination of Robert Kennedy. We saw the assassination of Martin Luther King. Yet this country could still dream. We came together, all of us from all parts of this Nation. No matter whether we lived in the South or the North, no matter whether we were still crying and still feeling the pain of the assassinations of those great Americans, we came together when we saw those young men go off into space because it was an American cause. That is the dream and the hope that I hope we will implement as we move forward in the Mars exploration.

I would caution those in business and my colleagues to not make the Mars program a partisan issue. Do not make it where they are leaving out those of us who are supporters of space and space exploration who happen to be Democrats. Space, Mars, the Moon, and celebration of all of us goes beyond political grandstanding. And I would hope no matter what administration will be in after November that we will have the opportunity as Americans to watch us join hands together to be able to celebrate the excitement of space. I am gratified that the Internet, that new research dealing with health care all came about through space, communications all came about through our space exploration. We can do this, and we can do it together.

Might I also suggest that we owe a debt of gratitude to the *Challenger* families and to *Columbia 7*. And might I, in respect of *Columbia 7*, say to my colleagues that the families of those who

were lost in *Columbia 7* stood up and said that the space program must go on. Is that not what America is all about? I would simply say on their tribute and testimony, I hope we will not leave this session without honoring them by the resolution that we have offered, many sponsors that have offered to provide a gold medal for the *Columbia 7*, 300 sponsors and many on the Senate side. That is how we honor all of those who have served, doing it unified in a nonpartisan way. We do it as Americans.

My hat is off to *Apollo 11*. May the blessings be upon them. They are great Americans. God bless them and God bless the United States.

Thirty-five years ago a revolution was started. Neil Armstrong and Buzz Aldrin—backed by Mike Collins, and a huge team of engineers and scientists from NASA and academia and industry—walked on the moon. It was a spectacular achievement by the crew of *Apollo 11*, that capped off an equally impressive eight years of research, development, and innovation. But when I say they started a revolution, I am not just talking about what they accomplished in space. I am thinking about the impact they made here on Earth.

The *Apollo* mission inspired a generation of intellectual pioneers and dreamers like nothing else could. Children, and young adults not afraid to think like children, sat awe-struck watching these guys bounding around on the moon, and then ran off to join science programs, and math programs, and engineering programs. They wanted to be part of something noble and great. The vast majority of those people did not end up in space, but veered off to go into other branches of physics or scientific research, or high-tech industries.

I have met with so many researchers from the great medical research labs at the Texas Medical Center in Houston, or CEOs in biotech or communications or internet companies, who have told me that it was the success of the *Apollo* mission that drove them to reach the heights they have reached. Many have theorized that indeed it was *NASA* and the *Apollo* mission that made possible the U.S. domination in science and industry, that changed America and the world in the 80s and 90s.

It was a bold investment, and we are still reaping the rewards.

But it could have gone much differently. Space travel is inherently dangerous. The team at *NASA* overcame tremendous obstacles of all sorts, and turned science fiction into science in under a decade. It truly shows the power of the American spirit, when appropriately applied.

Mr. Speaker I commend my colleague from Texas, Mr. HALL and the Chairman of the Science Committee on which I serve, as well as Ranking Member LAMPSON of the Space Subcommittee, for their leadership in giving space exploration the attention it deserves today. I hope that this resolution, and all of the celebrations of this exciting anniversary, will help re-ignite the American passion for the *NASA* manned-space mission. This week, as the Appropriations Committee is considering the future of the *NASA* budget, I hope we can all remember the tremendous dividends that our investment in *NASA* makes.

NASA and Johnson Space Center have touched the people of Houston in so many

ways. I will continue to be a strong supporter of *NASA* even as I work with my colleagues in the Science Committee to make *NASA* missions safer. I will continue to push for my bill H.R. 525, which would honor the fallen crew of the Shuttle *Columbia* with the Congressional Gold Medal. With over 300 co-sponsors, it would be sad to see this Congress adjourn without showing our appreciation for those astronauts who made the ultimate sacrifice to advance this nation. Working together, we can keep *NASA* moving forward into space, for the good of the American people, and the world.

We humans are truly at our best when we are working together toward peaceful and noble goals. The *Apollo* lunar landing 35 years ago truly was the epitome of such peaceful and noble pursuits. My hat is off to the *Apollo* team, and their surviving families, and to the entire *NASA* community, for their spectacular contribution to our today, and to our future.

Mr. HALL. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. FEENEY), another member of the Space and Aeronautics Subcommittee.

Mr. FEENEY. Mr. Speaker, I thank the gentleman from Texas (Mr. FEENEY) for his great leadership over many years of space.

Mr. Speaker, today's Florida Today editorial started out by saying this: "On July 20, 1969, humanity changed forever. The moment the boot of astronaut Neil Armstrong touched the surface of the Moon, the future of humanity no longer was tethered to Planet Earth." And, indeed, 35 years ago a mesmerized Nation and a mesmerized world watched as Americans landed on the moon. Today we celebrate that accomplishment.

Looking back at the history of the Cape, the human space flight program began in June, 1959, when a Mercury boilerplate capsule was brought down for a test flight called Big Joe, when *NASA* needed tools at that time, they went to Sears Roebuck in Orlando. They used a flatbed truck, a wooden cradle, and mattresses to transport the Mercury capsule to the launch pad. Just a few years later, Saturn V rockets, the largest rocket ever built, were assembled in the Vehicle Assembly Building, the second largest building in the world, and transported 3 miles by the Crawler Transporter, then the largest tracked vehicle in the world.

Thousands of men and women viewed *Apollo* as a calling and not just a career. They overcame the tragedy of *Apollo 1*, guided *Apollo 11* through some frightening moments during descent to the lunar surface and shortly after landing, and brought home a crippled *Apollo 13* safely.

Inspired by what they witnessed on television, hundreds of thousands of children dedicated themselves to math and to science, thereby giving birth to many of today's science and engineering leaders.

Unfortunately, *Apollo* was not designed to sustain itself forever. By the end of 1972, mankind retreated to spaceflight around the Earth.

America now possesses a great vision for space exploration under which we

will become a spacefaring people once again. We will undertake a paced, sustainable, and affordable journey that breaks free from merely orbiting the Earth. We will not be fixated on a destination and a timetable, but rather pursue an evolving program of exploration and science.

Along the way we, like all explorers, will be surprised by our discoveries. We will unleash the imaginations and talents of thousands of aerospace professionals, reminding all of them why they chose their calling.

Earlier this year, Americans watched in awe as the pictures from Mars came back from the Mars Rovers. In a few months, thousands will line the banks of the Indian and Banana rivers to watch the Shuttle once again return to space. We are a restless, inquisitive, pioneering people. We yearn to go.

Mr. Speaker, I include the full editorial from Florida Today for the RECORD.

[From Florida Today, July 9, 2004]

READY FOR NEW GOALS

On July 20, 1969, humanity changed forever.

The moment the boot of astronaut Neil Armstrong touched the surface of the moon, the future of humanity no longer was tethered to planet Earth.

Thirty-five years ago today, as millions worldwide watched televised images transported more than 250,000 miles through space, a silent but mighty shift roiled the river of history.

Humankind had become residents of the solar system.

The question now is, will America return to that path of manned exploration and discovery? Or be satisfied to rest on great deeds of the past, reported on the yellowing pages of crumbling newspaper?

For those who remember, that magnificent day and the four fantastic years that followed made up an odyssey that dwarfed all other human efforts.

Historians called the human exploration of the lunar surface mankind's greatest technological achievement.

That claim would get no argument from those lucky enough to have lived in Brevard County in those breathtaking times.

The vigorous, patriotic and enthusiastic space workers who poured into this county through the 1960s helped turn Brevard from a backwater into the single spot on the globe from which man has journeyed to another celestial body.

They came in response to a challenge by an equally vigorous president, John F. Kennedy, who in 1961 declared it was "time for this nation to take a clearly leading role in space achievement, which in many ways, may hold the key to our future on earth."

The goal was clear: The United States must, "before this decade is out," land a man on the moon and return him safely to the Earth.

Those words triggered a serendipitous combination of the leader, the people and the times, to launch a technology that altered our world.

From communications and telemetry to computers, what came to be known as the *Apollo* project generated knowledge that sent the national economy on a long road of technological innovation that reverberates today.

Not surprisingly, Brevard in those years averaged among the highest of any U.S. county in levels of educational achievement,

creating a legacy of interest that's reflected today in Brevard schools' strong performance in science and math.

Locally and nationally, the benefits of the Apollo remain immeasurable.

That's why it's incredible that for more than 30 years, the moon's cold surface has not felt another human step.

What might science have discovered, 35 years after Armstrong and fellow astronaut Buzz Aldrin made those giant lunar leaps, if the nation had continued that dazzling trajectory of human exploration, instead of letting the banner fall?

Such a softening of national purpose must not—must never—be the story of the American future.

Mr. LAMPSON. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. UDALL).

Mr. UDALL of Colorado. Mr. Speaker, I thank the gentleman for yielding me this time.

I join my colleagues in congratulating the gentleman from Texas (Mr. HALL) and the gentleman from Texas (Mr. LAMPSON) for bringing this important resolution to the floor.

As we have heard, 35 years ago today, the Apollo 11 mission landed on the Moon, and in that short 8-day mission we accomplished miraculous goals, and that mission has stood to inspire us for many years since.

I am also reminded that on the same date in the 1970s, the Viking Mars Lander, the first time we reached Mars, also in penetrating our solar system, July 20, holds a special significance for us.

As many of my colleagues have mentioned here, we have an opportunity now to rekindle that spirit, and that is certainly the intent, I think, of this resolution, as I look at my good friends from Texas. And I know that Buzz Aldrin and Michael Collins and Neil Armstrong together would say it is on our shoulders to reinvigorate and lead NASA into this new century. And I look forward, as I stand here today, to working with a bipartisan group in the House with the gentleman from New York (Chairman BOEHLERT) and the gentleman from Tennessee (Mr. GORDON), ranking member, with the NASA leadership, with the private sector, and with the public that has shown great interest to ratify a new vision for this century and to put the energy and the resources in place to implement that new vision.

□ 1645

That new vision can, like President Kennedy's challenge in 1961, begin a new age of space exploration, inspire our Nation's youth to pursue math, science and engineering and stimulate our U.S. aerospace industry and underline the fact that we are a great Nation that has shown leadership in many, many sectors, including this important area.

So again I want to join my colleagues in endorsing this very important resolution to honor the men and women who so gallantly have gone into outer space

Mr. HALL. Mr. Speaker, I yield 5 minutes to the gentleman from Ala-

bama (Mr. ADERHOLT), a member of the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, which oversees the Space Station, and one of the major leaders in the space thrust.

Mr. ADERHOLT. Mr. Speaker, I thank the gentleman from Texas for his leadership on this issue and for his leadership here in the Congress on this issue of space exploration for many years.

Today, it has already been mentioned that we celebrate the accomplishments of NASA's Apollo 11 mission. Of course, it was back in 1961 that President Kennedy challenged NASA to meet the goals of sending people to the Moon and back. It was an exciting day only 8 years later when Neil Armstrong, Buzz Aldrin and Michael Collins represented all Americans when the first human steps were taken on the Moon.

President Bush has issued a new challenge for NASA, the vision for space exploration. I wholeheartedly support NASA in this endeavor, and I encourage my colleagues to do the same. NASA is important to this country's economic well-being, and it inspires our children to dream of distant worlds that they may actually see in their lifetime. It may be one of our children or one of our grandchildren who take the first steps on Mars.

Although achieving the President's new vision may be some years in the future, we should all be aware of the many benefits and the spin-offs from NASA that reach all citizens of the United States, including those in each of our districts every day.

NASA-inspired communications satellites connect the world. Other NASA-launched satellites enable weather forecasters to track hurricanes, wildfires, volcanoes, and also assist emergency workers in those areas to prepare ahead in time of events that could have devastating impacts. The NASA power source used to separate the solid rocket boosters from the Space Shuttle is used in Lifeshears, a rescue tool which quickly cuts debris to free victims when they have been in accidents.

NASA has also made tremendous contributions to the medical field. NASA, technology first used to monitor the health of astronauts in space, has enabled health workers in today's hospitals to monitor many patients. One NASA researcher realized that his work study in small particles suspended in liquids could possibly help to detect cataracts, a condition that his father had suffered from. Now the instrument he designed is being adapted to identify other eye diseases, diabetes, and possibly even Alzheimer's.

Another NASA researcher, driven by his own hearing problem, used expertise that he had gained as an electronics instrumentation engineer at NASA's Kennedy Space Center to develop the Cochlear Implant. This device has restored hearing for thousands and allowed others born deaf to hear for the very first time.

A silicone chip originally developed for the Hubble Space Telescope makes breast cancer screening less painful, less expensive, and results in less scarring than the traditional biopsy.

If that is not enough for you to support NASA's budget, consider their dedication to the youth of this Nation. NASA-sponsored or cosponsored programs such as the Student Launch Initiative, the Annual Moonbuggy Race and the Team America Rocketry Challenge reach out directly to our young people and inspire them to look within themselves to invent, create, dream and strive for accomplishments.

NASA's Explorer Schools Programs have touched hundreds of minority and poverty-stricken communities to help educators in those systems with grants, materials, teaching guides and support for their math and science programs. NASA continues to benefit students even after they reach the college and university level through numerous grants, fellowships and programs.

Through these and other programs, NASA and Vision for Space Exploration will inspire this Nation's youth, motivating future generations to study math, science and engineering. The work these young people will aspire to assists them to reach dreams beyond their imagination. What better memorial could there be for the noble astronauts who have given their lives in pursuit of space and exploration than to create a brand-new generation of explorers and visionaries?

As I have detailed here, all citizens of the United States of America benefit in some way from NASA, whether from the thousands of jobs that were created in support of the programs, the commercial spin-offs from the research and technology developed, or by the impact of our young people through NASA's education initiative.

I hope my colleagues this afternoon will join me as we look forward to supporting NASA's budget for fiscal year 2005 and as we celebrate the 35th anniversary of the *Apollo* mission.

Mr. LAMPSON. Mr. Speaker, I yield 5 minutes to my friend the gentlewoman from Dallas, Texas (Ms. EDDIE BERNICE JOHNSON), another active member of the Committee on Science.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, allow me to thank the gentleman from Texas (Mr. LAMPSON) and the gentleman from Texas (Mr. HALL) for getting us to this point.

I rise in support of their resolution, H. Res. 1723, recognizing the 35th anniversary of the *Apollo 11* lunar landing. I am proud to be a cosponsor.

Apollo 11 was the first mission in which humans walked on the lunar surface and returned to Earth. On July 20, 1969, two astronauts, *Apollo 11* Commander Neil Armstrong, whom I saw on television this morning, and LM pilot Edwin E. "Buzz" Aldrin, Jr., landed in the Mare Tranquillitatis, the Sea of Tranquility, on the Moon in lunar module, while the Command and Service Module continued in lunar orbit.

During their stay on the Moon, the astronauts set up scientific experiments, took photographs and collected lunar samples. The lunar module took off from the Moon on July 21, and the astronauts returned to Earth on July 24.

The performance of the spacecraft was excellent throughout the mission. The primary mission goal of landing astronauts on the Moon and returning them to Earth was achieved.

The space exploration research program has been one of the most successful research programs in the history of this country. The space program has yielded many life-saving medical tests, accessibility advances for the physically challenged and products that make our lives more safe and enjoyable.

Specific technological advances made possible by space research include arteriosclerosis detection, ultrasound scanners, automatic insulin pumps, portable x-ray devices, invisible braces, dental arch wire, palate surgery technology, clean room apparel, the implantable heart aid, MRI, bone analyzer, and cataract surgery tools, to name some of them.

I also know that over 40 years ago, the foresight of persons that came along before us caused us to get into this type of research. We also owe those leaders some homage for their foresight, and I am hoping we will then have the foresight to continue this type of research.

Mr. HALL. Mr. Speaker, I yield the balance of my time to the gentleman from Florida (Mr. WELDON). Cape Canaveral is in his district. He is a long-time member of the Committee on Science and Subcommittee on Space, and is now a member of the Committee on Appropriations.

Mr. LAMPSON. Mr. Speaker, I yield 1 minute to the gentleman from Florida.

The SPEAKER pro tempore (Mr. KLINE). The gentleman from Florida (Mr. WELDON) is recognized for 4 minutes.

Mr. WELDON of Florida. Mr. Speaker, I am honored that the gentleman from Texas (Mr. HALL) would allow me the balance of the time, and thank the gentleman from Texas (Mr. LAMPSON) for yielding as well.

Today, July 20, marks the 35th anniversary of the historic *Apollo 11* lunar landing. President Kennedy set us on a race against the Soviet Union to land a man on the Moon and return them safely to Earth. America obviously rose to this challenge and succeeded beyond our expectations.

All Apollo missions were comprised of a crew of three men. *Apollo 11* had Mission Commander Neil Armstrong, Lunar Module Pilot Buzz Aldrin and Command Module Pilot Michael Collins. All three carried the hopes and prayers of a Nation on the greatest mission of exploration since the dawn of mankind.

The Apollo lunar mission comprised of three main components: the massive

Saturn 5 booster, the command module and the lunar module. The Saturn 5 was and still is the most powerful rocket ever built. At lift-off, it contained 5.6 million pounds of propellant. At 363 feet tall, the mighty Saturn 5 stood 60 feet taller than the Statue of Liberty. One of the Saturn 5's main engines was more powerful than 30 diesel locomotives. Take that, Superman.

On the morning of July 16, the *Apollo 11* Saturn 5 lifted off from Launch Complex 39A at the Kennedy Space Center with a total of 7.5 million pounds of thrust. Twelve minutes, later Armstrong, Aldrin and Collins were in Earth orbit and well on their way to the Moon.

After 1½ orbits, they broke away from Earth's gravity and Command Module *Columbia* and went off with the Lunar Lander Eagle on their great mission of exploration.

President Nixon at the time heralded the mission as the most historic week since creation. Apollo not only enabled manned exploration of the Moon, but enabled the construction and operation ultimately of America's first space station, Skylab.

The name of the command module was, of course, *Columbia*, the same name as our first Space Shuttle. In February of 2001 we lost *Columbia* and her brave crew. One of the findings of the Columbia Accident Review Board was that NASA needed a new overarching mission, much like it had during Apollo.

President Bush has agreed, and we now have a vision for NASA that calls for picking up the mantle of Apollo and returning Americans to the Moon. First, we will return the Space Shuttle to flight, complete the International Space Station, and once again break away from low Earth orbit and return to the Moon.

Today, with this resolution, we honor that great work of the past, and I am honored to be able to rise and speak in support of this legislation.

Mr. Speaker, I just want to share one additional thing. I practiced medicine for 15 years before I was elected to this position representing Florida's Space Coast, and one of the greatest honors and pleasures was to have the working people who made the Apollo program a success coming in to see me and the sense of tremendous pride they had in having been a part of that process.

So we here today are not just honoring Aldrin and Armstrong and Collins, but all the people at Johnson Space Center and Marshall Space Flight Center, the rank-and-file people.

I remember a great story. Once, I think it was President Johnson, asked a custodian at Johnson Space Center what he did, and he said, "I am putting a man on the Moon." We are acknowledging that great anniversary today.

Mr. LAMPSON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want to thank the gentleman from Texas (Mr. HALL) for sponsoring this bill and for allowing

me to join him and all of those who spoke.

The gentleman from Florida (Mr. WELDON) is so very right about the people who made this happen. When we sat here on Earth, I guess I can put it in the context of what is happening today.

When I come to this floor of the House of Representatives, it is such a magnificent thrill to me. I cannot imagine the thrill that it must have been to Neil, Buzz and Mike and all those other folks who went up there. When they were standing on the Moon, they took with them the hopes, the dreams, the breath of millions of Americans; not just the thousands who helped them get there, because it took a tremendous team to make it happen, but a little bit of piece of each one of us went up there with them.

We thank them for those feelings, we thank them for the magnificent advances to humankind that they gave to us. What a wonderful way to commemorate them.

Mr. Speaker, I urge passage of H.R. 723.

Mr. Speaker, I yield back the balance of my time.

Mr. DELAY. Mr. Speaker, at 10:56 p.m., Eastern Daylight Time, 35 years ago tonight, the United States achieved the greatest single feat of ingenuity in human history when Neil Armstrong stepped onto the surface of the moon.

In the three and a half decades that have passed since that awesome night, an entire generation of humanity has been born never knowing a time before the *Apollo 11* mission.

And while this is the necessary and proper way to human progress, those of us who remember staying up that night, glued to the living room television—our muscles tired from tension and fear and anticipation—we know what our children have missed.

In the last 35 years, space travel has been made—because of the brilliance and courage of NASA—into something seemingly almost routine. But those of us who were there 35 years ago know it is not—and never was—routine. Space exploration, then and now, represents the apex of humanity's quest for knowledge and of every obstacle standing between us and the unknown.

For thousands of years, mankind dreamed of what it would be like to fly birds, and then in less than 70, the people of Earth got from Kitty Hawk to the moon. "One giant leap" indeed.

Thirty-five years ago, the world stopped to watch and listen—to learn—as two men walked into history. Neil Armstrong, Buzz Aldrin, and Michael Collins command as much respect today as they did when they left their footprints on the lunar surface, and it is for us—we who remember—to not let those who do not, every forget.

A generation of Americans have been inspired by what they saw 35 years ago. What will our children remember of us 35 years from now? Will we have sought our great challenges, sought to take the next "giant leap for mankind"? Will we have dared mighty deeds to leave our own footprints on history?

There can be only one truly American answer to that question, and it was answered for all times by the men of *Apollo 11*.

Mr. CRAMER. Mr. Speaker, as we celebrate the 35th Anniversary of the *Apollo 11* mission this week, I rise to pay tribute to the achievements of the past, and to urge my colleagues to set our sights on the potential of the future.

The historic steps taken by Neil Armstrong and Buzz Aldrin 35 years ago will be remembered by future generations as one of the greatest accomplishments of the 20th Century. While these steps were taken on another world, they were born right here on Earth. That was an exciting time in my district in North Alabama, which is the home of NASA's Marshall Space Flight Center, and the von Braun rocket team. Wernher von Braun, Marshall's first Director, led the development of the roadmap for putting humans on the Moon. Through bold thinking, ingenious engineering, and a lot of good old-fashioned hard work, NASA's engineers and scientists built the colossal Saturn V—a rocket powerful enough to take our astronauts out of the tight grasps of Earth's gravity.

Apollo 11 established the U.S. as the world's leader in space and boosted our economy with technology and innovation. But the most important benefit realized from the *Apollo 11* moon landing may have been the effect it had on the children of that era—it inspired them—us—to dream—to reach for the stars. Like generations before, those who come after us have an inherent desire to explore the unknown.

It is appropriate during this special week for us to give consideration to the future of space exploration, which has been put before us in NASA's new space exploration vision. It begins with the return to flight of the Space Shuttle, and the completion of the ISS as a unique scientific laboratory. It includes the robotic exploration of our solar system and the universe beyond. And it includes the extending of human exploration beyond Earth's orbit—first to the Moon, and then ultimately onto Mars.

To be sure, realizing such a vision will require advances in space transportation systems. But advances in transportation have always opened new frontiers for our civilization. Examples include the first ocean-crossing ships of the New World explorers, the stage coaches and trails of the Great American West, the first transcontinental steam locomotives, the first automobiles off the assembly line, the flight of the Wright Brothers, and the historic escape of the Earth's gravity by the Apollo program. During the era, each of these advances required valuable resources and an unusually high degree of risk-taking, but the return on investment, unpredictable at the time, turned out to be tremendous. Each of these advances would ultimately change the very fabric of our society.

Mr. Speaker, I would also like to take a few seconds to highlight some results from a Gallup poll on Space Exploration that was just released yesterday.

According to this Gallup poll, over two-thirds of the respondents are interested in America's space program, and only 11% were not interested at all. A majority of the adults surveyed—68%—agree that it is important for the Nation to have a space program that uses both human and robotic exploration. Almost two-thirds of the adults surveyed believe that space exploration should be funded at or above the current level. And 68% of the public supports the space exploration vision, at the funding level of 1% of the Federal budget.

So you see that while we stand here today to honor the epic accomplishments of the past, Americans look forward to realizing the great achievements of the future. Mr. Speaker, I close by extending my congratulations to the many people across our Nation who had a hand in that historic mission 35 years ago.

Today, as Americans, we remember *Apollo's* race to the Moon with pride, wonder, and awe. And we look forward to many more missions of extraordinary achievement and discovery from our Nation's space program.

Mr. OXLEY. Mr. Speaker, I rise today to remember the *Apollo 11* mission and honor a native of the 4th district of Ohio, Neil Armstrong. As mission commander, Armstrong was first to step on the lunar surface at 10:56 p.m., EDT on July 20, 1969. His immortal words—"That is one small step for man, one giant leap for mankind"—will resonate in our hearts and minds forever.

Neil Alden Armstrong took his first steps in Wapakoneta, Ohio. Born to Stephen and Viola Armstrong, Neil developed an early interest in flying. At age six, he took his first airplane ride in Warren, Ohio in a Ford Tri-Motor plane nicknamed the "Tin Goose". He began taking flying lessons at the age of fifteen and had his student pilot's license before graduating from Blume High School in 1947.

While in college at Purdue University, he was called up for active duty in the Navy and was sent to Korea as an aviator. During the war, he flew seventy-eight combat missions from the aircraft carrier USS Essex. Following the war, Armstrong joined the National Advisory Committee for Aeronautics and was sent to the Lewis Research Center near Cleveland, Ohio (today the Glenn Research Center) where he was an engineer and test pilot. At Lewis and later at NASA's Flight Research Center in Edwards, California, Armstrong flew over 200 different models of aircraft while pursuing a master of science degree in aerospace engineering from the University of Southern California.

In 1962, Armstrong was transferred to astronaut status and moved to El Lago, Texas, where he underwent four years of training for the Apollo program. He commanded his first space mission as pilot for *Gemini VII*, but his most famous mission came when *Apollo 11* launched on July 16, 1969. Armstrong and the two other astronauts, "Buzz" Aldrin and Michael Collins, spent eight days in space and 2½ hours on the Moon's surface.

For his work as an astronaut, Armstrong received the Medal of Freedom, the NASA Distinguished Service Medal, the NASA Exceptional Service Medal, and the Congressional Space Medal of Honor. Neil Armstrong went where no one had gone before and helped our Nation become the leader in space exploration. This man from rural Ohio paved the way for generations to continue to explore and dream of the far reaches of our universe. As our Nation embarks on future space travels, we need to take time to honor those explorers who carved out a new path for us to follow.

□ 1700

The SPEAKER pro tempore (Mr. KLINE). The question is on the motion offered by the gentleman from Texas (Mr. HALL) that the House suspend the rules and agree to the resolution, H. Res. 723.

The question was taken.

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

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

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. HALL. 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. Res. 723, the resolution just considered.

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

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2443, COAST GUARD MARITIME TRANSPORTATION ACT FOR 2004

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108-618) on the resolution (H. Res. 730) waiving points of order against the conference report to accompany the bill (H.R. 2443) to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes, which was referred to the House Calendar and ordered to be printed.

DEPARTMENT OF HOMELAND SECURITY FINANCIAL ACCOUNTABILITY ACT

Mr. PLATTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4259) to amend title 31, United States Code, to improve the financial accountability requirements applicable to the Department of Homeland Security, to establish requirements for the Future Years Homeland Security Program of the Department, and for other purposes.

The Clerk read as follows:

H.R. 4259

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 "Department of Homeland Security Financial Accountability Act".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Influential financial management leadership is of vital importance to the mission success of the Department of Homeland Security. For this reason, the Chief Financial Officer of the Department must be a key figure in the Department's management.

(2) To provide a sound financial leadership structure, the provisions of law enacted by

the Chief Financial Officers Act of 1990 (Public Law 101-576) provide that the Chief Financial Officer of each of the Federal executive departments is to be a Presidential appointee who reports directly to the Secretary of that department on financial management matters. Because the Department of Homeland Security was only recently created, the provisions enacted by that Act must be amended to include the Department within these provisions.

(3) The Department of Homeland Security was created by consolidation of 22 separate Federal agencies, each with its own accounting and financial management system. None of these systems was developed with a view to executing the mission of the Department of Homeland Security to prevent terrorist attacks within the United States, reduce the Nation's vulnerability to terrorism, and minimize the damage and assist in the recovery from terrorist attacks. For these reasons, a strong Chief Financial Officer is needed within the Department both to consolidate financial management operations, and to insure that management control systems are comprehensively designed to achieve the mission and execute the strategy of the Department.

(4) The provisions of law enacted by the Chief Financial Officers Act of 1990 require agency Chief Financial Officers to improve the financial information available to agency managers and the Congress. Those provisions also specify that agency financial management systems must provide for the systematic measurement of performance. In the case of the Department of Homeland Security, therefore, it is vitally important that management control systems be designed with a clear view of a homeland security strategy, including the priorities of the Department in addressing those risks of terrorism deemed most significant based upon a comprehensive assessment of potential threats, vulnerabilities, criticality, and consequences. For this reason, Federal law should be amended to clearly state the responsibilities of the Chief Financial Officer of the Department of Homeland Security to provide management control information, for the benefit of managers within the Department and to help inform the Congress, that permits an assessment of the Department's performance in executing a homeland security strategy.

SEC. 3. CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.

(a) IN GENERAL.—Section 901(b)(1) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (G) through (P) as subparagraphs (H) through (Q), respectively; and

(2) by inserting after subparagraph (F) the following:

“(G) The Department of Homeland Security.”.

(b) APPOINTMENT OR DESIGNATION OF CFO.—The President shall appoint or designate a Chief Financial Officer of the Department of Homeland Security under the amendment made by subsection (a) by not later than 180 days after the date of the enactment of this Act.

(c) CONTINUED SERVICE OF CURRENT OFFICIAL.—An individual serving as Chief Financial Officer of the Department of Homeland Security immediately before the enactment of this Act, or another person who is appointed to replace such an individual in an acting capacity after the enactment of this Act, may continue to serve in that position until the date of the confirmation or designation, as applicable (under section 901(a)(1)(B) of title 31, United States Code), of a successor under the amendment made by subsection (a).

(d) CONFORMING AMENDMENTS.—

(1) HOMELAND SECURITY ACT OF 2002.—The Homeland Security Act of 2002 (Public Law 107-296) is amended—

(A) in section 103 (6 U.S.C. 113)—

(i) in subsection (d) by striking paragraph (4), and redesignating paragraph (5) as paragraph (4);

(ii) by redesignating subsection (e) as subsection (f); and

(iii) by inserting after subsection (d) the following:

“(e) CHIEF FINANCIAL OFFICER.—There shall be in the Department a Chief Financial Officer, as provided in chapter 9 of title 31, United States Code.”; and

(B) in section 702 (6 U.S.C. 342) by striking “shall report” and all that follows through the period and inserting “shall perform functions as specified in chapter 9 of title 31, United States Code, and, with respect to all such functions and other responsibilities that may be assigned to the Chief Financial Officer from time to time, shall also report to the Under Secretary for Management.”.

(2) FEMA.—Section 901(b)(2) of title 31, United States Code, is amended by striking subparagraph (B), and by redesignating subparagraphs (C) through (H) in order as subparagraphs (B) through (G).

SEC. 4. FUNCTIONS OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF HOMELAND SECURITY.

(a) PERFORMANCE AND ACCOUNTABILITY REPORTS.—Section 3516 of title 31, United States Code, is amended by adding at the end the following:

“(f) The Secretary of Homeland Security—
“(1) shall for each fiscal year submit a performance and accountability report under subsection (a) that incorporates the program performance report under section 1116 of this title for the Department of Homeland Security;

“(2) shall include in each performance and accountability report an audit opinion of the Department's internal controls over its financial reporting; and

“(3) shall design and implement Department-wide management controls that—

“(A) reflect the most recent homeland security strategy developed pursuant to section 874(b)(2) of the Homeland Security Act of 2002; and

“(B) permit assessment, by the Congress and by managers within the Department, of the Department's performance in executing such strategy.”.

(b) IMPLEMENTATION OF AUDIT OPINION REQUIREMENT.—The Secretary of Homeland Security shall include audit opinions in performance and accountability reports under section 3516(f) of title 31, United States Code, as amended by subsection (a), only for fiscal years after fiscal year 2005.

(c) ASSERTION OF INTERNAL CONTROLS.—The Secretary of Homeland Security shall include in the performance and accountability report for fiscal year 2005 submitted by the Secretary under section 3516(f) of title 31, United States Code, an assertion of the internal controls that apply to financial reporting by the Department of Homeland Security.

(d) AUDIT OPINIONS OF INTERNAL CONTROLS OVER FINANCIAL REPORTING BY CHIEF FINANCIAL OFFICER AGENCIES.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Chief Financial Officers Council and the President's Council on Integrity and Efficiency established by Executive Order 12805 of May 11, 1992, shall jointly conduct a study of the potential costs and benefits of requiring the agencies listed in section 901(b) of title 31, United States Code, to obtain audit opinions of their internal controls over their financial reporting.

(2) REPORT.—Upon completion of the study under paragraph (1), the Chief Financial Officers Council and the President's Council on Integrity and Efficiency shall promptly submit a report on the results of the study to the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Comptroller General of the United States.

(3) GENERAL ACCOUNTING OFFICE ANALYSIS.—Not later than 90 days after receiving the report under paragraph (2), the Comptroller General shall perform an analysis of the information provided in the report and report the findings of the analysis to the committees referred to in paragraph (2).

SEC. 5. FUTURE YEARS HOMELAND SECURITY PROGRAM AND HOMELAND SECURITY STRATEGY.

Section 874 of the Homeland Security Act of 2002 (6 U.S.C. 112) is amended by striking subsection (b) and inserting the following:

“(b) CONTENTS.—The Future Years Homeland Security Program under subsection (a) shall—

“(1) include the same type of information, organizational structure, and level of detail as the future years defense program submitted to Congress by the Secretary of Defense under section 221 of title 10, United States Code;

“(2) set forth the homeland security strategy of the Department, which shall be developed and updated as appropriate annually by the Secretary, that was used to develop program planning guidance for the Future Years Homeland Security Program; and

“(3) include an explanation of how the resource allocations included in the Future Years Homeland Security Program correlate to the homeland security strategy set forth under paragraph (2).”.

SEC. 6. ESTABLISHMENT OF OFFICE OF PROGRAM ANALYSIS AND EVALUATION.

Section 702 of the Homeland Security Act of 2002 (6 U.S.C. 342) is amended by—

(1) inserting “(a) In General.—” before the first sentence; and

(2) adding at the end the following:

“(b) PROGRAM ANALYSIS AND EVALUATION FUNCTION.—

“(1) ESTABLISHMENT OF OFFICE OF PROGRAM ANALYSIS AND EVALUATION.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall establish an Office of Program Analysis and Evaluation within the Department (in this section referred to as the ‘Office’).

“(2) RESPONSIBILITIES.—The Office shall perform the following functions:

“(A) Analyze and evaluate plans, programs, and budgets of the Department in relation to United States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

“(B) Develop and perform analyses and evaluations of alternative plans, programs, personnel levels, and budget submissions for the Department in relation to United States homeland security objectives, projected threats, vulnerability assessments, estimated costs, resource constraints, and the most recent homeland security strategy developed pursuant to section 874(b)(2).

“(C) Establish policies for, and oversee the integration of, the planning, programming, and budgeting system of the Department.

“(D) Review and ensure that the Department meets performance-based budget requirements established by the Office of Management and Budget.

“(E) Provide guidance for, and oversee the development of, the Future Years Homeland

Security Program of the Department, as specified under section 874.

“(F) Ensure that the costs of Department programs, including classified programs, are presented accurately and completely.

“(G) Oversee the preparation of the annual performance plan for the Department and the program and performance section of the annual report on program performance for the Department, consistent with sections 1115 and 1116, respectively, of title 31, United States Code.

“(H) Provide leadership in developing and promoting improved analytical tools and methods for analyzing homeland security planning and the allocation of resources.

“(I) Any other responsibilities delegated by the Secretary consistent with an effective program analysis and evaluation function.

“(3) DIRECTOR OF PROGRAM ANALYSIS AND EVALUATION.—There shall be a Director of Program Analysis and Evaluation, who—

“(A) shall be a principal staff assistant to the Chief Financial Officer of the Department for program analysis and evaluation; and

“(B) shall report to an official no lower than the Chief Financial Officer.

“(4) REORGANIZATION.—

“(A) IN GENERAL.—The Secretary may allocate or reallocate the functions of the Office, or discontinue the Office, in accordance with section 872(a).

“(B) EXEMPTION FROM LIMITATIONS.—Section 872(b) shall not apply to any action by the Secretary under this paragraph.”

SEC. 7. NOTIFICATION REGARDING TRANSFER OR REPROGRAMMING OF FUNDS FOR DEPARTMENT OF HOMELAND SECURITY.

Section 702 of the Homeland Security Act of 2002 (6 U.S.C. 342) is further amended by adding at the end the following:

“(C) NOTIFICATION REGARDING TRANSFER OR REPROGRAMMING OF FUNDS.—In any case in which appropriations available to the Department or any officer of the Department are transferred or reprogrammed and notice of such transfer or reprogramming is submitted to the Congress (including any officer, office, or Committee of the Congress), the Chief Financial Officer of the Department shall simultaneously submit such notice to the Select Committee on Homeland Security (or any successor to the jurisdiction of that committee) and the Committee on Government Reform of the House of Representatives, and to the Committee on Governmental Affairs of the Senate.”

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentleman from Pennsylvania (Mr. PLATTS) and the gentleman from New York (Mr. TOWNS) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. PLATTS).

GENERAL LEAVE

Mr. PLATTS. Madam 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. 4259.

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

There was no objection.

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

Madam Speaker, I rise today in strong support of H.R. 4259, the Department of Homeland Security Financial

Accountability Act. This legislation, which I introduced in May 2004, along with the chairman of the Committee on Government Reform, the gentleman from Virginia (Mr. TOM DAVIS); the ranking member, the gentleman from California (Mr. WAXMAN); the chairman of the Select Committee on Homeland Security, the gentleman from New Jersey (Mr. COX); the ranking member of the Select Committee on Homeland Security, the gentleman from Texas (Mr. TURNER); the gentleman from New York (Mr. TOWNS); and the gentleman from Tennessee (Mrs. BLACKBURN), represents a compromise between the House Committee on Government Reform and the House Select Committee on Homeland Security.

Essentially, H.R. 4259 replaces H.R. 2886, which was reported by the House Committee on Government Reform in November of 2003. This latest version, H.R. 4259, was introduced to incorporate key changes requested by the minority and the Select Committee on Homeland Security.

Madam Speaker, let me provide a brief history of this important legislation. On July 24 of last year, I, along with the gentleman from Virginia (Chairman TOM DAVIS), the gentleman from California (Ranking Member WAXMAN), the gentleman from New York (Mr. TOWNS), and the gentleman from Tennessee (Mrs. BLACKBURN), introduced the original H.R. 2886 to ensure that the Department of Homeland Security is subject to the same financial accountability requirements as all other Cabinet-level Departments.

This bill, and the one before us today, codifies a structure for sound financial management that is mandatory, not optional, for future administrations. H.R. 4259, like its predecessor, achieves this goal by adding the Department of Homeland Security to the list of agencies that are covered by the CFO Act of 1990.

H.R. 4259 puts the Department of Homeland Security's Chief Financial Officer on the same footing as the CFOs at the rest of the Cabinet-level Departments by ensuring that the Department's CFO is a Presidential appointee subject to Senate confirmation, reports directly to the Secretary of the Department, and is part of the statutorily created Chief Financial Officer's Council.

In addition, the bill ensures that the Department will comply with the Federal Financial Management Improvement Act of 1996, which establishes important financial management systems requirements for the CFO Act agencies.

Additionally, this legislation requires an opinion-level audit of the Department's internal controls. Currently, OMB guidance requires a report on internal controls in conjunction with annual financial audits. Having an auditor issue an opinion on the internal controls report would help uncover inherent weaknesses and address problems as business practices are

being established, before they become ingrained. Strong internal controls are essential to sound financial management.

H.R. 4259 incorporates a number of important changes requested by the gentleman from California (Ranking Member WAXMAN) as well as the Select Committee on Homeland Security. Most notably, H.R. 4259 alters the reporting structure for the Department of Homeland Security Chief Financial Officer to allow for dual reporting to both the Secretary and the Under Secretary for Management. It also provides for the establishment of an Office of Program Analysis and Evaluation. It requires a Future Years Homeland Security Program and Homeland Security Strategy. The new bill also delays a requirement for the Department's internal control audit until fiscal year 2006.

H.R. 4259 retains key provisions from the original bill, H.R. 2886, as introduced, including the requirement that the CFO at DHS be appointed by the President and confirmed by the Senate. The newness, size, and mission of the Department of Homeland Security calls for more accountability and oversight, not less.

At present, DHS is the only Cabinet-level Department whose CFO is not required to be Senate confirmed. This unique status demotes both the CFO position and the importance of financial management within the Department. Now is not the time to dilute the importance of the CFO position, and we should not require less financial accountability at DHS than we do at other Cabinet-level Departments.

This Department faces many daunting challenges, and these challenges will require strong leadership and a commitment from top-level management to overcome. Financial management at DHS must be of the highest priority. The legislation before the Congress today ensures that it is such a priority.

Madam Speaker, it is important to note that under the leadership of President George Bush and Department Secretary Tom Ridge, my fellow Pennsylvanian, the Department has shown a determination to be fiscally responsible, and they are to be applauded for this approach. I want to emphasize that, although they are not required to comply with the CFO Act, they have made a determined effort to do so and are setting a good example. What we are trying to do is make sure that is a permanent example followed by future administrations.

Future administrations are not bound by law, as I said, to follow this same path of fiscal responsibility. This bill rectifies that situation by codifying compliance with the provisions of the CFO Act. I urge my colleagues to support H.R. 4259.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, let me begin by commending both the gentleman from Virginia (Chairman TOM DAVIS); the gentleman from Pennsylvania (Mr. PLATTS), the chairman of the subcommittee; and the gentleman from California (Mr. WAXMAN), the ranking member, for their tireless efforts in forging a consensus for H.R. 4259, the Department of Homeland Security Financial Accountability Act, of which I am a proud cosponsor. Our work today will move us one step closer to ensuring that the critical resources utilized for protecting our Nation will finally have an appropriate level of management and oversight.

In an era of soaring Federal deficits, along with challenges in managing a dynamic workforce from distinct legacy agencies, the exemption of DHS's CFO from the requirements of all other Cabinet-level CFOs is irresponsible. Therefore, I am happy to say that the bill before us today is a well-crafted compromise forged after months of negotiation and deliberative discussions. There are several key provisions contained in this legislation. Most importantly, however, the bill amends the Chief Financial Officers Act of 1990 to include the Department of Homeland Security, ensuring that the DHS CFO is subject to the same reporting requirements, oversight responsibilities, and congressional scrutiny required for all major Cabinet-level positions. The CFO is in the executive branch.

Through thoughtful analysis and consideration, there have been several significant improvements made to this legislation, which I am happy have occurred. These include a provision requiring the CFO to be a Presidential appointee subject to Senate confirmation. The specific language would require the CFO to report directly to the Secretary of Homeland Security, and authorization for the DHS CFO to become part of the statutorily created CFO Council. To address the need for stronger fiscal oversight, the bill requires DHS to annually review its internal financial controls, ensuring that agency standards for financial management and accountability remain intact.

By adding these provisions to the bill, we are strengthening the accountability, management, and oversight responsibilities of the new Department. As we all recognize, Madam Speaker, the establishment of the Department of Homeland Security was an unprecedented effort by Congress to increase our Nation's preparedness and responsiveness to domestic security threats. The Department is one of the largest in the Federal Government, consisting of 22 legacy agencies, and has perhaps the most important mission of any Federal agency as we struggle to counteract new threats to our domestic security.

To conclude, this is a necessary step forward if we are to develop an efficient and effective agency that is ready to achieve its purpose of protecting our citizens, infrastructure, and borders. I urge my colleagues to support this bill.

Madam Speaker, I reserve the balance of my time.

Mr. PLATTS. Madam Speaker, I yield myself such time as I may consume to just thank our ranking member, the distinguished gentleman from New York (Mr. TOWNS), for his work and his staff's work with me and our subcommittee staff on the majority side. It has certainly been a bipartisan effort, and I am grateful for his assistance.

Madam Speaker, I urge all Members to support the passage of H.R. 4259, the Department of Homeland Security Financial Accountability Act, and I yield back the balance of my time.

Mr. TOWNS. Madam Speaker, I yield myself such time as I may consume to thank the chairman of the subcommittee for his outstanding work in terms of bringing about a coalition to be able to work out some of the disagreements that we had, to be able to come up, I think, with a very strong bill. So I would like to salute him for that. I would like to salute the staff on both sides, the Democratic side and the Republican side, for their hard work as well.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. PLATTS) that the House suspend the rules and pass the bill, H.R. 4259.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

BOB MICHEL DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4608) to name the Department of Veterans Affairs outpatient clinic located in Peoria, Illinois, as the "Bob Michel Department of Veterans Affairs Outpatient Clinic".

The Clerk read as follows:

H.R. 4608

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

SECTION 1. NAME OF DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC, PEORIA, ILLINOIS.

The Department of Veterans Affairs outpatient clinic located in Peoria, Illinois, shall after the date of the enactment of this Act be known and designated as the "Bob Michel Department of Veterans Affairs Outpatient Clinic". Any reference to such outpatient clinic in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Bob Michel Department of Veterans Affairs Outpatient Clinic.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Maine (Mr. MICHAUD) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the chief sponsor of this very important resolution, the gentleman from Illinois (Mr. LAHOOD).

Mr. LAHOOD. Madam Speaker, I thank the gentleman for yielding me this time. I appreciate the work of the Committee on Veterans' Affairs in expediting this and also the majority leader's office.

Madam Speaker, I am honored to rise today to express my strong support for H.R. 4608, legislation that would name the Department of Veterans Affairs Outpatient Clinic in Peoria, Illinois, after Bob Michel, the former Republican leader of the House of Representatives.

□ 1715

This year, as we mark the 60th anniversary of D-Day, we as a Nation are taking the time to reflect on those members of the greatest generation who served our country during World War II. Bob Michel is one of those heroes. As a member of the 39th Infantry, he served in England, France, Belgium and Germany. He fought from the beaches of Normandy to the Battle of the Bulge, where he was wounded by machine gun fire. His service earned him the Purple Heart, two Bronze Stars and four Battle Stars.

After the war, Bob Michel continued his service to our country and to our community, first as a congressional staffer, then as a Member of this House for 38 distinguished years.

He served 6 years as the minority whip and 15 years as the Republican leader, the longest-serving Republican leader in the history of the House of Representatives. During his career, he never forgot about those who served with him in World War II and those who served in uniform after him in peacetime and conflicts that followed.

He knows firsthand the sacrifice veterans have made for our country, so he was instrumental in gaining funding that established the VA clinic in Peoria, Illinois, in 1979, a source of care and comfort for thousands of veterans throughout central Illinois. In 2003, there were more than 42,000 visits to the Peoria clinic.

Respect for Bob Michel is certainly widespread. In 1989, President Reagan awarded the Presidential Citizens Award Medal, which recognizes individuals who performed exemplary deeds for their country and fellow citizens, to then minority leader Bob Michel.

In 1994, President Clinton honored Mr. Michel with the Presidential Medal of Freedom, the Nation's highest civilian award. In 2003, Mr. Michel became one of the first recipients of the Congressional Distinguished Service Award presented to him by the gentleman from Illinois (Speaker HASTERT), and in June of this year, Mr. Michel returned to France with the gentleman from Illinois (Speaker HASTERT) and was one

of only 100 people to become a Knight of the Legion of Honor, one of the highest honors paid by the French Government to a noncitizen.

Bob Michel, a member of the American Legion, the Veterans of Foreign Wars, AMVETS, the Distinguished American Veterans and the Military Order of the Purple Heart, continues to be an example of patriotism and the exemplary public service to which we all aspire. I am honored to call him my mentor and my friend of more than 20 years, and I know many in this House, both staff and fellow Members alike, share these feelings with me.

On the top of many other accolades and honors, I can think of no better way to honor his lifetime of public service than to add his name to a facility that serves other patriots during their time of need. So I urge my colleagues today to help honor Bob Michel by designating the veterans clinic in Peoria, Illinois, as the Bob Michel Department of Veterans Affairs Outpatient Clinic.

I want to particularly thank the gentleman from New Jersey (Chairman SMITH), and as I said, the majority leader's office, the staff on both sides of the Committee on Veterans' Affairs for so quickly taking action on this legislation, and I urge passage.

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

Madam Speaker, I rise in support of H.R. 4608, a bill introduced by a former member of the Committee on Veterans' Affairs, the gentleman from Illinois (Mr. LAHOOD) to rename the Peoria, Illinois, VA clinic after former Congressman Bob Michel. For 2 decades, Congressman Michel served Peoria as a Member of this body. In the last 6 years of his tenure, he was elected to serve as minority leader, a post he maintained until his retirement in 1995.

While I missed the opportunity to work directly with Congressman Michel, I understand he was an effective and highly respected leader who worked well with both sides of the aisle. He is remembered here for expert political insight, a congenial manner and being a true gentleman. I hope all Members will join me in supporting this bill.

Madam Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Let me urge all of my colleagues to vote for H.R. 4608, offered by my good friend and colleague, the gentleman from Illinois (Mr. LAHOOD), which would name the outpatient clinic in Peoria after the very distinguished former minority leader, Bob Michel. I cannot think of a person more deserving of this honor.

Bob Michel had an illustrious career as a Member of this body for 38 years. Having been elected in the 85th Congress, Bob was the minority leader for

14 years of his time here. Prior to that, he was the whip for three Congresses.

Madam Speaker, aside from his political career, which was outlined by the gentleman from Illinois (Mr. LAHOOD), Bob Michel was a distinguished veteran of World War II. Our colleague, the gentleman from Illinois (Mr. LAHOOD) talked about that, and for those of us who serve on the Committee on Veterans' Affairs, we look at a guy like Bob Michel and say, he is the quintessential veteran. He is a guy that served honorably, rarely talks about it, was honored by our country for his valor, and for his suffering with a Purple Heart, and he is a real example of the greatest generation.

He continues to give and to give mightily. Bob set an example as minority leader of statesmanship and civility in both his words and his actions. He taught those of us who were fortunate enough to serve with him, and I was elected in the 97th Congress, that one can disagree without being disagreeable, and that life in politics can and should be balanced with outside interests and pursuits.

Bob Michel was a patriot in all of the meaning that that word has. He was an outstanding Member of Congress, and I salute his fearless leadership, his long service and I salute him for his humility, something you do not hear about too often in this place. He could do great deeds, and he was the last person who would ever tell you about it.

He was just a tremendous human being, and is a tremendous human being, and this, plus all of the other accolades that he gets and should get, is just one more that says, "Bob, we love you, we thank you for your service, and you deserve this."

Again, I want to thank the gentleman from Illinois (Mr. LAHOOD) for his sensitivity and his foresight in naming this outpatient clinic in honor of our very distinguished former leader, Bob Michel.

Mr. MICHAUD. Madam Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. EVANS) who has continually fought for veterans' issues.

Mr. EVANS. Madam Speaker, I am proud to have served with Bob Michel. In the 1980s he represented the greater Peoria region, and the Peoria clinic serves many of my constituents in Fulton and Knox Counties.

Bob Michel is a rare breed in today's Congress. He knew the art of compromise well. He worked well with Members on both sides of the aisle, was a worthy adversary on the floor, but forgot about the battles once he was out of the Chamber. He was really everybody's friend here. He worked with Members on both sides, and most importantly, he played fair. This is a fitting tribute to a former colleague and friend.

We have a lot of good memories of Bob, and my good friend, the gentleman from Illinois (Mr. LAHOOD) has done an excellent job of filling his shoes. I want to thank him for bringing

this legislation to the floor and I thank the chairman for your tribute.

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Madam Speaker, I thank my chairman for yielding me the time.

It is my great privilege to rise this afternoon as the House considers H.R. 4608, a bill to name the Peoria, Illinois, Department of Veterans' Affairs Outpatient Clinic for Bob Michel, a great statesman and former minority leader in this very body.

Much has been said and much more will be said today about Bob Michael's valiant military service, about his service to God and country above self and about his contributions as minority leader of this great body.

After spending the 60th anniversary of D-Day with Leader Michel on the shores of Utah Beach, he was there on D-Day plus four, I cannot think of a better way to reflect upon this great patriot's leadership than through his own words. Bob Michel understands that a strong national defense and the sacrifices necessary in order to reach and maintain it are fundamental to this Nation's greatness.

I reflect on a speech from Memorial Day 1992 at Washington, Illinois, where he said, "We cannot afford to go through that old American three-step dance with national defense. It goes like this: In time of danger, unity. In time of victory, euphoria. And in time of peace, amnesia. We just forgot what the world is like, and we think that peace is just given to you. Well, it is not given. It has to be won by sacrifice, by vigilance, by courage. Each generation has to be prepared to do the job."

These words are of particular value to the generation at war today, and we can find guidance in a 1993 Washington Times article in which Leader Michel spoke of the need to have government that is at once limited and strong. "Government is not the enemy. Wasteful government, intrusive government, irresponsible government, corrupt government is the enemy. The people of the United States are not happy with the government when it does not work well, but make no mistake about it, Americans from the beginning have realized that the government system left to us by the Founding Fathers is the best in all the world."

Well, this statement could very well have been made by one of my constituents in the Florida panhandle who sent me here to represent the very same ideals. Leader Michel held himself to the highest standards of integrity and expected the same from his House colleagues.

To the New York Times in 1988, he said, "In over 30 years as a Member of this institution, I have kept my word, and I expect others to do the very same."

There is a lesson in those words for every public servant. As minority leader, Bob Michel never forgot who sent

him to Washington or what they sent him here to do. To a newspaper back home in 1987, he said, "I have come to learn that leadership does not mean two hoots in hell to most folks back home if it tends to distract you in any way from your primary concern for them." I think most Americans would agree today.

In a speech before the Illinois State Convention of AMVETS in 1956, this veteran who served with the 39th Infantry Regiment as a combat infantryman in England, France, Belgium and Germany for nearly 10 years was wounded by machine gun fire and subsequently awarded two Bronze Stars, the Purple Heart and four Battle Stars, said this, "As veterans of World War II and Korea, the awful imprint of those conflicts is still fresh on our minds, and no one appreciates more than we that we are at peace today. Just as the fate of our country and the freedom-loving nations rested on our shoulders in time of war, so are we obliged to shoulder the responsibilities of establishing and preserving a lasting peace."

Madam Speaker, I commend my colleague, the gentleman from Illinois (Mr. LAHOOD), for introducing this measure. It is my hope that upon its passage, the Senate will act swiftly so we can get on with providing this tribute to the service and life of a man who has done so much, not only for the Land of Lincoln, but for the man whose valiant military service, conservative leadership and steadfast commitment to traditional American values have helped reshape this Nation; and I urge my colleagues to support this measure, a befitting recognition of the legacy of this man who has borne the fate of this country and freedom-loving nations upon his shoulders.

Madam Speaker, it is very richly deserved.

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Madam Speaker, I thank very much my colleague for yielding me time.

I come to the floor to express my deep appreciation for the House's recognition of our colleague, former Member of the House and Republican Leader, Robert Michel, as the House goes about naming a veterans medical clinic after Robert H. Michel, a fabulous Member of the House who reflects much of that which is the best of this place.

He was a Member of the House who for many years served as the minority leader during much of the time that I was a member of that caucus. As he carried forward that responsibility, he also carried forward some of the most important qualities of leadership in this House. He absolutely recognized that beyond the policy work that we do, that friendship on both sides of the aisle was fundamental to our success. And Bob Michel understood that as we walked away from the Chamber, we

could be friends. And time and time again, he demonstrated the value of that because he was able to accomplish things as minority leader that all too often these days we find not getting accomplished.

But, indeed, more important than all of that, Bob Michel represented his people in Illinois in a way like few ever have. He is a fabulous person and to have a medical clinic named after him is very, very appropriate, but particularly appropriate in this sense. It is a part of the past history, but at one time I had the privilege as serving as chairman of the subcommittee that handles veterans affairs and medical care problems. We all know that we are all very proud of the amount of money that we are, from time to time, able to get appropriated for veterans services. All too seldom, however, are the people who work here in an organized sense on behalf of veterans, all too seldom are they willing to go down to the communities where those services are actually delivered.

We have known for a long, long time that the big hospitals too often are too far away from where the services are needed, and too often the VSOs do not worry too much about whether the veterans are getting the service they need at home.

These medical clinics are designed to recognize that the huge hospital of the past is not necessarily the best way to deliver service in a local community either today or in the future. So this medical clinic as a part of the VA system appropriately reflects the changing demands and needs for medical services for our veterans; but most importantly in this instance, we recognize the fabulous service and the understanding of veterans' needs exhibited by our colleague, Bob Michel.

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

Mr. SMITH of New Jersey. Madam Speaker, we have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 4608.

The question was taken.

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

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

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. LAHOOD. Madam Speaker, I ask unanimous consent that all Members

have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4608.

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

There was no objection.

PRINCIPAL OFFICE OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS AND SENSE OF CONGRESS REGARDING NEW VETERANS COURTHOUSE AND JUSTICE CENTER

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3936) to amend title 38, United States Code, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, D.C., metropolitan area, rather than only in the District of Columbia, and expressing the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for that Court and those it serves and should be located, if feasible, at a site owned by the United States that is part of or proximate to the Pentagon Reservation, and for other purposes.

The Clerk read as follows:

H.R. 3936

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

SECTION 1. PRINCIPAL OFFICE OF UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS.

Section 7255 of title 38, United States Code, is amended by striking "District of Columbia" and inserting "Washington, D.C., metropolitan area".

SEC. 2. FINDINGS AND SENSE OF CONGRESS REGARDING NEW VETERANS COURTHOUSE AND JUSTICE CENTER.

(a) FINDINGS.—Congress makes the following findings:

(1) Every Article I court of the United States other than the United States Court of Appeals for Veterans Claims is located in a dedicated courthouse.

(2) The United States Court of Appeals for Veterans Claims has since its creation in 1988 been located in a commercial office building in the District of Columbia.

(3) That court should be housed in a dedicated courthouse, as are all other Article I courts.

(4) A dedicated courthouse for that court constituting a Veterans Courthouse and Justice Center would express the gratitude and respect of the Nation for the sacrifices of those serving and those who have served in the Armed Forces, and their families.

(5) Location of such a courthouse and judicial center in an area proximate to the Pentagon, Arlington National Cemetery, and the Air Force Memorial (as planned) in Arlington, Virginia would be symbolically significant of the high esteem that the Nation holds for its veterans.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) a dedicated Veterans Courthouse and Justice Center should be provided for the United States Court of Appeals for Veterans Claims; and

(2) the Secretary of Defense, in cooperation with the United States Court of Appeals for Veterans Claims, the Secretary of Veterans

Affairs, and the Administrator of General Services, should determine the feasibility of locating such a Veterans Courthouse and Justice Center at an appropriate site owned by the United States that is part of or proximate to the Pentagon Reservation in Arlington, Virginia.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense, the Secretary of Veterans Affairs, and the Administrator of General Services shall submit to the Committees on Veterans' Affairs and the Committees on Armed Services of the Senate and House of Representatives a joint report on the feasibility of locating a new Veterans Courthouse and Justice Center at an appropriate site owned by the United States that is part of or proximate to the Pentagon Reservation in Arlington, Virginia.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Maine (Mr. MICHAUD) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

□ 1730

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 3936, a bill to authorize the U.S. Court of Appeals for Veterans Claims, now located in commercial office space in the District of Columbia, to seek a new location in the greater national capital region. This bill would also express the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for the court and the veterans it serves. It should be located, or would be located, if feasible, next to Interstate Highway 395 on one of three small parking lots that are part of the Pentagon Reservation in Arlington, Virginia.

The Court of Appeals for Veterans Claims was created by statute in 1988 as an independent article I judicial tribunal that for the first time gave our Nation's veterans the right to judicial review of benefits decisions on their disability, pension, education and other claims. It should, like all other article I courts, have a permanent courthouse.

In addition to the court, occupants of the new courthouse would be representatives of veterans that regularly practice before the court, for example, the Veterans Consortium Pro Bono Program, the National Veterans Legal Services Program, and the appellate attorneys of veterans service organizations. The court and the offices of its constituents pay over \$3.7 million per year for their rent. The General Services Administration anticipates that the court's rental costs will increase substantially in the not-too-distant future. Therefore, the committee believes that it would be desirable to relocate the court on a government-owned site if possible.

H.R. 3936 would also require the Secretary of Defense and the Secretary of Veterans Affairs and the Administrator of General Services to submit a joint

report to the House and Senate Committees on Armed Services and Veterans' Affairs on the feasibility of locating a new Veterans Courthouse and Justice Center at an appropriate site owned by the U.S. that is part of or near the Pentagon Reservation.

Madam Speaker, we have veterans or their survivors from all of the wars in which our country fought in the 20th century, and we are now engaged in a global war on terrorism. I cannot imagine a better use for one of the present parking lots near the Pentagon than a stand-alone dedicated Veterans Courthouse and Justice Center to embody the gratitude and the respect this Nation has for these men and women who have served and are serving their country so well.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, first of all, I would like to thank the gentleman from New Jersey (Mr. SMITH), the chairman of the full committee, and the gentleman from Illinois (Mr. EVANS), our ranking member, as well as our chairman of the Subcommittee on Benefits, the gentleman from South Carolina (Mr. BROWN), for their work in bringing this bill before the House this afternoon.

H.R. 3936 will honor our veterans by supporting the establishment of a dedicated courthouse for the United States Courts of Appeal For Veterans Claims in the greater Washington, D.C. area. It is strongly supported by Members from both sides of the aisle.

H.R. 3936 shows support for our Nation's veterans, especially those who must avail themselves of a Federal court system in order to obtain the benefits that they have earned by military service. I hope that by establishing a separate, dedicated courthouse for veterans' claims, there will ease any confusion veterans may have about the role of this court as part of the Federal judicial system, and not part of the VA, and that this will streamline and facilitate the adjudication process.

The establishment of this courthouse will also improve the security of the court. The events of September 11, 2001, have made clear the need for appropriate security in government buildings. The Court of Appeals for Veterans Claims is currently located above a parking area which creates a serious security risk. This bill recommends a location for the court on land near the Pentagon. I believe this is an appropriate site.

H.R. 3936 is a bill which deserves the support of all Members of this House, and I urge them to do so.

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

Mr. SMITH of New Jersey. Madam Speaker, I ask unanimous consent to insert in the RECORD a letter from the Committee on Armed Services and an additional letter concerning H.R. 3936.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE ON ARMED SERVICES,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, June 21, 2004.

Hon. CHRISTOPHER SMITH,
Chairman, Committee on Veterans' Affairs, U.S.
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to you concerning the jurisdictional interest of the Committee on Armed Services in matters being considered in H.R. 3936, a bill to amend title 38, United States Code, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, DC, metropolitan area, rather than only in the District of Columbia, and expressing the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for that Court and those it serves and should be located, if feasible, at a site owned by the United States that is part of or proximate to the Pentagon Reservation, and for other purposes.

Our Committee recognizes the importance of H.R. 3936 and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over a number of provisions of the bill, I do not intend to request a sequential referral. This, of course, is conditional on our mutual understanding that nothing in this legislation or my decision to forego a sequential referral waives, reduces or otherwise affects the jurisdiction of the Committee on Armed Services.

Additionally, the Committee on Armed Services asks that you support our request to be conferees on the provisions over which we have jurisdiction during any House-Senate conference. The Committee also asks that this letter and the Committee on Veterans' Affairs response be included in the CONGRESSIONAL RECORD.

With best wishes.

Sincerely,

DUNCAN HUNTER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, June 25, 2004.

Hon. DUNCAN HUNTER,
Chairman, Committee on Armed Services, House
of Representatives, Rayburn House Office
Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of June 21, 2004, regarding the jurisdictional interest of the Committee on Armed Services in the bill H.R. 3936, to authorize the principal office of the U.S. Court of Appeals for Veterans Claims to be at any location in the Washington, D.C. metropolitan area, rather than only in the District of Columbia, and expressing the sense of Congress that a dedicated Veterans Courthouse and Justice Center should be provided for that Court and those it serves and should be located, if feasible, at a site owned by the United States that is part of or proximate to the Pentagon Reservation, and for other purposes. This bill was referred primarily to the Committee on Veterans' Affairs and additionally to the Committee on Armed Services.

Your willingness to forego a sequential referral to expedite House consideration of H.R. 3936 is most appreciated. I recognize that the Committee on Armed Services has a valid claim to jurisdiction over certain provisions of the bill, and this decision to forego sequential referral is not construed by the Committee on Veterans' Affairs as affecting

the jurisdiction of the Committee on Armed Services over the bill or as a precedent for other bills. In addition, if a conference on H.R. 3936 should become necessary, I will support any request by you for the Committee on Armed Services to be represented on the conference. Finally, because the bill report was submitted on June 9, 2004, I will include your letter and this reply in the Congressional Record during House consideration of H.R. 3936.

Thank you for your cooperation on this matter of interest to both of our committees, and I look forward to working with you again on other matters.

Sincerely,

CHRISTOPHER H. SMITH,
Chairman.

GENERAL LEAVE

Mr. SMITH of New Jersey. Madam 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. 3936.

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

There was no objection.

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from South Carolina (Mr. BROWN) and the ranking member, the gentleman from Maine (Mr. MICHAUD), of the Subcommittee on Benefits for their strong support and work in crafting this legislation; and to my good friend, the gentleman from Illinois (Mr. EVANS), the ranking member on the full committee.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 3936.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2004

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4175) to increase, effective as of December 1, 2004, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4175

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 "Veterans' Compensation Cost-of-Living Adjustment Act of 2004".

SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 2004, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.—The dollar amount in effect under section 1311(b) of such title.

(7) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 2004.

(2) Except as provided in paragraph (3), each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2004, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) Each dollar amount increased pursuant to paragraph (2) shall, if not a whole dollar amount, be rounded down to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. PUBLICATION OF ADJUSTED RATES.

At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 2005, the Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in subsection (b) of section 2, as increased pursuant to that section.

SEC. 4. IMPROVED BENEFITS FOR FORMER PRISONERS OF WAR.

Section 1112(b)(3) of title 38, United States Code, is amended by adding at the end the following new subparagraph:

"(L) Osteoporosis".

SEC. 5. CODIFICATION OF COST-OF-LIVING ADJUSTMENT PROVIDED IN PUBLIC LAW 108-47.

(a) VETERANS' DISABILITY COMPENSATION.—Section 1114 of title 38, United States Code, is amended—

(1) by striking "\$104" in subsection (a) and inserting "\$106";

(2) by striking "\$201" in subsection (b) and inserting "\$205";

(3) by striking "\$310" in subsection (c) and inserting "\$316";

(4) by striking "\$445" in subsection (d) and inserting "\$454";

(5) by striking "\$633" in subsection (e) and inserting "\$646";

(6) by striking "\$801" in subsection (f) and inserting "\$817";

(7) by striking "\$1,008" in subsection (g) and inserting "\$1,029";

(8) by striking "\$1,171" in subsection (h) and inserting "\$1,195";

(9) by striking "\$1,317" in subsection (i) and inserting "\$1,344";

(10) by striking "\$2,193" in subsection (j) and inserting "\$2,239";

(11) in subsection (k)—

(A) by striking "\$81" both places it appears and inserting "\$82"; and

(B) by striking "\$2,728" and "\$3,827" and inserting "\$2,785" and "\$3,907", respectively;

(12) by striking "\$2,728" in subsection (l) and inserting "\$2,785";

(13) by striking "\$3,010" in subsection (m) and inserting "\$3,073";

(14) by striking "\$3,425" in subsection (n) and inserting "\$3,496";

(15) by striking "\$3,827" each place it appears in subsections (o) and (p) and inserting "\$3,907";

(16) by striking "\$1,643" and "\$2,446" in subsection (r) and inserting "\$1,677" and "\$2,497", respectively; and

(17) by striking "\$2,455" in subsection (s) and inserting "\$2,506".

(b) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Section 1115(1) of such title is amended—

(1) by striking "\$125" in subparagraph (A) and inserting "\$127";

(2) by striking "\$215" and "\$64" in subparagraph (B) and inserting "\$219" and "\$65", respectively;

(3) by striking "\$85" and "\$64" in subparagraph (C) and inserting "\$86" and "\$65", respectively;

(4) by striking "\$101" in subparagraph (D) and inserting "\$103";

(5) by striking "\$237" in subparagraph (E) and inserting "\$241"; and

(6) by striking "\$198" in subparagraph (F) and inserting "\$202".

(c) CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.—Section 1162 of such title is amended by striking "\$588" and inserting "\$600".

(d) DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.—(1) Section 1311(a) of such title is amended—

(A) by striking "\$948" in paragraph (1) and inserting "\$967"; and

(B) by striking "\$204" in paragraph (2) and inserting "\$208".

(2) The table in section 1311(a)(3) of such title is amended to read as follows:

"Pay grade	Month-ly rate	Pay grade	Month-ly rate
E-1	\$967	W-4	\$1,157
E-2	\$967	O-1	\$1,022
E-3	\$967	O-2	\$1,056
E-4	\$967	O-3	\$1,130
E-5	\$967	O-4	\$1,195
E-6	\$967	O-5	\$1,316
E-7	\$1,000	O-6	\$1,483
E-8	\$1,056	O-7	\$1,602
E-9	\$1,102 ¹	O-8	\$1,758
W-1	\$1,022	O-9	\$1,881
W-2	\$1,063	O-10	\$2,063 ²
W-3	\$1,094		

¹If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$1,189.

²If the veteran served as Chairman or Vice-Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be \$2,213.

(3) Section 1311(b) of such title is amended by striking "\$237" and inserting "\$241".

(4) Section 1311(c) of such title is amended by striking “\$237” and inserting “\$241”.

(5) Section 1311(d) of such title is amended by striking “\$113” and inserting “\$115”.

(e) *DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.*—(1) Section 1313(a) of such title is amended—

(A) by striking “\$402” in paragraph (1) and inserting “\$410”;

(B) by striking “\$578” in paragraph (2) and inserting “\$590”;

(C) by striking “\$752” in paragraph (3) and inserting “\$767”; and

(D) by striking “\$752” and “\$145” in paragraph (4) and inserting “\$767” and “\$148”, respectively.

(2) Section 1314 of such title is amended—

(A) by striking “\$237” in subsection (a) and inserting “\$241”;

(B) by striking “\$402” in subsection (b) and inserting “\$410”; and

(C) by striking “\$201” in subsection (c) and inserting “\$205”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Maine (Mr. MICHAUD) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 4175, as amended, would provide a cost-of-living adjustment in the same amount as given to Social Security recipients, to disabled veterans and surviving spouses. The committee ordered this bill reported when it met on May 19, 2004. Five other measures were also ordered reported at that meeting of our committee.

All veterans and qualified survivors of veterans who receive disability compensation would receive a full COLA on December 1 of this year. The COLA is actually calculated on September 30; but if calculated today, it would be 2.2 percent.

More than 2.5 million veterans, Madam Speaker, were receiving service-connected disability compensation as of April of 2004. The basic purpose of the disability compensation program is to provide a measure of relief from the impaired earning capacity of veterans disabled as a result of their military service. These benefits are paid monthly, and range from \$106 for a 10 percent disability to \$2,239 per month for a 100 percent disability. Additional monetary benefits are available for our most severely disabled veterans, as well as for their dependents.

Spouses of veterans who died on active duty or as the result of a service-connected disability likewise are entitled to monetary compensation, as the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and the children. Depending on their spouse's rank or grade in service, a spouse receives between \$967 and \$2,063 monthly. Currently, there are more than 300,000 surviving spouses and more than 29,900 children receiving dependency and indemnity compensation, also known as DIC.

The bill would also expand the list of diseases presumed to be related to a

former prisoner of war for which benefits may be paid by adding osteoporosis, an often crippling bone condition. Former prisoners of war are eligible for disability compensation if they are disabled from one of the 16 conditions presumed to be the result of their POW experience.

I want to thank the gentleman from Florida (Mr. BILIRAKIS), the committee's vice chairman, for working with us to include this portion of his bill, which was H.R. 348.

Finally, the bill would codify the current rates of compensation for service-connected disabilities and the rates of DIC for surviving spouses and children of veterans who die of service-connected causes, which went into effect last December, pursuant to Public Law 108-147.

I urge my colleagues to support this bill. It is a bipartisan bill.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I would like to thank once again the gentleman from New Jersey (Mr. SMITH); the ranking member, the gentleman from Illinois (Mr. EVANS); and our chairman of the Subcommittee on Benefits, the gentleman from South Carolina (Mr. BROWN), for their continued efforts to assure that our veterans' purchasing power is not decreased with the passage of time.

H.R. 4175, the Veterans Compensation Cost-of-Living Act of 2004, will help our service-disabled veterans and their survivors maintain the value of their compensation benefits despite any increase in the cost of living.

Although we will not know the amount of the increase until the consumer price index is computed this fall, I expect this bill will provide an increase in benefits for calendar year 2005.

No amount of money can adequately compensate for the loss of life or limb, but it is important that the compensation that is paid does not lose its value as the cost of living rises. This is particularly important in a rural State like Maine. Some labor market areas in my State have experienced double-digit unemployment. In one labor market alone last year, unemployment was as high as 32 percent.

Veterans benefits help veterans and their families in these areas make ends meet. I am also happy to note that the bill contains a provision adding osteoarthritis to the list of conditions that are presumptively service-connected for veterans who are former POWs.

I am a co-sponsor of H.R. 348, introduced by the gentleman from Florida (Mr. BILIRAKIS), which contains this provision and more. I regret that the full bill cannot be considered because of the fiscal constraints.

I believe that when men and women suffer disabilities as a result of confinement as prisoners of war, this Na-

tion should compensate them for all the disabilities that result. These disabilities are another cost of war, and they should be recognized and compensated as such. This provision is another small step in the right direction.

H.R. 4175 will receive my full support, and it deserves the support of Members of this House.

Madam Speaker, I reserve the balance of my time.

□ 1745

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. BROWN), the distinguished chairman of our Subcommittee on Benefits.

Mr. BROWN of South Carolina. Madam Speaker, I rise in support of H.R. 4175, the Veterans' Compensation Cost-of-Living Adjustment Act of 2004.

Congress acts annually to provide a cost-of-living adjustment in VA disability compensation and survivors benefits. Congress has provided increases in these rates for every fiscal year since 1976, and the administration's fiscal year 2005 budget includes the cost for this increase.

As well as providing the cost-of-living adjustment effective December 1, 2004, and codifying the current dollar amount for veterans and survivors benefits, H.R. 4175, as amended, would add osteoporosis to the list of diseases presumed to be service-connected for former prisoners of war. This particular provision is derived from H.R. 438, which the gentleman from Florida (Mr. BILIRAKIS) introduced in January of 2003. The vice chairman has long been a champion for former POWs, and I regret that due to budgetary obstacles we were not able to consider his bill in its entirety. I appreciate his understanding in that regard.

Madam Speaker, I note that last year the Secretary of Veterans Affairs convened a work group comprised of officials from the Veterans Health Administration, Veterans Benefits Administration and the Office of General Counsel, to develop a methodology for a fair and balanced assessment of medical conditions identified and associated with POW detention. This summer, the workgroup will recommend to the Secretary any conditions it believes warrant either presumptive status or further study. I look forward to meeting with the Secretary upon the workgroup's findings.

I want to thank the gentleman from Maine (Mr. MICHAUD), the ranking member of the Subcommittee on Benefits, for his efforts on this bill and urge all my colleagues to support it.

Mr. MICHAUD. Madam Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EVANS), the ranking member of the committee.

Mr. EVANS. Madam Speaker, I would like to thank the gentleman from New Jersey (Mr. SMITH), chairman of the full committee; the gentleman from South Carolina (Mr. BROWN), the Subcommittee on Benefits chairman; and

the gentleman from Maine (Mr. MICHAUD), the ranking Democratic member, for their spirit of bipartisanship. Their work has resulted in a bill strongly supported by Members on both sides of the aisle.

H.R. 4175, the Veterans' Compensation Cost-of-Living Adjustment Act of 2004, will help our service-disabled veterans and their survivors maintain the value of their benefits despite any increases in cost-of-living adjustments. Our Nation's veterans and survivors have earned these benefits, and we must maintain their purchasing power.

I strongly support the provision adding osteoarthritis to the list of conditions which are presumptively service-connected for veterans who are former prisoners of war. Last year, the Congress passed legislation which I introduced to add additional disabilities to the presumptive list and to eliminate the time period of internment for certain conditions. I am a cosponsor and strongly support efforts to improve benefits for prisoners of war.

Additional presumptive conditions and the establishment of criteria for the Department of Veterans Affairs to establish new presumptive conditions are contained in H.R. 348, introduced by the gentleman from Florida (Mr. BILIRAKIS), my good friend. I hope that all of these provisions will one day become law.

This is a bill which deserves the support of all of the Members of this House. I urge all Members to support it.

Mr. SMITH of New Jersey. Madam Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. BEAUPREZ), a distinguished member of the committee.

Mr. BEAUPREZ. Madam Speaker, I thank the gentleman and the chairman of our committee for his diligence on this bill, as well as on behalf of all veterans. He is to be commended. And my thanks as well to the gentleman from Maine (Mr. MICHAUD), my good friend, and the gentleman from Illinois (Mr. EVANS), the ranking member of our full committee, for his work as well. It has been a real pleasure to serve on the Committee on Veterans' Affairs in a true bipartisan effort.

Mr. Speaker, I rise in full support of H.R. 4175. There is absolutely no question that our Nation's veterans are truly deserving of every bit of assistance we can afford to provide them in return for their service to our country.

Disabled veterans must receive even greater care and compensation. It is imperative that we ensure that these brave men and women receive every benefit they have so painstakingly earned.

It is equally important that these benefits be periodically adjusted to meet the increasing demands of inflation.

This bill, the Veterans' Compensation Cost-of-Living Adjustment Act, will increase disability compensation and survivor pensions based upon the

Consumer Price Index. In addition, the bill will also provide additional compensation for surviving spouses and their children.

Madam Speaker, I feel the merits of this bill speak for themselves and have already eloquently been addressed in this Chamber. I hope my colleagues here today will join me in supporting this legislation for those who helped defend our Nation's unparalleled ideals.

Mr. MICHAUD. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Madam Speaker, I rise today in support of H.R. 4175, the Veterans' Compensation Cost-of-Living Adjustment Act of 2004.

I would also like to take this opportunity to thank the gentleman from New Jersey (Mr. SMITH), the chairman of the Committee on Veterans Affairs, and of course, the gentleman from Illinois (Mr. EVANS), our ranking member, for their leadership and advocacy for our Nation's veterans. I also would like to thank the gentleman from Maine (Mr. MICHAUD) for his efforts and his leadership as the ranking member of the Subcommittee on Benefits, as well as the gentleman from South Carolina (Mr. BROWN).

Every year Congress does a small yet much welcomed cost-of-living adjustment to increase the rates of disability compensation for veterans with service-connected disabilities. This legislation, similar to those we have passed before, would authorize the cost-of-living adjustment on December 1, 2004, based on the same formula for our Social Security users. Additionally, it would increase the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans.

Our disabled veterans are some of our country's greatest assets.

The Disabled American Veterans say it best: "Treaties are signed and the battles of nations end, but the personal battles of those disabled in war only begin when the guns fall silent." These men and women must struggle to regain health, to reshape lives shattered by disability, learn new trades or professions, and rejoin the civilian world. At each step, they need help to help themselves.

Madam Speaker, I know that this is just a small increase for our veterans and their survivors, but I know that they appreciate it. I encourage all my colleagues to vote in favor of this particular piece of legislation.

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume. We do not have any further requests for time.

I, too, want to thank the gentleman from Maine (Mr. MICHAUD) and again the gentleman from Illinois (Mr. EVANS) and the gentleman from South Carolina (Mr. BROWN). This is again a good, bipartisan piece of legislation. It is very significant and will significantly help our veterans and especially those who are service-connected disabled.

Madam Speaker, I yield back the balance of our time.

Mr. MICHAUD. Madam Speaker, I yield 3 minutes to the gentlewoman from South Dakota (Ms. HERSETH), who has shown her interest in veterans' issues and is very dedicated and will be a hard fighter for veterans' issues.

Ms. HERSETH. Madam Speaker, I thank the gentleman for yielding me time.

I would like to thank the gentleman from New Jersey (Mr. SMITH), chairman of the House Committee on Veterans' Affairs, and the gentleman from Illinois (Mr. EVANS), the ranking Democrat member, as well as the gentleman from South Carolina (Mr. BROWN) and the gentleman from Maine (Mr. MICHAUD) for again working together to maintain the level of benefits provided to veterans who are disabled as a result of their military service and the survivors of those who have died.

In this Chamber, we hear debates often on the merits and costs of various programs proposed by the Department of Defense. Today, as men and women of the Armed Forces place themselves in harm's way, this bill reminds us that the costs of war do not end when the treaties are signed and the battle is over.

Those who are disabled while serving this Nation deserve to be appropriately compensated for the harm that they have suffered. As the cost-of-living rises, so must the compensation paid to those who have service-connected disabilities.

Those who have been held as prisoners of war deserve our special consideration. This bill would recognize that former prisoners of war are at greatest risk of osteoarthritis. I commend the gentleman from Florida (Mr. BILIRAKIS), the subcommittee chairman, for his efforts in this regard.

H.R. 4175 is a bill which deserves the support of all Members of this House, and I urge all Members to support it.

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

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 4175, as amended.

The question was taken.

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

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

RECOGNIZING MEMBERS OF
AMVETS FOR THEIR SERVICE TO
THE NATION

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 308) recognizing the members of AMVETS for their service to the Nation and supporting the goal of AMVETS National Charter Day.

The Clerk read as follows:

H. CON. RES. 308

Whereas on July 23, 1947, AMVETS (American Veterans) was chartered by the United States as a not-for-profit corporation;

Whereas membership in AMVETS is open to veterans who have honorably served, or are serving, in the Armed Forces, including the Coast Guard, National Guard, and Reserves, during or since World War II;

Whereas the veterans of the Armed Forces have made great sacrifices to ensure the peace and security of the United States;

Whereas the members of AMVETS are dedicated to providing important services to their local communities and to their fellow veterans;

Whereas the motto of AMVETS is "We fought together, now let's build together";

Whereas the members of AMVETS consistently honor that motto through countless hours of patriotic service, including providing services to hospitalized veterans, assisting veterans with their problems regarding housing and employment, marching in parades, participating in color guards and burial details, and educating the Nation's youth;

Whereas the war on terrorism has emphasized the sacrifices that veterans have made, and continue to make, for the benefit of the Nation;

Whereas AMVETS has designated July 23 as AMVETS National Charter Day; and

Whereas the goal of AMVETS National Charter Day is to raise public awareness regarding AMVETS' commitment and service to veterans, the families of veterans, and the Nation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress recognizes the members of AMVETS (American Veterans) for their service to the Nation and supports the goal of AMVETS National Charter Day.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Maine (Mr. MICHAUD) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

I rise in strong support of H. Con. Res. 308, legislation recognizing the members of AMVETS for their service to the Nation and supporting the goal of AMVETS on National Charter Day.

I want to recognize the gentleman from New York (Mr. BISHOP), the sponsor of this legislation, and thank him for his work on this resolution.

From its origins in the middle of World War II, AMVETS has a long and distinguished history of service to our Nation. They held their first national convention in Chicago in October of 1945, and just 2 years later, on July 23, 1947, President Harry Truman signed the AMVETS Charter. Originally orga-

nized for World War II veterans, AMVETS had their charter amended in 1966 to include veterans who served honorably during the Korean conflict and the Vietnam War, and again in 1984 to include those who served honorably during peacetime as well.

From its humble origins, AMVETS has grown to a national organization, Madam Speaker, with over 250,000 members, in addition to another 60,000 members of its ladies auxiliary.

As chairman of the Committee on Veterans' Affairs, I can attest to the important role that AMVETS plays in Washington advocating for stronger Federal policies supporting veterans, their surviving spouses and dependents. Their legislative staff is among the finest, and they have played a key role in many important public policy debates. Members know that they can count on AMVETS for advice, counsel and support as we continue developing national policies to benefit our veterans.

Madam Speaker, I want to recognize and commend AMVETS National Commander John Sisler of Groveland, Illinois, who presented AMVETS legislative goals at our joint Senate-House Committee on Veterans' Affairs hearing earlier this year. He should be proud of the fact and of the success of AMVETS that they have achieved and continue to achieve, not just in Washington but also in communities across America. In addition to providing benefits and services to their fellow veterans, they also play an important role in the civic life of their communities.

I urge support for H. Con. Res. 308.

Madam Speaker, I reserve the balance of our time.

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

Madam Speaker, I rise in strong support of House Concurrent Resolution 308. This measure recognizes the members of AMVETS for their efforts on behalf of military families and service to our Nation.

During and following their military service, members of AMVETS have routinely worked to provide important services to their local communities and to their fellow veterans. They have truly been guided by the AMVETS motto: "We fought together, now let's build together."

This motto definitely rings true back in my home State of Maine, which is home to a very active and successful AMVETS chapter.

Madam Speaker, AMVETS has designated July 23 as its National Charter Day, with the goal to encourage public awareness of their commitment and service to veterans, their families and our country.

□ 1800

I commend and applaud AMVETS for their past, present, and future service. I am pleased to support House Concurrent Resolution 308, and I ask other Members to do the same.

Madam Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I reserve the balance of my time.

Mr. MICHAUD. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Madam Speaker, we are incredibly blessed in this country to have a group of veterans service organizations looking out for the best interest of our veterans. For almost 60 years, American Veterans, commonly referred to as AMVETS, have been making a difference in the lives of those who have given so much for this country, our veterans and their families.

Through their national service foundations, AMVETS has service officers throughout the country who provide guidance and action on compensation claims and help them at no charge to our veterans.

Additionally, their Members and those of the AMVETS Auxiliary volunteer countless hours at our veterans and military hospitals throughout this country. During this time of increased military deployment, it is so important to have a network of veterans who help our injured soldiers and to whom they can turn for help and assistance.

Throughout my 7 years in Congress, I have met with AMVETS on a regular basis as they advocate for funding for veteran services, needs for homeless veterans, for better education benefits for our veterans, and many other issues. They have been there. Without them, we would not be where we are. They have been a voice for our veterans and continue to be there for our veterans. They have an incredible history, and I would like to take this opportunity not only to thank them for all they do for our veterans, but also to congratulate them on their upcoming National Charter Day.

Mr. MICHAUD. Madam Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Madam Speaker, I rise today in strong support of H. Con. Res. 308, a bill that I introduced to honor the AMVETS veterans service organization's National Charter Day. AMVETS is an organization that is truly dedicated to helping this Nation's veterans, and I am pleased to see that this Congress is now acting to support this group which consistently works to help the men and women who have selflessly served this country.

I am proud to recognize AMVETS for its dedication to bettering the lives of veterans throughout this country. As we continue our military operations overseas, we must not forget that honoring veterans and their service must be something that we do every day, not just on Memorial Day and Veterans Day. We must always look to recognize and pay tribute to the sacrifices made to the individuals that have stared down the many faces of tyranny with undying dedication to our country.

On July 23, 1947, President Harry S. Truman signed Public Law 216 making

AMVETS the first World War II organization to be chartered by Congress. Today the organization is open to anyone who has served or is currently serving in the Armed Forces, including the National Guard and the Reserves.

AMVETS has a long history of helping veterans; and in a recent year, AMVETS processed more than 24,000 VA claims that resulted in veterans receiving approximately \$400 million in owed benefits. As Members of Congress, we all know how important it is to provide this kind of service to America's deserving veterans.

I am pleased that the House will soon adopt this resolution honoring AMVETS National Charter Day, and I hope that this Friday, as we celebrate national recognition of this organization, all Members of Congress will take the time to support their local members of AMVETS.

I am proud to support the five AMVETS posts located in my district, and I am sure that my colleagues share in the feeling of appreciation I have for the thousands of AMVETS members and their families who are dedicated to helping America's veterans.

Madam Speaker, I urge swift passage of this resolution.

Mr. MICHAUD. Madam Speaker, I yield 2 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. Madam Speaker, I applaud the leadership of the gentleman from Maine, and I applaud particularly the sponsor and originator of this resolution, the gentleman from New York (Mr. BISHOP).

I celebrate with them as we commend AMVETS for their Charter Day on July 23, 1947. It has been said that Texas is a State that has probably the largest number of veterans living within it. Therefore, we are very much committed to our veterans. This is an excellent opportunity to honor the AMVETS because they honor us. Their theme, "We fought together, now let us build together," means they are vital components to our community.

As a congressional district that houses one of the largest veterans hospitals in the Nation, I thank them for their continued service to our veterans there, providing services to hospitalized veterans, assisting veterans in their problems regarding housing and employment, marching in parades, participating in Color Guards and burial details, and educating the Nation's youth.

On July 4, I had the opportunity to visit a homeless center where a number of men gathered. I provided them with a patriotic mission and message. In that group, however, it was interesting to note the many, many veterans that were there; and their point was our condition may not be the best now, but we love our country and want to improve our conditions in life. AMVETS are concerned about those veterans.

I expect we will have another legislative initiative on the floor today that will provide for the improved compensation for veterans sponsored by the gentleman from New Jersey (Mr. SMITH). I want to add my support for that legislation as well. But allow me to close by saying that the AMVETS deserve their full day of honor because they have honored us by their continued service in our community.

The very fact that these AMVETS include all of the veterans that have served honorably since World War II and during World War II is again a recognition of the Greatest Generation, but it is also a chance to be able to have these vets teach others.

I thank the gentleman from New York (Mr. BISHOP) for presenting us with this honor and tribute to AMVETS, and I add my support for this legislation. I ask my colleagues to unanimously vote for this AMVETS resolution honoring those who served.

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

In closing, I want to thank the gentleman from New Jersey (Mr. SMITH) for his continued fighting for veterans issues. Also, I want to thank staff on both sides of the aisle for bringing these bills before us today. The staff has done a tremendous job in making sure that we have these bills before us in the proper form.

Also, I want to thank the veterans and the VSOs for all their work in helping keep Congress's feet to the fire in supporting issues important to our veterans in this country.

Madam Speaker, I yield back the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I too want to thank the gentleman from Maine (Mr. MICHAUD) and the staff, Pat Ryan, chief of staff and general counsel, and Mary Ellen McCarthy who has done a very good job, and Kingston Smith on my right here. This is truly an effort to try to write legislation that really will make a difference. These four bills, and some of the others that are pending which will soon be before the body, really do advance the ball on behalf of our veterans.

I thank them for their cooperation and their partnership on this. That is what it is all about, "to try to care for him who has borne this Nation's battle, and for his widow and for his orphan," to quote President Lincoln.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 308.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR APPOINTMENT OF ELI BROAD AS CITIZEN REGENT OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Mr. NEY. Madam Speaker, I move to suspend the rules and pass the Senate joint resolution (S.J. Res. 38) providing for the appointment of Eli Broad as a citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read as follows:

S.J. RES. 38

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 5581 of the Revised Statutes (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, resulting from the death of Barber B. Conable, Jr., is filled by the appointment of Eli Broad of California. The appointment is for a term of 6 years, beginning upon the date of enactment of this joint resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 20 minutes.

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

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

Madam Speaker, I rise in support of Senate Joint Resolution 38, which provides for the appoint of Eli Broad as a citizen regent of the Board of Regents of the Smithsonian Institution.

The Smithsonian is governed by a board of regents which is comprised of 17 members. These 17 members include the Chief Justice of the Supreme Court and the Vice President of the United States, three Members each of the U.S. House and Senate, and nine citizens who are nominated by the board and approved jointly in a resolution of Congress. The nine citizen members serve for a term of 6 years each, and are eligible for reappointment for one additional term.

Eli Broad will fill a vacancy on the board of regents for Barber Conable, Jr., who, sadly, passed away last year. Eli Broad is an accomplished business leader who built two Fortune 500 companies from the ground up. He serves on several boards, most notably; he is chairman of AIG Retirement Services and KB Home, formerly Kaufman and Broad Home Corporation. He is also the founding chairman of the board of trustees for the Museum of Contemporary Art in Los Angeles and currently a trustee and member of the executive committee of the Los Angeles County Museum of Art.

Eli Broad and his wife, Edythe, are active philanthropists. Since 1984, the Broad Art Foundation has operated an active "lending library" of its extensive collection to more than 400 museums and university galleries worldwide.

One of Eli Broad's charitable contributions includes the Broad Foundation, whose mission is to improve urban public education. The foundation has committed over \$400 million to support new ideas in the Nation's largest urban school systems. The Broad Foundation contributed toward the construction of the Broad Art Center at UCLA.

However, Mr. Broad's background does not end there, as he incorporates extensive involvement in the field of science as well. The Eli and Edythe Broad Institute for Biomedical Research is a partnership with the Massachusetts Institute of Technology, Harvard University, and Whitehead Institute. It was created in June 2003, and the institute's aim is to realize the promise of the human genome and to revolutionize clinical medicine.

Eli Broad's ongoing leadership roles in art, education, science, and civic development make him a strong candidate for service on the Smithsonian Institution's Board of Regents. I join with my colleague, the ranking member, the gentleman from Connecticut (Mr. LARSON), in support of Senate Joint Resolution 38.

Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I wish to associate myself with the remarks of the gentleman from Ohio (Mr. NEY). As the chairman has pointed out, I am as well pleased to support Senate Joint Resolution 38 which appoints Eli Broad to a 6-year term as citizen regent of the Board of Regents of the Smithsonian Institution to fill that vacancy.

Senate Joint Resolution 38 passed the Senate on June 9, 2004. An identical bill, House Joint Resolution 99, was introduced by the gentleman from California (Mr. MATSUI), who continues to serve on the board of regents with distinction.

Mr. Broad has been recommended by the board of regents to replace our former colleague, Barber Conable, as the chairman pointed out. Mr. Conable retired from the House of Representatives in 1985 and passed away on November 20, 2003.

I especially, again, want to congratulate the gentleman from California (Mr. MATSUI) for his leadership in bringing this nomination to the floor. He has been a regent of the Smithsonian Institution since 1999 and has been diligent in his duties to promote its effective operation, even in the face of his increasing leadership responsibilities here in the House.

Madam Speaker, the board of regents, as the chairman has noted, was created in 1846 as a governing body of the Smithsonian Institution and currently has 17 board members. Eli Broad, who has been recommended to become its newest citizen regent, is a distinguished business leader who built two Fortune 500 companies over a 5-decade career.

As founder of the Broad Foundation, he has focused on philanthropy, promoting art, education, scientific and biomedical research and civic development. Mr. Broad is well qualified for this post, and his wide array of experience will be an asset to the Smithsonian Institution in the years ahead. I urge approval of this joint resolution and its enactment so Mr. Broad may attend the next meeting of the board of regents currently scheduled for September.

Madam Speaker, I am pleased to support S.J. Res. 38, to appoint Eli Broad to a six-year term as a citizen regent of the Board of Regents of the Smithsonian Institution to fill a vacancy. S.J. Res. 38 passed the Senate on June 9, 2004. An identical bill, H.R. Res. 99, was introduced by Representative MATSUI.

Mr. Broad has been recommended by the Board of Regents to replace our late former colleague, Barber Conable of New York, who retired from the House of Representatives in 1985 and passed away on November 20, 2003.

After his retirement, Rep. Conable was generous in his continuing contributions to the Congress, including his service on the advisory board created by the History of the House Awareness and Preservation Act, which was enacted in the 106th Congress and which I had sponsored.

The bill authorized the writing of a major new volume on the history of our institution by a major scholar in the field, and that work is currently being undertaken by Professor Robert Remini, professor emeritus of history at the University of Illinois—Chicago.

Representative MATSUI, who introduced the House's companion legislation (H.J. Res. 99), has been a regent of the Smithsonian since 1999 and has been diligent in his duty to promote its effective operation, even in the face of his increasing leadership responsibilities here in the House. He has been an exemplar of broad public service to the American people in a variety of roles.

On a more personal note, BOB is closely associated with his work to help the Smithsonian shape the "More Perfect Union" exhibit in the National Museum of American History. That exhibit examines the experiences of the Nisei, Americans of Japanese descent, many of whom, like BOB MATSUI and his family, were interned during World War II. It is a significant contribution to public awareness of that tragic era.

The Board of Regents was created in 1846 as the governing body of the Smithsonian, a unique trust equity created by Congress, and is currently composed of 17 Members, including six Members of Congress, three from each chamber. The positions of the nine citizen regents of the Smithsonian were created to bring a variety of expertise from business, politics, science, education and the arts to complement the other regents and provide additional perspective in the funding and management of the Smithsonian's infrastructure and worldwide network of initiatives.

Eli Broad, who has been recommended to become the newest citizen regent, is a distinguished business leader who built two Fortune 500 companies over a five-decade career. He is chairman of AIG Retirement Services Inc., formerly SunAmerica Inc., and founder-chairman of KB Home, formerly Kaufman and Broad Home Corporation.

As founder of the Broad Foundation, he is focused on philanthropy, promoting art, education, scientific and biomedical research and civic development. Since 1984, the Broad Art Foundation has loaned portions of its extensive collection to more than 400 museums and university galleries worldwide.

Mr. Broad was the founding chairman of the board of trustees of The Museum of Contemporary Art in Los Angeles, and is currently a trustee and member of the executive committee of the Los Angeles County Museum of Art.

Since 1999, The Broad Foundation has worked to improve urban public education through better governance, management and labor relations and has committed over \$400 million to support innovation in the Nation's largest urban school systems. Mr. Broad has also been active in a variety of civic projects to promote and improve the city of Los Angeles.

In June 2003, in a partnership with the Massachusetts Institute of Technology, Harvard University and Whitehead Institute, the Broads announced the founding gift to create The Eli and Edythe Broad Institute for biomedical research. The Institute's aim is to revolutionize clinical medicine through genetic research and to make knowledge freely available to scientists around the world.

Mr. Broad is a member of the board of trustees of CalTech. He also served as chairman of the board of trustees of Pitzer College and vice chairman of the board of trustees of the California State University system.

Mr. Broad is well-qualified for this post and his wide array of experience will be an asset to the Smithsonian in the years ahead. I urge approval of the joint resolution and its enactment so that Mr. Broad may attend the next meeting of the Board of Regents currently scheduled for September.

Madam Speaker, I yield back the balance of my time.

□ 1815

Mr. NEY. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Ms. HARRIS). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the Senate joint resolution, S.J. Res. 38.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of S.J. Res. 38, the Senate joint resolution just passed.

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

There was no objection.

PERMITTING LIBRARIAN OF CONGRESS TO HIRE LIBRARY OF CONGRESS POLICE EMPLOYEES

Mr. NEY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4816) to permit the Librarian of Congress to hire Library of Congress Police employees.

The Clerk read as follows:

H.R. 4816

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

SECTION 1. PERMITTING LIBRARIAN OF CONGRESS TO HIRE LIBRARY OF CONGRESS POLICE EMPLOYEES.

(a) IN GENERAL.—Section 1006 of the Legislative Branch Appropriations Act, 2004 (2 U.S.C. 1901 note), is amended—

(1) in the heading, by striking “TRAINING, DETAILING, AND HIRING” and inserting “TRAINING AND DETAILING”;

(2) by striking “(a)” and the heading of subsection (a);

(3) by striking subsection (b) and redesignating paragraphs (1) and (2) of subsection (a) as subsections (a) and (b); and

(4) in subsection (b) (as so redesignated), by striking “paragraph (1)” and inserting “subsection (a)”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 2004.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 20 minutes.

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

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

Madam Speaker, I rise today in support of H.R. 4816, a bill that will restore the Librarian of Congress' authority to hire Library of Congress Police employees.

To understand this legislation, one must first understand the chain of events which brings this legislation to the floor of the House. Language was included in last year's appropriations bill which stripped the Library of its authority to hire new police officers. Our committee was not consulted and did not support that language.

The language further called on the United States Capitol Police to begin detailing officers to the Library of Congress as a way to force the beginning of a merger of the two agencies before the appropriate committees of jurisdiction had even had a chance to fully deliberate the merits of a merger.

Over the past several weeks, draft memorandums have circulated back to the committee which attempt to effect this transfer of officers to the Library. All of these memorandums have contained provisions that are not only objectionable to the committee, but raise more questions about the transfer and the merits of a merger.

It is the committee's steadfast position that such a sweeping action affecting security must be conducted in a manner which undeniably results in greater security and greater efficiency for both the Congress and the Library

of Congress. There are a multitude of complex issues that really need to be dealt with in order to ensure that any steps taken by the Congress toward a merger are taken in a deliberate manner, with the long-term interests of both institutions in mind.

Many details of the potential merger or the initial detailing of Capitol Police officers have yet to be addressed, in my opinion, in a satisfactory manner, details such as the composition of a new command structure, differences between Library Police procedures and regulations because there is a large difference in the way we operate with the Capitol Hill Police and the way the Library of Congress operates in their missions and their tasks. We really, I think, need to look at those issues, plus the disposition of large numbers of Library Police who would be forced into retirement, the reconciliation of two distinct agency missions, the manner in which grievances are handled, the manner in which recruitment and morale of the United States Capitol Police could be affected, and ultimately, the life safety of the hundreds of thousands who serve, work or visit in the Capitol complex. The Committee on House Administration and the Congress have a responsibility to ensure that unresolved details like these are not swept up in a hasty and broken process.

Our committee was exercising appropriate oversight and due diligence in this process at the time this authorizing language, which originated from the other body, appeared in an appropriations conference report, placing the cart squarely in front of the horse.

Now, because the Librarian is unable to exercise any hiring authority to bring new police onto the Library force, there is a growing manpower gap which some argue could impact the security mission of the Library; and frankly, I think this is putting the Library in a Catch-22 position.

Additionally, the attention being paid on fixing the current situation is siphoning resources from the United States Capitol Police during what we know is a very crucial time. The growing need for officers at the Library is an urgency of the Congress' own creation and should be fixed by the Congress. The mission of the Capitol Police is to protect the Congress, and at a time when that mission is under threat from terrorists, any distraction, I think, is detrimental to the interests of the institution and could have dire consequences.

Madam Speaker, I am intimately involved with and deeply concerned about the security of this campus, as I know our ranking member is and all members of our committee and frankly all Members of this House. It is arguably the most important issue which our committee has jurisdiction over as it deals with matters of life and death. That is why I urge passage of this legislation.

We need to remove the restriction on the Librarian's authority to hire police

officers so that we may mend this broken process and allow the authorizers to handle this complex issue in an appropriate manner. I urge my colleagues to vote for this bill so our security officials can meet their missions and focus their attention and their thrust on protecting everyone in the Capitol complex, especially in this heightened security threat environment.

I urge my colleagues to support this legislation restoring authority to the Librarian, and upon passage, I hope the other body will act quickly to lift these constraints on the Librarian and that the appropriators in both bodies will provide the funding necessary to train and pay the officers that can be hired pursuant to this resolution.

Let me just close by saying, also, I think we can have discussions about this with the other body, within appropriations and within the authorizers of both Chambers. But I think right now in the best interests of everybody involved, if we take this measure, it will help the Library of Congress, which is in really a very difficult situation.

Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume. I would like to again associate myself with the remarks of the distinguished Chair from Ohio. I want to thank the distinguished chairman for moving so resolutely to address the problem caused by last year's appropriations bill.

This predicament, which he has thoroughly outlined and that his legislation would correct, could properly become a case study for why the House rules prevent appropriation bills from including legislative provisions and vest the responsibility for such matters in the authorizing committees.

I support and applaud the chairman's determination to ensure that the Library of Congress does not become a weak point in the Capitol's security perimeter. That, Madam Speaker, we simply cannot afford.

I have, as well, a letter from James Billington, where he quotes, I think, very appropriately that “the Library has been without an adequate police force for more than a year. The U.S. Capitol Police received funding to hire 23 officers that, under the 2004 legislative branch appropriations bill, were to be detailed to the Library of Congress. As a practical matter, we cannot get them until we have approval of a memorandum of understanding between the Capitol Police and the Library. The 2004 appropriations bill removed the Library's ability to hire police employees, and an additional 10 officers have left our force through attrition. Unless,” as the chairman's bill provides, “action is rapidly taken to remedy this situation, we will soon have a police force staffed at only two-thirds of its authorized strength, clearly unacceptable in today's world.”

I trust, as the chairman has indicated, that the Senate will follow his

leadership in this regard. Again I applaud his efforts to prevent the usurpation of the authorizing committee's responsibility. I urge the passage of this.

Madam Speaker, I support the Chairman's motion and urge its adoption.

Section 1015 of Public Law 108-7, enacted on February 20, 2003, provided for the merger of the Library of Congress Police into the United States Capitol Police. The section, which originated in the Senate and was enacted in the Legislative Appropriation for fiscal 2003, was never the subject of formal hearings in the Committee on House Administration. Section 1015 provides that the merger of the two police forces will not take place until an implementation plan, developed by the Chief of the Capitol Police and submitted to the Capitol Police Board, the Librarian of Congress, and the appropriate committees, has been approved. Pending that approval, which has not yet occurred, Section 1015 authorized the Librarian to fill vacancies in the Library Police ranks with applicants who satisfy the employment standards of the Capitol Police, to the extent practicable.

Seven months later, Section 1006 of the Legislative Branch Appropriations Act for 2004, another provision not subjected to hearings in our committee, eliminated the Library's authority to hire police officers pending the merger with the Capitol Police. During fiscal 2004, Section 1006 allows the Librarian to select and recommend to the Capitol Police enough qualified officers to replace those which the Library loses through attrition this year, and up to 23 more. Nevertheless, the restriction on the Library's hiring of police officers has in practice resulted in a serious manpower shortage for the Library. The Librarian, Dr. Billington, has warned our committee that if nothing changes, the Library may soon have a police force staffed at two-thirds of its authorized strength. I certainly agree with Dr. Billington that such a posture is unacceptable in these perilous times.

Madam Speaker, the Chairman's bill would restore the Library's authority to hire police officers pending the merger. Under the bill, the Librarian must still, to the extent practicable, hire individuals who meet the standards of the U.S. Capitol Police, as determined by the Capitol Police chief. Since it is not clear at this time how soon the merger implementation plan may win the approval of the appropriations and authorizing committees involved, including the Committee on House Administration, restoring the Library's control over its police hiring is the prudent course for us to take.

Madam Speaker, the Library of Congress is the nation's preeminent cultural institution. This Congress should take every reasonable step to assure the proper protection of the Library's 4,000 employees, millions of books and artifacts, and its capital facilities, so the Library can continue serving the American people and their Congress. Restoring the Librarian's ability to hire enough qualified police to support its mission is not only reasonable, but essential.

I want to thank the distinguished chairman, the gentleman from Ohio [Mr. NEY] for moving so resolutely to address the problem caused by last year's appropriations bill. This predicament, which the chairman's legislation would correct, could properly become a case study for why the House rules prevent appropriations bills from including legislative provisions,

and vest the responsibility for such matters in the authorizing committees. I support and applaud the chairman's determination to ensure that the Library of Congress does not become a weak point in the Capitol's security perimeter. That, Madam Speaker, we simply cannot afford. I trust the Senate will follow the chairman's leadership in this regard.

Madam Speaker, I include for the RECORD a letter on this subject from the Librarian of Congress:

THE LIBRARIAN OF CONGRESS,
July 15, 2004.

Hon. ROBERT NEY,
*Chairman, Committee on House Administration,
House of Representatives, Longworth House
Office Building, Washington, DC.*

DEAR MR. CHAIRMAN: Thank you for taking the time to speak with me on Tuesday regarding the library's Police force. I truly appreciate your call and concern.

The Library has been without an adequate police force for more than a year. The U.S. Capitol Police received funding to hire 23 officers that, under the 2004 Legislative Branch Appropriations Bill, were to be detailed to the Library of Congress. As a practical matter we cannot get them until we have approval of a memorandum of understanding between the Capitol Police and the Library. The 2004 appropriations bill removed the Librarian's ability to hire police employees, and an additional ten officers have left our force staffed at only two-thirds of its authorized strength—clearly unacceptable in today's world.

I do not see any realistic alternative solution other than a short-term detail of U.S. Capitol Police officers to the Library of Congress police for filling this devastating gap in our police manpower. The memorandum of understanding currently before the House Administration Committee will accomplish that goal and return our police staffing to safe levels.

The outcome of any merger of police forces must be decided by the Congress. The Librarian will work with you and all other stakeholders on the architecture of this solution. But we must have this immediate infusion of police officers.

With true appreciation for all that you do for the Library of Congress, I am,

Sincerely,

JAMES H. BILLINGTON,
The Librarian of Congress.

Madam Speaker, I yield back the balance of my time.

Mr. NEY. Madam Speaker, I yield myself the balance of my time.

I just want to thank our ranking member from Connecticut (Mr. LARSON) for working on this. It is a crucial issue. I believe our thinking is correct on this, to work together, to work with the appropriators and look at the long-term interests.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 4816.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of H.R. 4816, the bill just passed.

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

There was no objection.

SENSE OF THE HOUSE REGARDING POSTPONEMENT OF A PRESIDENTIAL ELECTION

Mr. NEY. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 728) expressing the sense of the House of Representatives that the actions of terrorists will never cause the date of any Presidential election to be postponed and that no single individual or agency should be given the authority to postpone the date of a Presidential election.

The Clerk read as follows:

H. RES. 728

Whereas no regularly scheduled national election for Federal office has ever been postponed for any reason;

Whereas regularly scheduled Federal elections took place as scheduled during the Civil War, World War I, and World War II;

Whereas after having been re-elected in an election that took place while the Civil War continued to rage, Abraham Lincoln said "We can not have free government without elections; and if the rebellion could force us to forego, or postpone a national election it might fairly claim to have already conquered and ruined us. . . . [T]he election, along with its incidental and undesirable strife, has done good too. It has demonstrated that a people's government can sustain a national election, in the midst of a great civil war. Until now it has not been known to the world that this was a possibility.";

Whereas the terrorist bombings that took place in Spain on the eve of the Spanish elections in March 2004 were almost certainly perceived by Al Qaeda as having contributed to the defeat of the government that had stood with the United States in the Global War on Terror;

Whereas terrorists may attempt to strike again against the United States in the months leading up to the November 2004 Presidential election in an attempt to alter or affect the election's outcome;

Whereas in the event that such a horrific attack were to occur, the actions of millions of Americans across the Nation casting their ballots would demonstrate powerfully the strength and resilience of our democracy;

Whereas there is no reason to believe that the men and women who administer elections in jurisdictions across the Nation would be incapable of determining how to react to a terrorist attack;

Whereas postponing an election in the aftermath of a terrorist attack would demonstrate weakness, not strength, and would be interpreted as a victory for the terrorists; and

Whereas under section 4 of article II of the Constitution, Congress has the authority to determine the date on which a Presidential election shall take place: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the actions of terrorists will never cause the date of any Presidential election to be postponed; and

(2) no single individual or agency should be given the authority to postpone the date of a Presidential election.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) each will control 20 minutes.

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

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

I rise today to introduce, I think, an extremely important resolution, House Resolution 728, which expresses the sense of the House that the actions of terrorists will never cause the date of any national election, Presidential election, to be postponed and that no single individual or agency should be given the authority to postpone the date of a national election.

In a great democratic republic such as ours, there is nothing more fundamental than the bond that is forged between citizens and their representatives during the course of regularly scheduled elections. In our country and by design of our Federal Constitution, the people are sovereign. The power that we exercise as representatives derives directly from their consent.

James Madison, writing in *Federalist No. 52*, stated that "It is essential to liberty that the government in general should have a common interest with the people." According to Madison, "Frequent elections are unquestionably the only policy by which this dependence and sympathy can be effectually secured."

Congress is authorized by the Constitution to determine the date on which the Presidential election and all other Federal elections will take place. Thus, only an act of Congress, and not the actions of a single individual or agency, could change that date.

The ability of the United States to conduct regularly scheduled Federal elections even during the most difficult and trying of times, for example, such as during the Civil War and during World Wars I and II, is a hallmark of our strength and our resiliency, the great cornerstone of our democracy itself. We would do well to remember the counsel of Abraham Lincoln who, after having been reelected President while the Civil War was raging, stated:

"We cannot have free government without elections. And if the rebellion could force us to forgo, or postpone a national election, it might fairly claim to have already conquered and ruined us. The election, along with its incidental and undesirable strife, has done good. It has demonstrated that a people's government can sustain a national election in the midst of a great civil war. Until now it has not been known to the world that this was a possibility."

The resolution that we are introducing today reaffirms our national

commitment to holding Federal elections, including the election for President, on the date prescribed by law and to stand firm in the face of terrorist enemies who seek to derail the operation of our democracy.

Since the terrible and fateful morning of September 11, 2001, we all have become in this country painfully aware of the destructive intent of our country's terrorist enemies as well as the increasingly sophisticated and devastating methods by which they carry out their deadly work. We were further reminded of al Qaeda's hatefulness and total disregard for innocent life this past March when, in the days leading up to the Spanish national elections, they unleashed a string of lethal bombings that killed scores of civilians in Madrid. Shortly thereafter, the Spanish Government, that had stood shoulder to shoulder with us, was then voted out of office. But it is not a matter of who was voted into office or who was voted out of office. It is the matter of the action that the terrorists took to intimidate a country.

I realize that many factors were at play during that election. However, I have no doubt that al Qaeda believes its actions led directly to the defeat of a government. And I believe, in fact, the threats that we hear about are intimidation factors on us in the United States to attempt to get us to think about the possibility of a national election being changed.

We hope that there are no terrorist attacks, of course, and we hope that our Central Intelligence Agency and FBI and Homeland Security will do everything possible, as we know they will, in conjunction with the States, to make sure that attacks are not carried out.

But if an attack did occur and we in fact postponed an election, what would we do? Would we say it will happen in 1 week? Or it will happen in 2 weeks? And there is another attack and we postpone it for 2 more weeks. One could imagine the chaos that would be caused by this type of action.

It has been suggested that such an attack may require the postponement of this November's election. I strongly disagree. Any delay in the conduct of an election in the aftermath of a terrorist attack would signify weakness rather than strength and would be a victory for the terrorists if they could accomplish that here on our soil. I believe that if such an attack were ever to occur, and I earnestly pray, as we all do, that it never happens, the actions of millions of Americans across this great country casting their ballots in a regularly scheduled election would send a very powerful signal to our terrorist enemies and to all the world about the vigor of our democracy and the fortitude of our citizens to continue on where America does her work, at the ballot box.

□ 1830

With this resolution the House declares on behalf of the American people

it represents that the strength and stability of the American democratic system and the values upon which it is founded are much greater than any attempts our terrorist enemies may make to disrupt or destroy them. The message we send is unmistakably clear: we will not shrink in the face of terrorist threats.

And let me add one other point I think that is important to make. As there has been chatter about the possibility of talking about one person or one agency postponing the elections, we live in a democracy. Elections are postponed in countries that have dictators by one individual. We do not operate that way. So there are many good reasons to support this.

I want to thank the Speaker of the House, all of the Republicans. I want to thank the gentlewoman from California (Ms. PELOSI) and most of all also the gentleman from Connecticut (Mr. LARSON), our ranking member. This is a truly bipartisan resolution. This is a resolution where everybody has joined together to say that we will not be intimidated and to say that Congress has the authority on the elections, the elections will go forward, and that no one single person or agency will even entertain the idea that, in fact, they can postpone an election. I thank the gentleman from Connecticut (Mr. LARSON) for his great support.

Madam Speaker, I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield myself such time as I may consume.

I wish to associate myself with the remarks of the gentleman from Ohio (Chairman NEY), my good friend.

I rise today in support of this resolution to reaffirm that our Federal elections should not be postponed in the event of terrorist attacks, as our chairman has eloquently stated in his remarks. I stand in support of this resolution because of the matters contained in the resolving clauses. Number one, the actions of terrorists will never cause the date of any Presidential election to be postponed; and, number two, no single individual or agency should be given the authority to postpone the date of a Presidential election. This is the meat of this resolution.

I further join with the gentlewoman (Ms. PELOSI), our distinguished leader, in calling for the United States to be an example for democracies around the world, and that means holding our elections on schedule. I would also like to thank the gentleman from Texas (Mr. TURNER), ranking member of the Select Committee on Homeland Security, who spoke out so eloquently on this issue, and the gentlewoman from California (Ms. WOOLSEY), who has already circulated in the immediate comments following some of the press with respect to this issue and garnered more than 150 signatures, as the chairman has indicated, along bipartisan lines.

The Union has stood for over 225 years and has never had a Federal election postponed or cancelled. Not in time of war, not in time of economic turmoil, and not in time of natural disaster. We should not start now. We as a country will not bend in the face of threats to our democracy. The United States was founded on the ideas of hope and freedom. Those who believe that they will break those pillars with the threat of terror are misguided.

I have requested a briefing from Department of Homeland Security Secretary Tom Ridge to learn how his Department plans to work with Congress to safeguard the November elections and on reducing the risk of attack. I join with the committee chairman and we share the concerns, and we all hope and pray and abide that no such attacks will occur, and yet we must be prepared for those contingencies. I would suggest that while we are mindful of security and the safety of voters, we should not focus on these issues to the extent that they damage democracy by frightening voters away from the polls. Americans should go to the polls in record numbers to show our determination that we take our democracy seriously.

Madam Speaker, I reserve the balance of my time.

Mr. NEY. Madam Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. SMITH), and I would also note that the gentleman has introduced House Concurrent Resolution 474 into our committee, and it supports the very same objectives; and I appreciate the gentleman's introducing that resolution.

Mr. SMITH of Michigan. Madam Speaker, I thank the chairman for yielding me this time, and I think there is going to be unanimous support for this resolution.

I think it is appropriate to mention the only reason this really came to the forefront and has become an issue is because the Election Assistance Commission Chairman, DeForest Soaries, proposed a possibility of a policy for allowing the alteration of the schedule for Federal elections in the event of an unspecified emergency. He said maybe we should be looking at that possibility. I think it was never the intention of Congress or the administration or anybody else for the reasons that have been presented from both sides to ever alter our election schedule in the United States of America.

I would like to add some of the whereas in the concurrent resolution that I introduced earlier in July, on H. Con. Res. 474.

And it says: "Whereas the United States has never postponed or delayed a Federal election for any reason, even during the Civil War" and "Whereas Condoleezza Rice, the Assistant to the President for National Security Affairs, has stated that the administration has no intention of altering the schedule for Federal elections and expects the elections to occur as sched-

uled" and "Whereas the American people have a longstanding and legitimate expectation that regularly scheduled Federal elections will continue to be held in accordance with Federal law" and "Whereas keeping the schedule of Federal elections is necessary to maintain confidence in the legitimacy of the Presidency and Congress both in the United States and around the world: Now therefore be it resolved" it is not going to happen and this Congress is never going to permit the alteration of law that would be required to have a postponement of our Federal elections because of terrorist threat.

I compliment both sides of the aisle for moving ahead with this resolution.

Mr. LARSON of Connecticut. Madam Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY), who has led the effort here in the House and petitioned to Secretary Ridge.

Ms. WOOLSEY. Madam Speaker, it appeared earlier this month that if DeForest Soaries, the chairman of the U.S. Election Assistance Commission, had gotten his wish, his agency would have the authority to postpone the November Presidential elections in the event of a terrorist threat or attack. I was personally appalled that Soaries made such a request and that it was even considered.

The postponement of a Presidential election would present the greatest threat to date to our democratic process. It would be an admission of defeat to the terrorists, inviting them to disrupt the selection of our highest leader, and it would be unprecedented in our Nation's history. Such a proposal suggests that State officials responsible for elections in their region are incapable of deciding what steps to take in the event of a catastrophe. The legislative branch of the government has always held the authority to regulate elections, not the executive branch.

So last week I wrote a letter to Secretary Ridge, as the gentleman from Connecticut (Mr. LARSON) stated, and I requested that he take no further steps to postpone this year's Presidential election. 190 Members of Congress signed this letter with me, and I credit the gentleman from Ohio (Mr. NEY) and the gentleman from Connecticut (Mr. LARSON) for bringing this important resolution H. Res. 728, to the House floor immediately, showing support of our request and showing full appreciation for the election process.

Madam Speaker, in early 1864, President Abraham Lincoln feared that he would lose his Presidency due to the widespread criticism of his handling of the Civil War. No President had won a second term in more than 30 years, and the Union had recently suffered a string of military disappointments, and his advisers told him that they thought he should postpone the election. Many of President Lincoln's closest advisers told him he would lose the election, in fact, if it were held. But President Lin-

coln never considered that possibility, nor will we.

Wars, droughts, floods, and hurricanes have not stopped elections. And the possibility of a terrorist attack must not stop one either. I urge my colleagues to support this resolution.

Mr. NEY. Madam Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LARSON of Connecticut. Madam Speaker, I yield 3 minutes to the distinguished gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Madam Speaker, I thank the gentleman from Connecticut for yielding me this time and thank the gentleman from Ohio (Mr. NEY).

I want to raise a question here because, first of all, I absolutely agree that the executive branch must not be given the authority or must not assume the authority to change our elections. On that I one hundred percent agree. That must be the purview and the prerogative of the United States Congress.

But I just want to raise a question. The issue really is not the holding of elections. The issue is whether or not in the elections everyone's vote gets counted, and we must be very careful in our rhetorical concerns to not just say they will never disrupt the elections but to instead ensure that terrorists not allow individual votes to not be counted.

We have seen elections in which individual votes were not counted, and that is the threat to the democracy. And I mean this very seriously. It is quite plausible to imagine scenarios wherein we go forth with an election, but individual votes are not counted and thereby the election of an individual as President of the United States or as Members of the House or Senate does produce an outcome, but the outcome is not based on a fair and full counting of each of our votes.

And that is my concern. And my concern, frankly, is I think we are moving this forward too fast. My own preference would be to follow something along the lines of what Norm Ornstein recommended, and that is appoint a commission to study in the interim what the possible scenarios are and what our opportunities are because if, for example, one State, let us say California, is attacked by terrorists and the number of the votes are not in some way able to be tallied, are we today setting a marker in the ground that says it is better not to count the votes of the State of California or to only partially count those in order that we can say the election was held on time?

Quite frankly, I am not comfortable with the results of elections where we have said what matters is that we say we have held the election rather than we say what matters is every single person's vote is counted. It is that principle on which the integrity of a democratic Republic depends, not merely holding elections on a designated time.

So I will very likely vote for this, but I will do so with reservations. And I would suggest that if we do pass this resolution, we not assume that in so doing we have solved this problem. Nor do we assume that in so doing, we have assured the American people that their votes will be counted. Because the American people say not that we must hold the election on the first Tuesday of November. What they say is, most important is my vote must count. In the past it has not counted, and it must count ever after.

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

I am not sure I am going to attempt to actually answer that, but I will say this, and I respect always the gentleman's opinion: when he says the issue is about counting votes, we cannot count votes unless we have an election, I understand where he is coming from. However, there is an issue about the security of the ballots. Let us take terrorists away from it. There could be an earthquake. It could be in California. It could be in Texas. Do we then stop the national elections? Forget terrorism. Would we stop the national elections if on the day of the elections there was an earthquake somewhere? Would we somehow broadcast to the Nation stop, turn around, and go home? But I think, frankly, understanding what he is saying, respecting what he is saying about security, this still goes way beyond that.

□ 1845

At issue tonight is not forgetting about security elections, not forgetting about having accurate elections, but the issue is with the chatter about one person being able to stop elections; the Congress, I think this is the time the Congress is the body that can do that, and this is as a result of the chatter about one person.

Now, whom would we pick? Would we pick you, would we pick the Speaker, would we pick the minority leader, would we pick the Attorney General, would we pick Homeland Security?

So I think the issue of this is stating on the record that Congress will not even entertain one person, because the idea of one person is something so foreign to us, that no one individual in this country ever, ever has the power to stop an election.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I just wanted to comment, as well, that I appreciate the spirit of my colleague's comments and what he had to say, and I think that votes being conducted does truly matter.

In the legislative process, would it be that every time we passed a piece of legislation did we not think the problem had been solved? So I agree that we have to continue to follow through on this issue.

But I think the chairman is correct in terms of looking at the gravity of this situation and an individual, and, as the gentleman pointed out in his remarks as well, understanding completely that that authority should derive with the United States Congress.

Madam Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Madam Speaker, I thank the gentleman for yielding me time.

I appreciate the discussion here. I absolutely agree. I want to underscore that. The gentleman, I could not agree more; it must not reside with one person. Frankly, not because we feel that way, not because we cannot think of who that one person would be, but because the Constitution of the United States of America has never said that the President or a designee of the President can delay an election. That must reside with Congress, if anything is going to happen to elections.

But I really do want to underscore, what is the purpose of an election? The purpose of an election is not simply to say we had an election and someone was declared the winner. The purpose of the election is to understand the will of the majority of the American people.

If events, be they natural or terrorist, in some way distort the ability of us to accurately glean and determine the will of the American people, then that is to be of profound consideration.

My concern, again, is we must first and foremost ask ourselves what mechanisms are in place to ensure that the will of the American people is accurately recorded and counted, not what mechanisms are in place so that at the close of business on November 2 we can all declare we have had an election. That is all I am trying to say here.

I absolutely applaud the gentleman for saying no one person must make this decision. If nothing else than that, I would vote for this resolution. But I think we must step back after that and say, What mechanisms do we have in place? If on Election Day something profound has happened, be it terrorist or natural, that we reliably can reliably say we do not have an accurate count at the end of this day, should we move forward so that we can say, We had an election; or should we have some mechanism in place to ask ourselves, Has this mechanism of an election been valid? And if it has not been valid, then it behooves us and it is our duty to the American people and the voters to say, We are going to do something beforehand to make sure it is valid and not leave it up to chance. That is all I am trying to say.

So if we pass this, let us please continue this discussion, and ask if something does happen that interferes with your right to have your vote counted and accurately represented, we have some mechanism to anticipate that.

Mr. LARSON. Madam Speaker, I thank the gentleman for his thoughtful comments.

Madam Speaker, I yield 4 minutes to the distinguished 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. Madam Speaker, I thank the distinguished gentleman for yielding me time and for his leadership, particularly the guidance that he has given us through a number of election challenges that we have had in this Congress. And I thank the chairman of the committee, who has remained open-minded on these issues.

I think my colleague that has just spoken has crafted one instruction for us, and that is that we should be diligent and we should be vigilant, and I frankly think that this legislation allows us to do both.

I am rising to enthusiastically support the idea that we are committed to the principles of this country and we are not to be intimidated.

Let me say that I believe there is not one of us who is not committed unanimously and in a bipartisan and non-partisan manner and as Americans to fight the war against terror. We are saying to the world that we will not be intimidated by terrorists or terror. I think we also are committed to securing the homeland, and we realize that we have that kind of important challenge.

In a few days, we will receive the 9/11 report, and it will probably announce, pronounce, a number of failings in our system, one of them being the failing in our Intelligence Community's communication.

In a few days, as well, probably simultaneously, the Select Committee on Homeland Security, of which I am a member, will be marking up a new authorization bill, one that I hope will not be a bill that is intimidating and timid, that we will address the questions of securing the homeland; and frankly, I hope that in the discussions we will talk about the sanctity and the importance of holding elections.

With that in our mind-set, the 9/11 Commission report and homeland security, this particular initiative, this legislation, is important. It makes a public pronouncement of the authority of the United States Congress to hold Federal elections.

I do believe it is important, however, to have this discussion realize that we too understand the possibility of tragic incidents, whether it is one of terror or natural disaster, and that we will say, as we debate this, that we will be cognizant of those possibilities and be prepared as a Congress to respond.

We will be prepared to respond. How that response will take place, it will be our decision as to how it will take place, but we are assuring everyone that our first priority is to have elections.

So I will support this particular legislation because it makes an important public statement: Whose authority is it? It is the United States Congress'.

the Federal authority, to ensure we have elections.

But, Madam Speaker, let me say this. I think it is important to make note of the fact that all votes should be counted. I was here on January 6, 2001, and supported the idea of challenging the election at that time. The challenge was not a personal challenge, it was simply one that had to do with making sure that every vote was counted. So that point is very clear, that we should be diligent and vigilant with ensuring that all votes are counted.

Let me add, as I close, that one of the other important aspects of our diligence and our vigilance is, as we look forward to the elections, to make sure they are accurate.

So I was disappointed with the vote of this Congress, an amendment by the gentleman from Indiana (Mr. BUYER), that would ask that we not have international monitors here. The debate was vigorous, and I think the prevailing debate, although it was not prevailing in the vote, is that we are proud of our democracy. We have our failures and our faults, but we are proud of our democracy, and we do not mind if anyone comes to monitor our elections. So this is in sync with this particular legislation on the floor.

Again, let me congratulate the gentleman from Connecticut (Mr. LARSON) and the gentleman from Ohio (Mr. NEY), because we will find that most of the Members of Congress, and let me say that I think all, will find themselves able to vote for this legislation enthusiastically, because we do believe in the importance of elections, no matter whether we win or lose.

But let us do so by being vigilant and diligent. Let us make sure they are accurate elections and make sure that we open the doors for international monitors so that we can make sure that the American people have the best elections ever for the world to see.

Madam Speaker, I ask for support of this legislation.

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

Mr. Speaker, I thank the distinguished gentlewoman, and I again want to add both my praise and thanks for the leadership of our distinguished chairman, the gentleman from Ohio (Mr. NEY), in bringing this resolution to the floor.

We are the greatest country on the face of the Earth. We are known throughout the globe for our great strength and resolve. We are known for the great strength of our military and our armies and the shock and awe that they create.

But the most awesome thing that we have, the thing that sticks out in everybody's minds, what makes us the Nation that we are, is our freedom of expression and our right to vote. That is why this is such an important resolution and such an important issue.

In the final analysis, it will not be the strength of our armies; it will be

the strength of the individual and collective thoughts of our citizens that are expressed on the day we vote that makes us the Nation that we are.

Madam Speaker, I thank the gentleman from Ohio for his leadership.

Madam Speaker, today I rise in support of this resolution to reaffirm that our Federal elections should not be postponed in the event of terrorist attack. I would like to associate myself with the remarks of the Chairman and thank his staff for drafting this resolution. I stand in support of this resolution because of the matters contained in the resolving clauses (1) the actions of terrorists will never cause the date of any Presidential election to be postponed; and (2) no single individual or agency should be given the authority to postpone the date of a Presidential election. This is the meat of the resolution, and others can debate about the meaning of the "whereas" clauses—and I am sure there will be lots of different interpretations.

I further join with Leader PELOSI in calling for "the United States to be an example for democracies around the world, and that means holding our elections as scheduled." I would also like to thank the ranking minority member of the Homeland Security subcommittee JIM TURNER and Representative LYNN WOOLSEY for their leadership on this very important issue. This union has stood for over 225 years and has never had a Federal election postponed or cancelled. Not in time of war; not in time of economic turmoil and not in time of natural disaster. We should not start now! We as a country will not bend in the face of threats to our democracy. The United States was founded on the ideals of Hope and Freedom! Those who believe that they will break those pillars with the threat of terror are misguided.

I have requested a briefing from Homeland Security Secretary Thomas Ridge to learn how his department plans to work with Congress to safeguard the November elections and on reducing the risk of an attack.

I would suggest that while we must be mindful of the security and safety of voters, we should not focus on these issues to the extent that it damages democracy by frightening voters away from the polls. Americans should go to the polls in record numbers to show our determination that we take democracy seriously.

Madam Speaker, I urge my colleagues to join me in supporting this resolution.

Madam Speaker, I yield back the balance of my time.

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

Madam Speaker, we have gone a long way in this country, and we always continue to look for ways we can better improve security, ways that we can have integrity in the elections, the Help America Vote Act. There are a lot of different things that we continuously do in the history of our country.

On this issue, I am so proud of this House. I want to thank the Speaker for his support, the gentleman from Connecticut (Mr. LARSON) for his quick action on this, the Democratic leader, the gentlewoman from California (Ms. PELOSI).

You take Members from all backgrounds in this House and sometimes people say, do you ever agree on any-

thing? Well, you know, we might disagree here and there. But you take Members from the left, the right and the middle, you take Members from the rural and the urban, they have come together so quickly on this resolution on a bipartisan basis, because I believe that this Chamber knows and respects the integrity of our process and the rule of law that we have on the election process and Congress' clear, defined role in that.

Madam Speaker, I thank the gentleman and I urge support of this resolution.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HENSARLING). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the resolution, H. Res. 728.

The question was taken.

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

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

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. NEY. 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. Res. 728.

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

There was no objection.

JUNK FAX PREVENTION ACT OF 2004

Mr. UPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4600) to amend Section 227 of the Communications Act of 1934 to clarify the prohibition on junk fax transmissions, as amended.

The Clerk read as follows:

H.R. 4600

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.—Subparagraph (C) of section 227(b)(1) 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.**—Subsection (a) of section 227 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 new paragraph:

“(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 the Commission’s 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.**—Paragraph (2) of section 227(b) 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 new subparagraph:

“(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.**—Paragraph (2) of section 227(b) of the Communications Act of 1934

(47 U.S.C. 227(b)(2)), as amended by subsection (c) of this section, is further amended by adding at the end the following new subparagraph:

“(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.**—Paragraph (2) of section 227(b) of the Communications Act of 1934 (47 U.S.C. 227(b)(2)), as amended by subsections (c) and (d) of this section, is further amended by adding at the end the following new subparagraph:

“(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 by regulation issued after public notice and opportunity for public comment and only 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.**—Paragraph (2) of section 227(b) 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 new subparagraph:

“(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.**—Paragraph (5) of section 227(a) of the Communications Act of 1934 (47 U.S.C. 227(a)(4)), as so redesignated by subsection (b)(1) of this section, is amended by inserting “, in writing or otherwise” before the period at the end.

(h) **REGULATIONS.**—Except as provided in clause (ii) of section 227(b)(2)(G) of the Communications Act of 1934 (as added by subsection (f) of this section), not later than 270 days after the date of the 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 new subsection:

“(g) **JUNK FAX ENFORCEMENT REPORT.**—The Commission shall submit a report to the Congress for each year regarding the enforcement of the provisions of this section relating to sending of unsolicited advertisements to telephone facsimile machines, which shall include the following information:

“(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 such notice—

“(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 such forfeiture order—

“(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.

“(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 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 paragraph (7) of subsection (a), 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 by section 4 of the CAN-SPAM Act of 2003 (15 U.S.C. 7703) 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.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. UPTON).

GENERAL LEAVE

Mr. UPTON. 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. 4600, as amended.

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

There was no objection.

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

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume, and it is to make this point: That the majority worked very well with the minority on this issue. The gentleman from Michigan (Mr. DINGELL) and I and all the Members on our side want to thank the gentleman from Michigan (Mr. UPTON) and the gentleman from Texas (Mr. BARTON) for their cooperation on this legislation.

I was the principal House sponsor of the original junk fax bill back in 1991.

That bill worked quite well, but we need to update it, and this legislation will help to give the additional protections to American consumers so that they can protect themselves against the tsunami of unwanted junk faxes which go into their homes.

After all, what could be worse than to have something come into your home, consume paper in your fax machine that you have to pay for, and then not have an ability to be able to stop that person from sending any more junk faxes into your home?

That is what this bill will help to ensure does not occur in our country. The provisions in it, I think, are solid, they are sound, and they are the product of a bipartisan bill.

Mr. Speaker, I rise in support of this bill. This legislation reflects a compromise that was negotiated out between both Democratic and Republican Members over a number of weeks and I encourage Members to support this legislation today.

First, let me state that I was the principal House sponsor of the Telephone Consumer Protection Act (TCPA) of 1991, which contained the original junk fax prohibition. Congress endorsed my call in 1991 for a general prohibition against junk faxes because of the intrusive nature of that form of advertising. Junk faxes represent a form of advertising in which the ad is essentially paid for by the recipient. The recipient of a junk fax pays for the fax paper and printer costs, pays in the form of precious lost time as the machine is tied up, and also in the form of the clutter in which important faxes are lost in the midst of a pile of junk faxes.

I think it is important to emphasize that the bill we bring to the House floor today retains the general prohibition against sending junk faxes. In other words, sending an unsolicited facsimile advertisement is against the law. We are not changing the law or the policy with respect to this—sending a junk fax was illegal and remains illegal under this bill. Neither are we changing any of the statutory enforcement mechanisms available to the FCC or consumers in this bill.

The legislation we are proposing will address certain provisions affecting an exception to the general prohibition against sending junk faxes and will improve the bill in these areas. Since the FCC originally implemented the 1991 junk fax provisions of the TCPA, Commission regulations contained an exception for faxes that were sent because an “established business relationship” existed between the sender and the recipient. These regulations were in place and the ability to send junk faxes based upon the exception was permitted by the Commission for over a decade.

This concept of an “established business relationship” permitted a commercial entity to invoke its ability to prove such a relationship with a consumer in order to contact that consumer in spite of the general prohibitions of the law. The FCC has more recently determined that the term “established business relationship” was not specifically included in the provisions addressing junk faxes in the TCPA and therefore changed its regulations. The new rules require “written” permission from consumers and these new rules have been stayed from going into effect until January of 2005.

The legislation before us is designed to put specific language into the statute permitting an “established business relationship” exception to the general prohibition against junk faxes. Many businesses have complained that written permission is too onerous a regulatory requirement for many of the faxes that they stipulate are routinely sent in the ordinary course of business, presumably without complaints from the recipients of such faxes. The draft bill is responsive to these complaints.

We must recognize, however, that many small businesses and residential consumers find many of these unsolicited faxes, including those faxes sent because a valid claim of an “established business relationship” was being asserted in order to send them, to be a considerable irritant and strongly object to receiving them. The legislation, therefore, addresses additional issues, including putting into the statute an “opt-out” ability for consumers to object to receiving junk faxes, even when such faxes are sent to them based on an established business relationship. For the decade that the original FCC regulations were in place, many consumers simply were not aware of the FCC’s established business relationship exception, nor did very many know they had an ability to stop these faxes or any clear way in which to effectuate such a request.

The bill the House is considering includes new provisions requiring an “opt-out” notice and policy that we will add to the statute. The bill requires junk faxes to include, on the first page, a clear and conspicuous notice to consumers that they have the right not to receive future junk faxes from the sender. Second, the notice must include a domestic contact telephone number an fax number for consumers to transmit a request not to receive future faxes. Third, the bill stipulates that consumers must be able to make such requests during normal business hours. Fourth, the bill requires the notice to conform with the Commission’s technical and procedural standards for sending faxes under Section 227(d) of the law, which include the requirement to identify the entity sending the facsimile advertisement.

This is an important provision because one of the biggest complains from the FCC at the hearing, and with other law enforcement entities and aggrieved consumers, is that they have had difficulty legally identifying the source of many of the unsolicited faxes. In addition, there were some senders of junk faxes who evidently and falsely believed that simply because they were sending an unsolicited fax based upon their ability to prove they had a “established business relationship” with a consumer, and thus did not have to abide by the general prohibition against such faxes, that this also meant they did not have to abide by the other FCC and statutory technical rules. These statutory and regulatory rules include requirements that junk fax senders identify themselves in such faxes. Law enforcement entities and consumers need to be able to find the legal business name or widely recognized trade name of the entity sending a junk fax in violation of the rules in order to pursue enforcement actions.

Fifth, this bill makes it clear that a consumer can “opt-out” of receiving faxes to multiple machines, if they have more than one, rather than opting out solely for the particular machine that received the junk fax. Sixth, in this

legislation the Commission is tasked with exploring additional mechanisms by which a consumer might opt-out, such as in person or by e-mail or regular mail, and also requests that the Commission established cost-free ways by which consumers can opt-out. These notice and opt-out requirements all represent new provisions to the law for which existing enforcement remedies will apply.

This legislation also includes the ability for the FCC to limit the duration of an established business relationship notwithstanding the fact that the law would include an opt-out notice and ability which avails consumers of the right to opt-out of receiving faxes at any point in time. I believe this is an important concept and one which deals with the legitimate expectations of consumers. If a consumer buys something from a store, consumers might expect to hear from that store within a reasonable period of time under the notion that they have an established business relationship and the store was sending an unsolicited fax based upon that fact. Over time however, a consumer's expectation changes and there is a time after which the established business relationship can be said to have lapsed.

There are some who believe that no time limit is necessary, in light of the fact that we are now adding a clear way by which consumers may opt-out of receiving junk faxes at any time. There are others who believe that a time limit is necessary for consumer protection, and many of us have different views over what period of time is reasonable. While it is not the preferred resolution for any of us, the bill contains a new provision which tries to bridge the gap between our different perspectives on this issue. The legislation will permit the Commission to put in place a sunset of the established business relationship, after the FCC implements the new opt-out policy and it gets a track record on what is happening in the marketplace. In particular, the Commission will examine consumer complaints to the agency during this period with an analysis as to whether junk faxes from entities with whom consumers have an established business relationship constitute a significant number of complaints. If so, the Commission may establish a limit, between 5 and 7 years, for the duration of an established business relationship. If it does so, then after the limit, entities would not be able to send junk faxes because they can prove an established business relationship with a consumer. In other words, the relationship would end for purposes of the exception and the policy would revert back to the general prohibition against sending the junk fax for that consumer.

Finally, I think it is important to take a comprehensive look at overall enforcement of the junk fax law. I am concerned that some of the most egregious junk fax operations, the entities that broadcast such faxes to millions, often escape enforcement. They may be found guilty, cited by the FCC and sometimes fined—but often it appears as if they either ignore the fines, skip town, or live overseas. For these reasons the bill includes provisions that will give us an annual accounting of the FCC's enforcement activities as well as a GAO analysis of what additional enforcement tools may be necessary to provide sufficient deterrent, especially to the most egregious and abusive junk fax senders.

Again, I want to commend Chairman UPTON and Chairman BARTON for their work on this

bill, and in particular for their willingness and openness in working with me and Mr. DINGELL in crafting the compromises needed to achieve consensus. I encourage all the members to support it.

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

Mr. Speaker, today we are considering the Junk Fax Prevention Act of 2004, bipartisan legislation which I introduced along with the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Texas (Mr. BARTON) and the gentleman from Michigan (Mr. DINGELL). I want to thank those Members for their hard work and bipartisan cooperation.

In 1991, Congress passed the Telephone Consumer Protection Act, which included landmark legislation that protected consumers from receiving unwanted and unsolicited commercial faxes. For over 10 years, the FCC had interpreted that law to provide businesses with an exception to the general ban when they faxed commercial or advertising material to an existing business customer.

Then, in 2003, the FCC made a major change in their interpretation of the law. Under the new FCC rules, every business, every single one, small, large, home-based, every association, every nonprofit organization, every charity, would be required to obtain prior written approval from each individual before it sent a commercial fax.

□ 1900

The logistical and financial costs of the new FCC rules, particularly to small business and nonprofit associations, would be enormous.

For instance, the survey of the U.S. Chamber of Commerce suggested that the cost to the average small business would be at least \$5,000 in the first year and more than \$3,000 each year thereafter. The survey further indicated that it would take, on average, more than 27 hours of staff time to obtain the initial written consent from their customers, and an additional 20 hours each year to keep those forms current. A recent survey by the National Association of Wholesalers-Distributors revealed that its member companies expected to pay an average of \$22,500 just to obtain the consent forms. With our economy in the fragile stages of an economic recovery, I would much rather see those dollars going towards production and job creation.

Given the dramatic impact which the new rules would have, last August, just before the new rules were to go into effect, the gentleman from Louisiana (Mr. TAUZIN), the then chairman of the Committee on Energy and Commerce, and I wrote the FCC and requested that the FCC delay the effective date of the new rules. Thankfully, the FCC did. In fact, they stayed the effective date until January of 2005.

Moreover, while the FCC currently has the new rules under reconsideration, I think it is the wisest course for Congress to step in and fix the law to

resolve any lingering statutory interpretation problems which led to the FCC's new rules, and that is why we are here today.

Let me start by stating what the Junk Fax Prevention Act of 2004 would not do. The bill does not overturn the ban on the faxing of unsolicited advertisements. That has been outlawed since the passage of the Telephone Consumer Protection Act of 1991, and this bill does nothing to change that.

This bill does not protect the senders of those annoying, unsolicited faxed advertisements which so many of us get from companies with whom we have never done business, often sent to us randomly by blast fax, and do not properly identify themselves in the fax transmission.

Rather, the bill with clearly restate the established business relationship exemption to allow businesses, associations, and charities to send commercial faxes to their customers and members without first receiving written permission. Additionally and importantly, the bill would establish new opt-out safeguards to provide additional protections for fax recipients. Under the bill, senders of faxes must alert recipients clearly and conspicuously on the first page, of their right to opt-out of future faxes, and senders must abide by those requests. This is a level of protection that consumers never had under the FCC rules. Finally, the bill sets out the FCC reporting requirements so that Congress can monitor the FCC's enforcement activity.

The Junk Fax Prevention Act is commonsense, regulatory relief; and time is of the essence for Congress to pass it, since many businesses will very soon need to begin making arrangements to be in compliance with the new rules by January of 2005.

I want to thank my friends, the gentleman from Massachusetts (Mr. MARKEY), the gentleman from Texas (Mr. BARTON), and the gentleman from Michigan (Mr. DINGELL), for their sincere bipartisan cooperation on the bill. I also want to thank the staff on both sides of the aisle, Kelly Cole, Howard Waltzman, Pete Filon, Colin Crowell, Will Carty, and certainly Will Nordwind for all of their superb efforts.

I urge my colleagues to support this measure. I look forward to working with my colleagues on the other side of the Capitol to ensure that we get this must-pass legislation to the President's desk as expeditiously as possible this year.

Mr. DINGELL. Mr. Speaker, I rise in support of H.R. 4600, the Junk Fax Prevention Act of 2004. The bill strikes a proper balance between protecting consumers from unwanted junk faxes and permitting legitimate business communications, and I would commend Chairman BARTON and UPTON, and Ranking Member MARKEY for their bipartisan work.

H.R. 4600 is necessary because the Federal Communications Commission (FCC), as part of its Do-Not-Call order last year, reversed its existing business relationship (EBR) policy regarding junk faxes. Starting in January 2005, permission to receive junk faxes

must be in writing and include the recipient's signature.

This rule will have a perverse effect on legitimate business communications. For example, under the Commission's new policy, if I would like my travel agent to send me a description of various vacation packages, I must first deliver to my agent a signed waiver requesting the fax. Likewise, my favorite restaurant would have to obtain a similar waiver in order to fax me its updated menu. Not surprisingly, commercial enterprises, especially small businesses and trade associations, are justifiably concerned about the impact of the FCC's new junk fax rules.

H.R. 4600 takes the corrective step of codifying a modified version of the FCC's current 12-year-old junk fax EBR policy that is set to end this year. To provide further protection to consumers, however, that policy will be changed to provide consumers with the right to opt out from receiving such faxes from a particular sender. Further, consumers must be provided clear and conspicuous notice of their new opt-out right. Additional protections for consumers include enabling recipients to opt out using a cost-free mechanism and giving the FCC the authority to sunset the EBR.

In an effort to focus on enforcement against those who illegally send junk faxes, the legislation requires the Commission to report to the Congress each year on the number of junk fax complaints it has received and on the enforcement actions taken against those who violate the agency's rules. This report should assist the commission in maintaining proper vigilance on those who fail to respect consumer privacy. Moreover, the bill requires the Government Accountability Office to study the junk fax issue and make recommendations to the Committee on additional enforcement measures that can be taken to protect consumers from unwanted junk faxes.

Mr. Speaker, consumers are fed up with the unwanted and intrusive junk faxes that clog up their fax machines. H.R. 4600 will help protect consumers from receiving these faxes while ensuring that businesses can continue to use the fax machine to communicate with their customers. I urge my colleagues to support this bill.

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

The SPEAKER pro tempore (Mr. HENSARLING). The question is on the motion offered by the gentleman from Michigan (Mr. UPTON) that the House suspend the rules and pass the bill, H.R. 4600, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MINOR USE AND MINOR SPECIES ANIMAL HEALTH ACT OF 2004

Mr. PICKERING. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 741) to amend the Federal Food, Drug, and Cosmetic Act with regard to new animal drugs, and for other purposes.

The Clerk read as follows:

S. 741

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

TITLE I—MINOR USE AND MINOR SPECIES HEALTH

SECTION 101. SHORT TITLE.

This title may be cited as the "Minor Use and Minor Species Animal Health Act of 2004".

SEC. 102. MINOR USE AND MINOR SPECIES ANIMAL HEALTH.

(a) FINDINGS.—Congress makes the following findings:

(1) There is a severe shortage of approved new animal drugs for use in minor species.

(2) There is a severe shortage of approved new animal drugs for treating animal diseases and conditions that occur infrequently or in limited geographic areas.

(3) Because of the small market shares, low-profit margins involved, and capital investment required, it is generally not economically feasible for new animal drug applicants to pursue approvals for these species, diseases, and conditions.

(4) Because the populations for which such new animal drugs are intended may be small and conditions of animal management may vary widely, it is often difficult to design and conduct studies to establish drug safety and effectiveness under traditional new animal drug approval processes.

(5) It is in the public interest and in the interest of animal welfare to provide for special procedures to allow the lawful use and marketing of certain new animal drugs for minor species and minor uses that take into account these special circumstances and that ensure that such drugs do not endanger animal or public health.

(6) Exclusive marketing rights for clinical testing expenses have helped encourage the development of "orphan" drugs for human use, and comparable incentives should encourage the development of new animal drugs for minor species and minor uses.

(b) AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.—

(1) DEFINITIONS.—Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) is amended by adding at the end the following:

"(nn) The term 'major species' means cattle, horses, swine, chickens, turkeys, dogs, and cats, except that the Secretary may add species to this definition by regulation.

"(oo) The term 'minor species' means animals other than humans that are not major species.

"(pp) The term 'minor use' means the intended use of a drug in a major species for an indication that occurs infrequently and in only a small number of animals or in limited geographical areas and in only a small number of animals annually."

(2) THREE-YEAR EXCLUSIVITY FOR MINOR USE AND MINOR SPECIES APPROVALS.—Section 512(c)(2)(F) (ii), (iii), and (v) of the Federal Food, Drug, and Cosmetic Act is amended by striking "(other than bioequivalence or residue studies)" and inserting "(other than bioequivalence studies or residue depletion studies, except residue depletion studies for minor uses or minor species)" every place it appears.

(3) SCOPE OF REVIEW FOR MINOR USE AND MINOR SPECIES APPLICATIONS.—Section 512(d) of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new paragraph:

"(5) In reviewing an application that proposes a change to add an intended use for a minor use or a minor species to an approved new animal drug application, the Secretary shall reevaluate only the relevant information in the approved application to deter-

mine whether the application for the minor use or minor species can be approved. A decision to approve the application for the minor use or minor species is not, implicitly or explicitly, a reaffirmation of the approval of the original application."

(4) MINOR USE AND MINOR SPECIES NEW ANIMAL DRUGS.—Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end the following:

"Subchapter F—New Animal Drugs for Minor Use and Minor Species

"SEC. 571. CONDITIONAL APPROVAL OF NEW ANIMAL DRUGS FOR MINOR USE AND MINOR SPECIES.

"(a)(1) Except as provided in paragraph (3) of this section, any person may file with the Secretary an application for conditional approval of a new animal drug intended for a minor use or a minor species. Such an application may not be a supplement to an application approved under section 512. Such application must comply in all respects with the provisions of section 512 of this Act except sections 512(a)(4), 512(b)(2), 512(c)(1), 512(c)(2), 512(c)(3), 512(d)(1), 512(e), 512(h), and 512(n) unless otherwise stated in this section, and any additional provisions of this section. New animal drugs are subject to application of the same safety standards that would be applied to such drugs under section 512(d) (including, for antimicrobial new animal drugs, with respect to antimicrobial resistance).

"(2) The applicant shall submit to the Secretary as part of an application for the conditional approval of a new animal drug—

"(A) all information necessary to meet the requirements of section 512(b)(1) except section 512(b)(1)(A);

"(B) full reports of investigations which have been made to show whether or not such drug is safe under section 512(d) (including, for an antimicrobial new animal drug, with respect to antimicrobial resistance) and there is a reasonable expectation of effectiveness for use;

"(C) data for establishing a conditional dose;

"(D) projections of expected need and the justification for that expectation based on the best information available;

"(E) information regarding the quantity of drug expected to be distributed on an annual basis to meet the expected need; and

"(F) a commitment that the applicant will conduct additional investigations to meet the requirements for the full demonstration of effectiveness under section 512(d)(1)(E) within 5 years.

"(3) A person may not file an application under paragraph (1) if—

"(A) the application seeks conditional approval of a new animal drug that is contained in, or is a product of, a transgenic animal,

"(B) the person has previously filed an application for conditional approval under paragraph (1) for the same drug in the same dosage form for the same intended use whether or not subsequently conditionally approved by the Secretary under subsection (b), or

"(C) the person obtained the application, or data or other information contained therein, directly or indirectly from the person who filed for conditional approval under paragraph (1) for the same drug in the same dosage form for the same intended use whether or not subsequently conditionally approved by the Secretary under subsection (b).

"(b) Within 180 days after the filing of an application pursuant to subsection (a), or such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

“(1) issue an order, effective for one year, conditionally approving the application if the Secretary finds that none of the grounds for denying conditional approval, specified in subsection (c) of this section applies and publish a Federal Register notice of the conditional approval, or

“(2) give the applicant notice of an opportunity for an informal hearing on the question whether such application can be conditionally approved.

“(c) If the Secretary finds, after giving the applicant notice and an opportunity for an informal hearing, that—

“(1) any of the provisions of section 512(d)(1) (A) through (D) or (F) through (I) are applicable;

“(2) the information submitted to the Secretary as part of the application and any other information before the Secretary with respect to such drug, is insufficient to show that there is a reasonable expectation that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof; or

“(3) another person has received approval under section 512 for the same drug in the same dosage form for the same intended use, and that person is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended;

the Secretary shall issue an order refusing to conditionally approve the application. If, after such notice and opportunity for an informal hearing, the Secretary finds that paragraphs (1) through (3) do not apply, the Secretary shall issue an order conditionally approving the application effective for one year and publish a Federal Register notice of the conditional approval. Any order issued under this subsection refusing to conditionally approve an application shall state the findings upon which it is based.

“(d) A conditional approval under this section is effective for a 1-year period and is thereafter renewable by the Secretary annually for up to 4 additional 1-year terms. A conditional approval shall be in effect for no more than 5 years from the date of approval under subsection (b)(1) or (c) of this section unless extended as provided for in subsection (h) of this section. The following shall also apply:

“(1) No later than 90 days from the end of the 1-year period for which the original or renewed conditional approval is effective, the applicant may submit a request to renew a conditional approval for an additional 1-year term.

“(2) A conditional approval shall be deemed renewed at the end of the 1-year period, or at the end of a 90-day extension that the Secretary may, at the Secretary's discretion, grant by letter in order to complete review of the renewal request, unless the Secretary determines before the expiration of the 1-year period or the 90-day extension that—

“(A) the applicant failed to submit a timely renewal request;

“(B) the request fails to contain sufficient information to show that—

“(i) the applicant is making sufficient progress toward meeting approval requirements under section 512(d)(1)(E), and is likely to be able to fulfill those requirements and obtain an approval under section 512 before the expiration of the 5-year maximum term of the conditional approval;

“(ii) the quantity of the drug that has been distributed is consistent with the conditionally approved intended use and conditions of use, unless there is adequate explanation that ensures that the drug is only used for its intended purpose; or

“(iii) the same drug in the same dosage form for the same intended use has not received approval under section 512, or if such a drug has been approved, that the holder of the approved application is unable to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended; or

“(C) any of the provisions of section 512(e)(1) (A) through (B) or (D) through (F) are applicable.

“(3) If the Secretary determines before the end of the 1-year period or the 90-day extension, if granted, that a conditional approval should not be renewed, the Secretary shall issue an order refusing to renew the conditional approval, and such conditional approval shall be deemed withdrawn and no longer in effect. The Secretary shall thereafter provide an opportunity for an informal hearing to the applicant on the issue whether the conditional approval shall be reinstated.

“(e)(1) The Secretary shall issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that another person has received approval under section 512 for the same drug in the same dosage form for the same intended use and that person is able to assure the availability of sufficient quantities of the drug to meet the needs for which the drug is intended.

“(2) The Secretary shall, after due notice and opportunity for an informal hearing to the applicant, issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that—

“(A) any of the provisions of section 512(e)(1) (A) through (B) or (D) through (F) are applicable; or

“(B) on the basis of new information before the Secretary with respect to such drug, evaluated together with the evidence available to the Secretary when the application was conditionally approved, that there is not a reasonable expectation that such drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof.

“(3) The Secretary may also, after due notice and opportunity for an informal hearing to the applicant, issue an order withdrawing conditional approval of an application filed pursuant to subsection (a) if the Secretary finds that any of the provisions of section 512(e)(2) are applicable.

“(f)(1) The label and labeling of a new animal drug with a conditional approval under this section shall—

“(A) bear the statement, ‘conditionally approved by FDA pending a full demonstration of effectiveness under application number’; and

“(B) contain such other information as prescribed by the Secretary.

“(2) An intended use that is the subject of a conditional approval under this section shall not be included in the same product label with any intended use approved under section 512.

“(g) A conditionally approved new animal drug application may not be amended or supplemented to add indications for use.

“(h) 180 days prior to the termination date established under subsection (d) of this section, an applicant shall have submitted all the information necessary to support a complete new animal drug application in accordance with section 512(b)(1) or the conditional approval issued under this section is no longer in effect. Following review of this information, the Secretary shall either—

“(1) issue an order approving the application under section 512(c) if the Secretary finds that none of the grounds for denying

approval specified in section 512(d)(1) applies, or

“(2) give the applicant an opportunity for a hearing before the Secretary under section 512(d) on the question whether such application can be approved.

Upon issuance of an order approving the application, product labeling and administrative records of approval shall be modified accordingly. If the Secretary has not issued an order under section 512(c) approving such application prior to the termination date established under subsection (d) of this section, the conditional approval issued under this section is no longer in effect unless the Secretary grants an extension of an additional 180-day period so that the Secretary can complete review of the application. The decision to grant an extension is committed to the discretion of the Secretary and not subject to judicial review.

“(i) The decision of the Secretary under subsection (c), (d), or (e) of this section refusing or withdrawing conditional approval of an application shall constitute final agency action subject to judicial review.

“(j) In this section and section 572, the term ‘transgenic animal’ means an animal whose genome contains a nucleotide sequence that has been intentionally modified *in vitro*, and the progeny of such an animal; Provided that the term ‘transgenic animal’ does not include an animal of which the nucleotide sequence of the genome has been modified solely by selective breeding.

“SEC. 572. INDEX OF LEGALLY MARKETED UNAPPROVED NEW ANIMAL DRUGS FOR MINOR SPECIES.

“(a)(1) The Secretary shall establish an index limited to—

“(A) new animal drugs intended for use in a minor species for which there is a reasonable certainty that the animal or edible products from the animal will not be consumed by humans or food-producing animals; and

“(B) new animal drugs intended for use only in a hatchery, tank, pond, or other similar contained man-made structure in an early, non-food life stage of a food-producing minor species, where safety for humans is demonstrated in accordance with the standard of section 512(d) (including, for an antimicrobial new animal drug, with respect to antimicrobial resistance).

“(2) The index shall not include a new animal drug that is contained in or a product of a transgenic animal.

“(b) Any person intending to file a request under this section shall be entitled to one or more conferences to discuss the requirements for indexing a new animal drug.

“(c)(1) Any person may submit a request to the Secretary for a determination whether a new animal drug may be eligible for inclusion in the index. Such a request shall include—

“(A) information regarding the need for the new animal drug, the species for which the new animal drug is intended, the proposed intended use and conditions of use, and anticipated annual distribution;

“(B) information to support the conclusion that the proposed use meets the conditions of subparagraph (A) or (B) of subsection (a)(1) of this section;

“(C) information regarding the components and composition of the new animal drug;

“(D) a description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such new animal drug;

“(E) an environmental assessment that meets the requirements of the National Environmental Policy Act of 1969, as amended, and as defined in 21 CFR Part 25, as it appears on the date of enactment of this provision and amended thereafter or information

to support a categorical exclusion from the requirement to prepare an environmental assessment;

“(F) information sufficient to support the conclusion that the proposed use of the new animal drug is safe under section 512(d) with respect to individuals exposed to the new animal drug through its manufacture or use; and

“(G) such other information as the Secretary may deem necessary to make this eligibility determination.

“(2) Within 90 days after the submission of a request for a determination of eligibility for indexing based on subsection (a)(1)(A) of this section, or 180 days for a request submitted based on subsection (a)(1)(B) of this section, the Secretary shall grant or deny the request, and notify the person who requested such determination of the Secretary’s decision. The Secretary shall grant the request if the Secretary finds that—

“(A) the same drug in the same dosage form for the same intended use is not approved or conditionally approved;

“(B) the proposed use of the drug meets the conditions of subparagraph (A) or (B) of subsection (a)(1), as appropriate;

“(C) the person requesting the determination has established appropriate specifications for the manufacture and control of the new animal drug and has demonstrated an understanding of the requirements of current good manufacturing practices;

“(D) the new animal drug will not significantly affect the human environment; and

“(E) the new animal drug is safe with respect to individuals exposed to the new animal drug through its manufacture or use.

If the Secretary denies the request, the Secretary shall thereafter provide due notice and an opportunity for an informal conference. A decision of the Secretary to deny an eligibility request following an informal conference shall constitute final agency action subject to judicial review.

“(d)(1) With respect to a new animal drug for which the Secretary has made a determination of eligibility under subsection (c), the person who made such a request may ask that the Secretary add the new animal drug to the index established under subsection (a). The request for addition to the index shall include—

“(A) a copy of the Secretary’s determination of eligibility issued under subsection (c);

“(B) a written report that meets the requirements in subsection (d)(2) of this section;

“(C) a proposed index entry;

“(D) facsimile labeling;

“(E) anticipated annual distribution of the new animal drug;

“(F) a written commitment to manufacture the new animal drug and animal feeds bearing or containing such new animal drug according to current good manufacturing practices;

“(G) a written commitment to label, distribute, and promote the new animal drug only in accordance with the index entry;

“(H) upon specific request of the Secretary, information submitted to the expert panel described in paragraph (3); and

“(I) any additional requirements that the Secretary may prescribe by general regulation or specific order.

“(2) The report required in paragraph (1) shall—

“(A) be authored by a qualified expert panel;

“(B) include an evaluation of all available target animal safety and effectiveness information, including anecdotal information;

“(C) state the expert panel’s opinion regarding whether the benefits of using the

new animal drug for the proposed use in a minor species outweigh its risks to the target animal, taking into account the harm being caused by the absence of an approved or conditionally approved new animal drug for the minor species in question;

“(D) include information from which labeling can be written; and

“(E) include a recommendation regarding whether the new animal drug should be limited to use under the professional supervision of a licensed veterinarian.

“(3) A qualified expert panel, as used in this section, is a panel that—

“(A) is composed of experts qualified by scientific training and experience to evaluate the target animal safety and effectiveness of the new animal drug under consideration;

“(B) operates external to FDA; and

“(C) is not subject to the Federal Advisory Committee Act, 5 U.S.C. App. 2.

The Secretary shall define the criteria for selection of a qualified expert panel and the procedures for the operation of the panel by regulation.

“(4) Within 180 days after the receipt of a request for listing a new animal drug in the index, the Secretary shall grant or deny the request. The Secretary shall grant the request if the request for indexing continues to meet the eligibility criteria in subsection (a) and the Secretary finds, on the basis of the report of the qualified expert panel and other information available to the Secretary, that the benefits of using the new animal drug for the proposed use in a minor species outweigh its risks to the target animal, taking into account the harm caused by the absence of an approved or conditionally-approved new animal drug for the minor species in question. If the Secretary denies the request, the Secretary shall thereafter provide due notice and the opportunity for an informal conference. The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(e)(1) The index established under subsection (a) shall include the following information for each listed drug—

“(A) the name and address of the person who holds the index listing;

“(B) the name of the drug and the intended use and conditions of use for which it is being indexed;

“(C) product labeling; and

“(D) conditions and any limitations that the Secretary deems necessary regarding use of the drug.

“(2) The Secretary shall publish the index, and revise it periodically.

“(3) The Secretary may establish by regulation a process for reporting changes in the conditions of manufacturing or labeling of indexed products.

“(f)(1) If the Secretary finds, after due notice to the person who requested the index listing and an opportunity for an informal conference, that—

“(A) the expert panel failed to meet the requirements as set forth by the Secretary by regulation;

“(B) on the basis of new information before the Secretary, evaluated together with the evidence available to the Secretary when the new animal drug was listed in the index, the benefits of using the new animal drug for the indexed use do not outweigh its risks to the target animal;

“(C) the conditions of subsection (c)(2) of this section are no longer satisfied;

“(D) the manufacture of the new animal drug is not in accordance with current good manufacturing practices;

“(E) the labeling, distribution, or promotion of the new animal drug is not in accordance with the index entry;

“(F) the conditions and limitations of use associated with the index listing have not been followed; or

“(G) the request for indexing contains any untrue statement of material fact, the Secretary shall remove the new animal drug from the index. The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(2) If the Secretary finds that there is a reasonable probability that the use of the drug would present a risk to the health of humans or other animals, the Secretary may—

“(A) suspend the listing of such drug immediately;

“(B) give the person listed in the index prompt notice of the Secretary’s action; and

“(C) afford that person the opportunity for an informal conference.

The decision of the Secretary following an informal conference shall constitute final agency action subject to judicial review.

“(g) For purposes of indexing new animal drugs under this section, to the extent consistent with the public health, the Secretary shall promulgate regulations for exempting from the operation of section 512 minor species new animal drugs and animal feeds bearing or containing new animal drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and effectiveness of minor species animal drugs. Such regulations may, at the discretion of the Secretary, among other conditions relating to the protection of the public health, provide for conditioning such exemption upon the establishment and maintenance of such records, and the making of such reports to the Secretary, by the manufacturer or the sponsor of the investigation of such article, of data (including but not limited to analytical reports by investigators) obtained as a result of such investigational use of such article, as the Secretary finds will enable the Secretary to evaluate the safety and effectiveness of such article in the event of the filing of a request for an index listing pursuant to this section.

“(h) The labeling of a new animal drug that is the subject of an index listing shall state, prominently and conspicuously—

“(1) ‘NOT APPROVED BY FDA.—Legally marketed as an FDA indexed product. Extra-label use is prohibited.’;

“(2) except in the case of new animal drugs indexed for use in an early life stage of a food-producing animal, ‘This product is not to be used in animals intended for use as food for humans or other animals.’; and

“(3) such other information as may be prescribed by the Secretary in the index listing.

“(i)(1) In the case of any new animal drug for which an index listing pursuant to subsection (a) is in effect, the person who has an index listing shall establish and maintain such records, and make such reports to the Secretary, of data relating to experience, and other data or information, received or otherwise obtained by such person with respect to such drug, or with respect to animal feeds bearing or containing such drug, as the Secretary may by general regulation, or by order with respect to such listing, prescribe on the basis of a finding that such records and reports are necessary in order to enable the Secretary to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (f). Such regulation or order shall provide, where the Secretary deems it to be appropriate, for the examination, upon request, by the persons to whom such regulation or order is applicable, of similar information received or otherwise obtained by the Secretary.

“(2) Every person required under this subsection to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Secretary, permit such officer or employee at all reasonable times to have access to and copy and verify such records.

“(j)(1) Safety and effectiveness data and information which has been submitted in support of a request for a new animal drug to be indexed under this section and which has not been previously disclosed to the public shall be made available to the public, upon request, unless extraordinary circumstances are shown—

“(A) if no work is being or will be undertaken to have the drug indexed in accordance with the request,

“(B) if the Secretary has determined that such drug cannot be indexed and all legal appeals have been exhausted,

“(C) if the indexing of such drug is terminated and all legal appeals have been exhausted, or

“(D) if the Secretary has determined that such drug is not a new animal drug.

“(2) Any request for data and information pursuant to paragraph (1) shall include a verified statement by the person making the request that any data or information received under such paragraph shall not be disclosed by such person to any other person—

“(A) for the purpose of, or as part of a plan, scheme, or device for, obtaining the right to make, use, or market, or making, using, or marketing, outside the United States, the drug identified in the request for indexing; and

“(B) without obtaining from any person to whom the data and information are disclosed an identical verified statement, a copy of which is to be provided by such person to the Secretary, which meets the requirements of this paragraph.

“SEC. 573. DESIGNATED NEW ANIMAL DRUGS FOR MINOR USE OR MINOR SPECIES.

“(a) DESIGNATION.—

“(1) The manufacturer or the sponsor of a new animal drug for a minor use or use in a minor species may request that the Secretary declare that drug a ‘designated new animal drug’. A request for designation of a new animal drug shall be made before the submission of an application under section 512(b) or section 571 for the new animal drug.

“(2) The Secretary may declare a new animal drug a ‘designated new animal drug’ if—

“(A) it is intended for a minor use or use in a minor species; and

“(B) the same drug in the same dosage form for the same intended use is not approved under section 512 or 571 or designated under this section at the time the request is made.

“(3) Regarding the termination of a designation—

“(A) the sponsor of a new animal drug shall notify the Secretary of any decision to discontinue active pursuit of approval under section 512 or 571 of an application for a designated new animal drug. The Secretary shall terminate the designation upon such notification;

“(B) the Secretary may also terminate designation if the Secretary independently determines that the sponsor is not actively pursuing approval under section 512 or 571 with due diligence;

“(C) the sponsor of an approved designated new animal drug shall notify the Secretary of any discontinuance of the manufacture of such new animal drug at least one year before discontinuance. The Secretary shall terminate the designation upon such notification; and

“(D) the designation shall terminate upon the expiration of any applicable exclusivity period under subsection (c).

“(4) Notice respecting the designation or termination of designation of a new animal drug shall be made available to the public.

“(b) GRANTS AND CONTRACTS FOR DEVELOPMENT OF DESIGNATED NEW ANIMAL DRUGS.—

“(1) The Secretary may make grants to and enter into contracts with public and private entities and individuals to assist in defraying the costs of qualified safety and effectiveness testing expenses and manufacturing expenses incurred in connection with the development of designated new animal drugs.

“(2) For purposes of paragraph (1) of this section—

“(A) The term ‘qualified safety and effectiveness testing’ means testing—

“(i) which occurs after the date such new animal drug is designated under this section and before the date on which an application with respect to such drug is submitted under section 512; and

“(ii) which is carried out under an investigational exemption under section 512(j).

“(B) The term ‘manufacturing expenses’ means expenses incurred in developing processes and procedures associated with manufacture of the designated new animal drug which occur after the new animal drug is designated under this section and before the date on which an application with respect to such new animal drug is submitted under section 512 or 571.

“(c) EXCLUSIVITY FOR DESIGNATED NEW ANIMAL DRUGS.—

“(1) Except as provided in subsection (c)(2), if the Secretary approves or conditionally approves an application for a designated new animal drug, the Secretary may not approve or conditionally approve another application submitted for such new animal drug with the same intended use as the designated new animal drug for another applicant before the expiration of seven years from the date of approval or conditional approval of the application.

“(2) If an application filed pursuant to section 512 or section 571 is approved for a designated new animal drug, the Secretary may, during the 7-year exclusivity period beginning on the date of the application approval or conditional approval, approve or conditionally approve another application under section 512 or section 571 for such drug for such minor use or minor species for another applicant if—

“(A) the Secretary finds, after providing the holder of such an approved application notice and opportunity for the submission of views, that in the granted exclusivity period the holder of the approved application cannot assure the availability of sufficient quantities of the drug to meet the needs for which the drug was designated; or

“(B) such holder provides written consent to the Secretary for the approval or conditional approval of other applications before the expiration of such exclusivity period.”.

(5) CONFORMING AMENDMENTS.—

(A) Section 201(u) of the Federal Food, Drug, and Cosmetic Act is amended by striking “512” and inserting “512, 571”.

(B) Section 201(v) of the Federal Food, Drug, and Cosmetic Act is amended by inserting the following after paragraph (2): “Provided that any drug intended for minor use or use in a minor species that is not the subject of a final regulation published by the Secretary through notice and comment rule-making finding that the criteria of paragraphs (1) and (2) have not been met (or that the exception to the criterion in paragraph (1) has been met) is a new animal drug.”.

(C) Section 301(e) of the Federal Food, Drug, and Cosmetic Act is amended by striking “512(a)(4)(C), 512(j), (l) or (m)” and inserting “512(a)(4)(C), 512 (j), (l) or (m), 572(i).”

(D) Section 301(j) of the Federal Food, Drug, and Cosmetic Act is amended by striking “520” and inserting “520, 571, 572, 573.”

(E) Section 502 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new subsection:

“(w) If it is a new animal drug—

“(1) that is conditionally approved under section 571 and its labeling does not conform with the approved application or section 571(f), or that is not conditionally approved under section 571 and its label bears the statement set forth in section 571(f)(1)(A); or

“(2) that is indexed under section 572 and its labeling does not conform with the index listing under section 572(e) or 572(h), or that has not been indexed under section 572 and its label bears the statement set forth in section 572(h).”.

(F) Section 503(f) of the Federal Food, Drug, and Cosmetic Act is amended—

(i) in paragraph (1)(A)(ii) by striking “512” and inserting “512, a conditionally-approved application under section 571, or an index listing under section 572”; and

(ii) in paragraph (3) by striking “section 512” and inserting “section 512, 571, or 572”.

(G) Section 504(a)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking “512(b)” and inserting “512(b), a conditionally-approved application filed pursuant to section 571, or an index listing pursuant to section 572”.

(H) Sections 504(a)(2)(B) and 504(b) of the Federal Food, Drug, and Cosmetic Act are amended by striking “512(i)” each place it appears and inserting “512(i), or the index listing pursuant to section 572(e)”.

(I) Section 512(a) of the Federal Food, Drug, and Cosmetic Act is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) A new animal drug shall, with respect to any particular use or intended use of such drug, be deemed unsafe for purposes of section 501(a)(5) and section 402(a)(2)(C)(ii) unless—

“(A) there is in effect an approval of an application filed pursuant to subsection (b) with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such approved application;

“(B) there is in effect a conditional approval of an application filed pursuant to section 571 with respect to such use or intended use of such drug, and such drug, its labeling, and such use conform to such conditionally approved application; or

“(C) there is in effect an index listing pursuant to section 572 with respect to such use or intended use of such drug in a minor species, and such drug, its labeling, and such use conform to such index listing.

A new animal drug shall also be deemed unsafe for such purposes in the event of removal from the establishment of a manufacturer, packer, or distributor of such drug for use in the manufacture of animal feed in any State unless at the time of such removal such manufacturer, packer, or distributor has an unrevoked written statement from the consignee of such drug, or notice from the Secretary, to the effect that, with respect to the use of such drug in animal feed, such consignee (i) holds a license issued under subsection (m) and has in its possession current approved labeling for such drug in animal feed; or (ii) will, if the consignee is not a user of the drug, ship such drug only to a holder of a license issued under subsection (m).

“(2) An animal feed bearing or containing a new animal drug shall, with respect to any particular use or intended use of such animal feed be deemed unsafe for purposes of section 501(a)(6) unless—

“(A) there is in effect—

“(i) an approval of an application filed pursuant to subsection (b) with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such approved application;

“(ii) a conditional approval of an application filed pursuant to section 571 with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such conditionally approved application; or

“(iii) an index listing pursuant to section 572 with respect to such drug, as used in such animal feed, and such animal feed and its labeling, distribution, holding, and use conform to such index listing; and

“(B) such animal feed is manufactured at a site for which there is in effect a license issued pursuant to subsection (m)(1) to manufacture such animal feed.”

(J) Section 512(b)(3) of the Federal Food, Drug, and Cosmetic Act is amended by striking “under paragraph (1) or a request for an investigational exemption under subsection (j)” and inserting “under paragraph (1), section 571, or a request for an investigational exemption under subsection (j)”.

(K) Section 512(d)(4) of the Federal Food, Drug, and Cosmetic Act is amended by striking “have previously been separately approved” and inserting “have previously been separately approved pursuant to an application submitted under section 512(b)(1)”.

(L) Section 512(f) of the Federal Food, Drug, and Cosmetic Act is amended by striking “subsection (d), (e), or (m)” and inserting “subsection (d), (e), or (m), or section 571 (c), (d), or (e)”.

(M) Section 512(g) of the Federal Food, Drug, and Cosmetic Act is amended by striking “this section” and inserting “this section, or section 571”.

(N) Section 512(i) of the Federal Food, Drug, and Cosmetic Act is amended by striking “subsection (b)” and inserting “subsection (b) or section 571” and by inserting “or upon failure to renew a conditional approval under section 571” after “or upon its suspension”.

(O) Section 512(l)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking “subsection (b)” and inserting “subsection (b) or section 571”.

(P) Section 512(m)(1)(C) of the Federal Food, Drug, and Cosmetic Act is amended by striking “applicable regulations published pursuant to subsection (i)” and inserting “applicable regulations published pursuant to subsection (i) or for indexed new animal drugs in accordance with the index listing published pursuant to section 572(e)(2) and the labeling requirements set forth in section 572(h)”.

(Q) Section 512(m)(3) of the Federal Food, Drug, and Cosmetic Act is amended by inserting “or an index listing pursuant to section 572(e)” after “subsection (i)” each place it appears.

(R) Section 512(p)(1) of the Federal Food, Drug, and Cosmetic Act is amended by striking “subsection (b)(1)” and inserting “subsection (b)(1) or section 571(a)”.

(S) Section 512(p)(2) of the Federal Food, Drug, and Cosmetic Act is amended by striking “subsection (b)(1)” and inserting “subsection (b)(1) or section 571(a)”.

(T) Section 108(b)(3) of Public Law 90-399 is amended by striking “section 201(w) as added by this Act” and inserting “section 201(v)”.

(6) REGULATIONS.—On the date of enactment of this Act, the Secretary of Health and Human Services shall implement sections 571 and 573 of the Federal Food, Drug, and Cosmetic Act and subsequently publish implementing regulations. Not later than 12 months after the date of enactment of this

Act, the Secretary shall issue proposed regulations to implement section 573 of the Federal Food, Drug, and Cosmetic Act (as added by this Act), and not later than 24 months after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 573 of the Federal Food, Drug, and Cosmetic Act. Not later than 18 months after the date of enactment of this Act, the Secretary shall issue proposed regulations to implement section 572 of the Federal Food, Drug, and Cosmetic Act (as added by this Act), and not later than 36 months after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 572 of the Federal Food, Drug, and Cosmetic Act. Not later than 30 months after the date of enactment of this Act, the Secretary shall issue proposed regulations to implement section 571 of the Federal Food, Drug, and Cosmetic Act (as added by this Act), and not later than 42 months after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 571 of the Federal Food, Drug, and Cosmetic Act. These timeframes shall be extended by 12 months for each fiscal year, in which the funds authorized to be appropriated under subsection (i) are not in fact appropriated.

(7) OFFICE.—The Secretary of Health and Human Services shall establish within the Center for Veterinary Medicine (of the Food and Drug Administration), an Office of Minor Use and Minor Species Animal Drug Development that reports directly to the Director of the Center for Veterinary Medicine. This office shall be responsible for overseeing the development and legal marketing of new animal drugs for minor uses and minor species. There is authorized to be appropriated to carry out this subsection \$1,200,000 for fiscal year 2004 and such sums as may be necessary for each fiscal year thereafter.

(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 573(b) of the Federal Food, Drug, and Cosmetic Act (as added by this section) \$1,000,000 for the fiscal year following publication of final implementing regulations, \$2,000,000 for the subsequent fiscal year, and such sums as may be necessary for each fiscal year thereafter.

TITLE II—FOOD ALLERGEN LABELING AND CONSUMER PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the “Food Allergen Labeling and Consumer Protection Act of 2004”.

SEC. 202. FINDINGS.

Congress finds that—

(1) it is estimated that—

(A) approximately 2 percent of adults and about 5 percent of infants and young children in the United States suffer from food allergies; and

(B) each year, roughly 30,000 individuals require emergency room treatment and 150 individuals die because of allergic reactions to food;

(2)(A) eight major foods or food groups—milk, eggs, fish, Crustacean shellfish, tree nuts, peanuts, wheat, and soybeans—account for 90 percent of food allergies;

(B) at present, there is no cure for food allergies; and

(C) a food allergic consumer must avoid the food to which the consumer is allergic;

(3)(A) in a review of the foods of randomly selected manufacturers of baked goods, ice cream, and candy in Minnesota and Wisconsin in 1999, the Food and Drug Administration found that 25 percent of sampled foods failed to list peanuts or eggs as ingredients on the food labels; and

(B) nationally, the number of recalls because of unlabeled allergens rose to 121 in 2000 from about 35 a decade earlier;

(4) a recent study shows that many parents of children with a food allergy were unable to correctly identify in each of several food labels the ingredients derived from major food allergens;

(5)(A) ingredients in foods must be listed by their “common or usual name”;

(B) in some cases, the common or usual name of an ingredient may be unfamiliar to consumers, and many consumers may not realize the ingredient is derived from, or contains, a major food allergen; and

(C) in other cases, the ingredients may be declared as a class, including spices, flavorings, and certain colorings, or are exempt from the ingredient labeling requirements, such as incidental additives; and

(6)(A) celiac disease is an immune-mediated disease that causes damage to the gastrointestinal tract, central nervous system, and other organs;

(B) the current recommended treatment is avoidance of gluten in foods that are associated with celiac disease; and

(C) a multicenter, multiyear study estimated that the prevalence of celiac disease in the United States is 0.5 to 1 percent of the general population.

SEC. 203. FOOD LABELING; REQUIREMENT OF INFORMATION REGARDING ALLERGENIC SUBSTANCES.

(a) IN GENERAL.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

“(w)(1) If it is not a raw agricultural commodity and it is, or it contains an ingredient that bears or contains, a major food allergen, unless either—

“(A) the word ‘Contains’, followed by the name of the food source from which the major food allergen is derived, is printed immediately after or is adjacent to the list of ingredients (in a type size no smaller than the type size used in the list of ingredients) required under subsections (g) and (i); or

“(B) the common or usual name of the major food allergen in the list of ingredients required under subsections (g) and (i) is followed in parentheses by the name of the food source from which the major food allergen is derived, except that the name of the food source is not required when—

“(i) the common or usual name of the ingredient uses the name of the food source from which the major food allergen is derived; or

“(ii) the name of the food source from which the major food allergen is derived appears elsewhere in the ingredient list, unless the name of the food source that appears elsewhere in the ingredient list appears as part of the name of a food ingredient that is not a major food allergen under section 201(qq)(2)(A) or (B).

“(2) As used in this subsection, the term ‘name of the food source from which the major food allergen is derived’ means the name described in section 201(qq)(1); provided that in the case of a tree nut, fish, or Crustacean shellfish, the term ‘name of the food source from which the major food allergen is derived’ means the name of the specific type of nut or species of fish or Crustacean shellfish.

“(3) The information required under this subsection may appear in labeling in lieu of appearing on the label only if the Secretary finds that such other labeling is sufficient to protect the public health. A finding by the Secretary under this paragraph (including any change in an earlier finding under this paragraph) is effective upon publication in the Federal Register as a notice.

“(4) Notwithstanding subsection (g), (i), or (k), or any other law, a flavoring, coloring,

or incidental additive that is, or that bears or contains, a major food allergen shall be subject to the labeling requirements of this subsection.

“(5) The Secretary may by regulation modify the requirements of subparagraph (A) or (B) of paragraph (1), or eliminate either the requirement of subparagraph (A) or the requirements of subparagraph (B) of paragraph (1), if the Secretary determines that the modification or elimination of the requirement of subparagraph (A) or the requirements of subparagraph (B) is necessary to protect the public health.

“(6)(A) Any person may petition the Secretary to exempt a food ingredient described in section 201(qq)(2) from the allergen labeling requirements of this subsection.

“(B) The Secretary shall approve or deny such petition within 180 days of receipt of the petition or the petition shall be deemed denied, unless an extension of time is mutually agreed upon by the Secretary and the petitioner.

“(C) The burden shall be on the petitioner to provide scientific evidence (including the analytical method used to produce the evidence) that demonstrates that such food ingredient, as derived by the method specified in the petition, does not cause an allergic response that poses a risk to human health.

“(D) A determination regarding a petition under this paragraph shall constitute final agency action.

“(E) The Secretary shall promptly post to a public site all petitions received under this paragraph within 14 days of receipt and the Secretary shall promptly post the Secretary’s response to each.

“(7)(A) A person need not file a petition under paragraph (6) to exempt a food ingredient described in section 201(qq)(2) from the allergen labeling requirements of this subsection, if the person files with the Secretary a notification containing—

“(i) scientific evidence (including the analytical method used) that demonstrates that the food ingredient (as derived by the method specified in the notification, where applicable) does not contain allergenic protein; or

“(ii) a determination by the Secretary that the ingredient does not cause an allergic response that poses a risk to human health under a premarket approval or notification program under section 409.

“(B) The food ingredient may be introduced or delivered for introduction into interstate commerce as a food ingredient that is not a major food allergen 90 days after the date of receipt of the notification by the Secretary, unless the Secretary determines within the 90-day period that the notification does not meet the requirements of this paragraph, or there is insufficient scientific evidence to determine that the food ingredient does not contain allergenic protein or does not cause an allergic response that poses a risk to human health.

“(C) The Secretary shall promptly post to a public site all notifications received under this subparagraph within 14 days of receipt and promptly post any objections thereto by the Secretary.

“(x) Notwithstanding subsection (g), (i), or (k), or any other law, a spice, flavoring, coloring, or incidental additive that is, or that bears or contains, a food allergen (other than a major food allergen), as determined by the Secretary by regulation, shall be disclosed in a manner specified by the Secretary by regulation.”.

(b) EFFECT ON OTHER AUTHORITY.—The amendments made by this section that require a label or labeling for major food allergens do not alter the authority of the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) to require a label or labeling for other food allergens.

(c) CONFORMING AMENDMENTS.—

(1) Section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) (as amended by section 102(b)) is amended by adding at the end the following:

“(qq) The term ‘major food allergen’ means any of the following:

“(1) Milk, egg, fish (e.g., bass, flounder, or cod), Crustacean shellfish (e.g., crab, lobster, or shrimp), tree nuts (e.g., almonds, pecans, or walnuts), wheat, peanuts, and soybeans.

“(2) A food ingredient that contains protein derived from a food specified in paragraph (1), except the following:

“(A) Any highly refined oil derived from a food specified in paragraph (1) and any ingredient derived from such highly refined oil.

“(B) A food ingredient that is exempt under paragraph (6) or (7) of section 403(w).”.

(2) Section 403A(a)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343-1(a)(2)) is amended by striking “or 403(i)(2)” and inserting “403(i)(2), 403(w), or 403(x)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any food that is labeled on or after January 1, 2006.

SEC. 204. REPORT ON FOOD ALLERGENS.

Not later than 18 months after the date of enactment of this Act, the Secretary of Health and Human Services (in this section referred to as the “Secretary”) shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that—

(1)(A) analyzes—

(i) the ways in which foods, during manufacturing and processing, are unintentionally contaminated with major food allergens, including contamination caused by the use by manufacturers of the same production line to produce both products for which major food allergens are intentional ingredients and products for which major food allergens are not intentional ingredients; and

(ii) the ways in which foods produced on dedicated production lines are unintentionally contaminated with major food allergens; and

(B) estimates how common the practices described in subparagraph (A) are in the food industry, with breakdowns by food type as appropriate;

(2) advises whether good manufacturing practices or other methods can be used to reduce or eliminate cross-contact of foods with the major food allergens;

(3) describes—

(A) the various types of advisory labeling (such as labeling that uses the words “may contain”) used by food producers;

(B) the conditions of manufacture of food that are associated with the various types of advisory labeling; and

(C) the extent to which advisory labels are being used on food products;

(4) describes how consumers with food allergies or the caretakers of consumers would prefer that information about the risk of cross-contact be communicated on food labels as determined by using appropriate survey mechanisms;

(5) states the number of inspections of food manufacturing and processing facilities conducted in the previous 2 years and describes—

(A) the number of facilities and food labels that were found to be in compliance or out of compliance with respect to cross-contact of foods with residues of major food allergens and the proper labeling of major food allergens;

(B) the nature of the violations found; and

(C) the number of voluntary recalls, and their classifications, of foods containing undeclared major food allergens; and

(6) assesses the extent to which the Secretary and the food industry have effectively addressed cross-contact issues.

SEC. 205. INSPECTIONS RELATING TO FOOD ALLERGENS.

The Secretary of Health and Human Services shall conduct inspections consistent with the authority under section 704 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374) of facilities in which foods are manufactured, processed, packed, or held—

(1) to ensure that the entities operating the facilities comply with practices to reduce or eliminate cross-contact of a food with residues of major food allergens that are not intentional ingredients of the food; and

(2) to ensure that major food allergens are properly labeled on foods.

SEC. 206. GLUTEN LABELING.

Not later than 2 years after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with appropriate experts and stakeholders, shall issue a proposed rule to define, and permit use of, the term “gluten-free” on the labeling of foods. Not later than 4 years after the date of enactment of this Act, the Secretary shall issue a final rule to define, and permit use of, the term “gluten-free” on the labeling of foods.

SEC. 207. IMPROVEMENT AND PUBLICATION OF DATA ON FOOD-RELATED ALLERGIC RESPONSES.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention and in consultation with the Commissioner of Food and Drugs, shall improve (including by educating physicians and other health care providers) the collection of, and publish as it becomes available, national data on—

(1) the prevalence of food allergies;

(2) the incidence of clinically significant or serious adverse events related to food allergies; and

(3) the use of different modes of treatment for and prevention of allergic responses to foods.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary.

SEC. 208. FOOD ALLERGIES RESEARCH.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall convene an ad hoc panel of nationally recognized experts in allergy and immunology to review current basic and clinical research efforts related to food allergies.

(b) RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this Act, the panel shall make recommendations to the Secretary for enhancing and coordinating research activities concerning food allergies, which the Secretary shall make public.

SEC. 209. FOOD ALLERGENS IN THE FOOD CODE.

The Secretary of Health and Human Services shall, in the Conference for Food Protection, as part of its efforts to encourage cooperative activities between the States under section 311 of the Public Health Service Act (42 U.S.C. 243), pursue revision of the Food Code to provide guidelines for preparing allergen-free foods in food establishments, including in restaurants, grocery store delicatessens and bakeries, and elementary and secondary school cafeterias. The Secretary shall consider guidelines and recommendations developed by public and private entities for public and private food establishments for preparing allergen-free foods in pursuing this revision.

SEC. 210. RECOMMENDATIONS REGARDING RESPONDING TO FOOD-RELATED ALLERGIC RESPONSES.

The Secretary of Health and Human Services shall, in providing technical assistance relating to trauma care and emergency medical services to State and local agencies under section 1202(b)(3) of the Public Health Service Act (42 U.S.C. 300d-2(b)(3)), include technical assistance relating to the use of different modes of treatment for and prevention of allergic responses to foods.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Mississippi (Mr. PICKERING) and the gentlewoman from New York (Mrs. LOWEY) each will control 20 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. PICKERING).

GENERAL LEAVE

Mr. PICKERING. 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. 741.

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

There was no objection.

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

Mr. Speaker, I rise today to highlight a problem faced by livestock and food animal producers, animal and pet owners, zoo and wildlife biologists, and animals themselves, as well as to present a policy remedy that can lead to a solution for this often unnoticed threat.

We face a severe shortage of approved animal drugs for use in minor animal species. These include sheep, goats, game birds, rancher deer, rabbits and all fish and shellfish. A similar shortage of pharmaceutical medicines exist for major animal species for diseases that occur infrequently or which only occur in limited geographic areas. These species include horses, cattle, dogs, cats, swine, and others. Millions of animals go either untreated for illnesses or treatment is delayed, due to the lack of availability of these minor use drugs. This produces not only unnecessary animal suffering, but could also pose a serious threat to human health, while undermining our agricultural industry.

An unhealthy animal left untreated can spread disease through an entire stock of its fellow species, resulting in severe economic losses and hardships to our farmers and ranchers. Ultimately, these costs are passed on to consumer food costs.

One example that is reported in my home State of Mississippi is the catfish industry, the fifth largest agricultural sector in my home State. Every year, they lose approximately \$60 million attributable to minor diseases for which drugs are not available to treat aquaculture and catfish. In this industry alone, we have approximately 800 different species, yet the industry has only six drugs approved for use in treating aquaculture diseases. It creates tremendous economic hardship and animal suffering within the industry.

Restricted market opportunity, low profit margin, and the requirement of massive capital investment prevents the economic feasibility of drug manufacturers in pursuing research, development, and government approval for medicines used in minor species and infrequent conditions and diseases.

As a sponsor of this bill, or one similar to the one we introduced in the House, it is an honor today to resolve this issue with the passage of S. 741, the Minor Use and Minor Species Act, or affectionately referred to as the MUMS Act. This legislation will allow companies the opportunity to develop and approve minor use drugs which are of vital interest to a large number of animal industries. Our legislation incorporates the major proposals of the FDA's Center for Veterinary Medicine to increase the availability of drugs for minor animal species and rare diseases in major species.

The Animal Drug Availability Act of 1996 required the Food and Drug Administration to provide Congress with a report describing administrative and legislative proposals to improve and enhance the animal drug approval process for minor uses and minor species of new animal drugs. This report by FDA delivered to Congress in December of 1998 laid out nine proposals. Tonight, eight of these FDA proposals require statutory changes, and this bill before us reflects those changes called for in the report. Today's MUMS Act creates incentives for animal drug manufacturers to invest in product development and obtain FDA marketing approvals. Furthermore, it creates a program very similar to the successful Human Orphan Drug Program that over the past 20 years has dramatically increased the availability of drugs to treat rare human diseases.

Mr. Speaker, besides providing benefits to livestock producers and animal owners, this measure will develop incentives in sanctioning programs for the pharmaceutical industry, while maintaining and ensuring public human health. This measure is supported by the Food and Drug Administration, the American Farm Bureau, the Animal Health Institute, the American Veterinary Medical Association, and virtually every organization representing all genres of minor animal species. This is vital legislation which will fill a great need in the animal health world.

S. 741 will alleviate much animal suffering. It will promote the health and well-being of minor animal species, while increasing and protecting human health. It benefits pets and provides the emotional security of the pets and their owners. It will provide greater health security to various endangered species of aquatic species, and it will reduce economic hardships and risks to farmers and ranchers.

This is a commonsense piece of legislation which will benefit millions of Americans, from our farmers to our pet owners. I call on all of my colleagues in

the House to support S. 741, and I take personal privilege to thank my staff who have worked on this, John Rounsaville and Cade King. They have worked hard and worked effectively to bring this bill to passage in the House, to passage in the Senate, and to the President's signature soon.

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

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

I rise in support of S. 741, the Minor Use and Minor Species Animal Health Act of 2004. The bill, known as MUMS, will make an important contribution to animal health.

This legislation is very similar to H.R. 2079 sponsored by the gentleman from Louisiana (Mr. JOHN) and the gentleman from Mississippi (Mr. PICKERING); and although we are taking up the Senate bill, they, along with my colleague, the gentleman from Ohio (Mr. BROWN), deserve credit for leadership on this issue.

The bill is supported by the MUMS Coalition and the Keep Antibiotics Working Coalition. The MUMS coalition includes the American Farm Bureau Federation, the American Veterinary Medical Association, the Animal Health Institute, the National Fisheries Institute, and many other organizations. The Keep Antibiotics Working Coalition includes the Union of Concerned Scientists, Environmental Defense, and the Center For Science in the Public Interest. In sum, the proverbial delicate balance has been found.

Mr. Speaker, I am also greatly pleased that MUMS includes the Food Allergen Labeling and Consumer Protection Act, Title II of S. 741. I authored the food allergy bill 4 years ago; and since the bill's inception, everyone, from food-allergic consumers to members of the food industry, has rallied behind the bill.

However, we would not be here today without the backing of the gentleman from Michigan (Ranking Member DINGELL), the gentleman from Texas (Chairman BARTON), the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Ohio (Mr. BROWN), Secretary Thompson, and Commissioner Crawford. I am truly grateful to them for their involvement and support.

I also owe the gentleman from Pennsylvania (Mr. GREENWOOD) and Senators KENNEDY and GREGG special thanks for being my partners in this effort. We spent a few years and many hours hashing out the bill before us, committed to crafting a noncontroversial, bipartisan product. And I believe we accomplished our goal.

Yesterday, I was surprised to learn that my good friend, the gentleman from Pennsylvania (Mr. GREENWOOD), will be retiring at the end of the year. While I am disappointed to be losing such a tremendous colleague, one I have worked with on so many issues of importance for so many years, I know that the gentleman from Pennsylvania (Mr. GREENWOOD) will continue to lead

and be a strong advocate for great causes. Good luck in all your future endeavors. And please know, Jim, that your fair, bipartisan manner will be missed.

Mr. Speaker, the 11 million Americans with food allergies face a daily struggle. Because there is no cure for allergies, the only way to stay healthy is to avoid certain foods. But maintaining an allergen-free diet is incredibly difficult. Food ingredient statements use scientific jargon commonly used by only those wearing lab coats, not average citizens.

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Take, for example, a recent study which found that fewer than one in ten parents restricting milk from their allergic children's diet were actually able to correctly recognize terms for milk on a label. Statistics like this make you think if adults cannot easily determine terms like whey, casein, lactose, how can you expect food-allergic children to remember so many complicated terms? The answer is, we cannot and we should not.

Today up to 200 allergic reactions to foods result in death each year, and 30,000 require life-saving emergency treatments. Moreover, within just the last five years, the number of children with a peanut allergy has doubled. If we do not take action to improve food labels, the number of deaths and incidents will rise.

Navigating insufficient labels is much more than an irritation for the millions with food allergies. It is a matter of life and death. Unfortunately, the situation is the same for those with celiac disease, a lifelong digestive disorder that damages the small intestine and interferes with absorption of nutrients from food. Although celiac sufferers do not go into anaphylactic shock if they consume gluten, the consequences of leaving the disease undiagnosed or untreated can be just as grave and deadly, potentially leading to additional autoimmune disorders, infertility, osteoporosis or cancer.

With no treatment for this disease, the only alternative is to follow a strict gluten-free diet, which means not eating wheat, rye or barley. However, it is a regimen difficult to adhere to, because food ingredient statements are written more for scientists than consumers.

The bill before us provides a common-sense solution for those with food allergies and celiac disease. It will require that food ingredient statements list in everyday language the eight major food allergens: milk, egg, peanuts, tree nuts, fish, crustacean shellfish, soy and wheat. It will also give those with celiac disease the green light to consume foods without hesitation by establishing and setting guidelines for the use of the term "gluten-free."

Simply put, the Food Allergen Labeling and Consumer Protection Act re-

quires minimal but life-saving changes to food ingredient statements. Upon its implementation, millions of Americans will finally be able to let out a collective sigh of relief, something we can all be proud of.

Before I close, I hope the Speaker and my colleagues will indulge me for just a moment. This bill has been a work in progress for 4-plus years. There are many people who worked diligently behind the scenes to craft it and secure its implementation. I would be remiss if I did not personally thank some key staffers, including John Ford, Ed Walz, Ryan Long, Alan Eisenberg, David Dorsey and Kate Winkler.

Additionally, we would not be standing here without the expertise of Tina Harper, Bob Lake and Felicia Satchell from the Food and Drug Administration.

The Food Allergy Initiative, American Celiac Task Force, Food Allergy and Anaphylaxis Network and so many others also deserve thanks for their continued dedicated advocacy.

I urge my colleagues to support S. 741 so that those with food allergies and celiac disease will have the dietary information they need at their fingertips.

Mr. Speaker, I yield back the balance of my time.

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

I want to commend the gentlewoman from New York for all of her hard and good and effective work and that of her staff. It is a great accomplishment after a long path to get to this place, both on the allergens and on the MUMS. I am glad that we could find a coalition that could make something during a difficult Congress actually pass, and we will send this to the President. It will be signed, and we can celebrate soon.

So I thank the gentlewoman for her good and hard work and the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentleman from Texas (Mr. BARTON) and the gentleman from Michigan (Mr. UPTON) and many from the committee. Again, my staff, Cade King and John Rounsaville, I wish that they could be here with us tonight to celebrate.

Mr. SHUSTER. Mr. Speaker, I rise today in strong support of S. 741, the Minor Use and Minor Species Animal Health Act. This legislation contains provisions that will better the lives and ease some of the frustrations for the more than 7 million Americans that suffer from food allergies every day.

I have had the unfortunate experience to learn more about the trials and tribulations of food allergen sufferers when one of the members of my staff, Christy Farmer, was diagnosed with Celiac Disease earlier this year. Celiac Disease is an immune-mediated disease that causes damage to the gastrointestinal tract and is triggered by the consumption of gluten. Gluten is the protein part of wheat, rye, barley, oats, and other related grains, which are found in many of the foods that people eat on a day-to-day basis. The only treatment for Celiac Disease is adher-

ence to a strict lifelong, gluten-free diet. In order to comply with this, individuals must carefully read all food labels, which can often be inaccurate and extremely confusing. Many times, food products may contain a derivative of a known food allergen, however the food label does not make that clear. This can lead to people unknowingly consuming exactly what they have been trying so hard to avoid. This painstaking process of carefully examining every food label and determining the exact ingredient of each product can be extremely frustrating and difficult for individuals.

This legislation will help tremendously in taking some of the guesswork out of reading food labels. Manufacturers in the food industry must now include the commonly accepted names of the eight most common allergens—milk, eggs, fish, crustacea, tree nuts, wheat, peanuts, and soybeans. Food allergen sufferers will now be able to scan food labels with greater ease and many incidents of accidental ingestion can be avoided.

Having a food allergy, especially to something that is found in so many different foods, can add a level of complication to a person's life that can be difficult to imagine. Christy was required to undergo a total lifestyle change due to her gluten sensitivity. Spontaneously stopping at a restaurant for dinner is no longer possible, traveling not knowing in advance what foods will be available is no longer an option, and giving up your favorite foods is not as easy as it sounds.

I am pleased that this legislation will help ease some of the frustrations and make adhering to an allergy-free diet a little easier for the millions of Americans that suffer from food allergies. I strongly urge my colleagues in joining me to support S. 741.

Mr. DINGELL. Mr. Speaker, I rise in support of S. 741, the "Minor Use and Minor Species Animal Health Act of 2004." The bill known as "MUMS" will make an important contribution to animal health. This legislation is very similar to H.R. 2079 sponsored by Reps. JOHN and PICKERING, and although we are taking up the Senate bill, they, along with my colleague SHERROD BROWN, deserve credit for leadership on this issue.

The bill is supported by the MUMS Coalition and the Keep Antibiotics Working Coalition. The MUMS Coalition includes the American Farm Bureau Federation, the American Veterinary Medical Association, the Animal Health Institute, the National Fisheries Institute, and many other organizations. The Keep Antibiotics Working Coalition includes the Union of Concerned Scientists, Environmental Defense, and the Center for Science in the Public Interest. In sum, the proverbial "delicate balance" has been found.

I also note that the MUMS bill contains a specific provision on food allergens. I want to acknowledge the hard work in the House on the issue by the gentlelady from New York, Mrs. LOWEY. Eight food allergens cause over ninety percent of serious allergic reactions from food. This legislation will require that food labels bear the name of any of these allergens if they are in the food and are not already noted on the ingredient label.

S. 741 is a good bill and I urge my colleagues to support this legislation.

Mr. RADANOVICH. Mr. Speaker, upon reading S. 741, there appears to be some confusion over the application of the allergen labeling requirements. It is my understanding

that the requirements contained in this bill only apply to food subject to regulation by the Food and Drug Administration (FDA). I would like to clarify that wine and other alcoholic beverages are regulated by the Alcohol and Tobacco Tax and Trade Bureau. Subject to a Memorandum of Understanding with the FDA, the Tax and Trade Bureau has primary jurisdiction over the production and labeling of most wine and other alcoholic beverages.

In this regard, the Tax and Trade Bureau is sensitive to the issue of allergens in alcoholic beverages. For example, wine with levels of sulfites over 10 parts per million has been required to state "Contains Sulfites" since 1987. The Tax and Trade Bureau works closely with the FDA in determining whether such labeling is appropriate.

Because of the manner in which wine and other alcoholic beverages are produced, there are significant questions whether substances that Tax and Trade Bureau allows to be used in the production of wine would have any allergenic effect. In this connection, other countries have implemented or are considering additional regulation of allergens in their food supply. Due to the potential impact of this on the international wine trade, research specifically directed to the allergenic effect of certain substances used in production of wine in being conducted in Australia and elsewhere. In light of this research, the industry section of the World Wine Trade Group (WWTG) (an inter-governmental organization which seeks to facilitate trade in wine among its members, including the U.S., Canada, Australia, New Zealand, and Chile), submitted the following statement to their Governments:

ALLERGEN LABELING FOR WINE

Several countries, including WWTG members countries, have introduced or are considering the introduction of labeling for potential allergens including, inter alia, fish, milk and egg products. The WWTG industry group recommends that any such labeling must be based on sound science.

To date the scientific community has no evidence on the allergenic affects of these products in wine. Australia is currently undertaking extensive research in this area. Therefore, the WWTG industry group urges the WWTG governments to take full account of the scientific findings, expected within 12 months, in formulating or revising their labeling regulations in this area.

I anticipate that the Tax and Trade Bureau, in consultation with the FDA, will take the results of this international research into account in determining whether additional regulations requiring allergen labeling would be appropriate for wine and other alcoholic beverages. Among other things, the Tax and Trade Bureau should evaluate whether any such regulation would create an inadvertent international trade barrier. In this regard, I would like to work with the Chairman and Ranking Member, as well as the author of this bill, to ensure there are no unintended consequences resulting from this legislation.

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

The SPEAKER pro tempore (Mr. HENSARLING). The question is on the motion offered by the gentleman from Mississippi (Mr. PICKERING) that the House suspend the rules and pass the Senate bill, S. 741.

The question was taken; and (two-thirds having voted in favor thereof)

the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING A REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO THE SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE RULES COMMITTEE

Mr. LINCOLN DIAZ-BALART of Florida (during consideration of S. 741), from the Committee on Rules, submitted a privileged report (Rept. No. 108-620) on the resolution (H. Res. 731) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4837, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2005

Mr. LINCOLN DIAZ-BALART of Florida (during consideration of S. 741), from the Committee on Rules, submitted a privileged report (Rept. No. 108-621) on the resolution (H. Res. 732) providing for consideration of the bill (H.R. 4837) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes, which was referred to the House Calendar and ordered to be printed.

MOTION TO INSTRUCT CONFEREES ON H.R. 1308, TAX RELIEF, SIMPLIFICATION, AND EQUITY ACT OF 2003

Mr. STENHOLM. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Stenholm moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the Senate amendment to the bill H.R. 1308 be instructed to agree, to the maximum extent possible within the scope of conference, to a conference report that—

(1) extends the tax relief provisions which expire at the end of 2004, and

(2) does not increase the Federal budget deficit.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Texas (Mr. STENHOLM) and the gentleman from Wisconsin (Mr. RYAN) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

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

This is a very simple motion. The motion calls on Congress to extend

middle-class tax relief without increasing the deficit. There is a broad, bipartisan support for extending the middle-class tax provisions which expire at the end of this year. There is also bipartisan support for the concept of pay-as-you-go to avoid further increasing the record budget deficits facing our Nation. Our motion would put the House on record in support of a conference report that achieves both of these goals.

I strongly support middle-class tax relief. I support extending marriage penalty relief. I support continuing the \$1,000 per child tax credit and the expanded 10 percent tax bracket.

What I oppose is passing those tax cuts with borrowed money and leaving our children and grandchildren to pay our bills.

The Blue Dog budget and Spratt budget substitute called for extension of middle-class tax relief offset by suspending a portion of additional tax cuts for upper-income taxpayers.

More recently, a bipartisan group of Senators has put forward a proposal to expand the three middle-class tax cuts for 1 year, offset by an extension of customs user fees and closing corporate tax loopholes.

The question is not whether or not we should provide tax relief to middle-class families. The debate is whether we should do so with borrowed money, adding more debt on top of our \$7.1 trillion national debt.

We should not pay for tax cuts by borrowing money against our children's future. Congress should be required to sit down and figure out how to make things fit within a budget, just like families across the country do every day. If we do not pay for tax cuts by cutting spending or replacing the revenues, every dime of the tax cuts will be added to the debt we will leave for our children and grandchildren.

At a time when our national debt is approaching \$8 trillion and our Nation faces tremendous expenses for our troops overseas, it is irresponsible to continue passing legislation that would put our Nation even deeper in debt.

As of the close of business last Friday, our total national debt stood at \$7,273,792,456,490.62. It appears very likely the debt limit will be reached sometime in late September or October, with the most likely date being early October, and here let me pause for a moment and say instead of working in a bipartisan way, which we could achieve in a heartbeat to increase the debt ceiling, what we continue to face are more and more bills to increase spending and decrease revenue and increase the deficit.

We offer the hand of bipartisan cooperation on this amendment tonight, and in my opinion, if this would suddenly become the leadership's position, we would pass the tax cuts that the folks on this side of the aisle are talking about unanimously tomorrow or the next day, and it would conference out of the Senate.

But instead, it appears very likely the debt limit that will be reached

sometime in late September or October will come and go, and we will have a crisis.

Secretary Snow has publicly urged Congress to increase the debt limit as soon as possible, even before recessing in August, and we should do that. The most responsible thing for this Congress to do is do exactly what Secretary Snow is asking us to do.

As of the end of April, \$1.726 trillion of our debt was held by foreign investors, more than \$1 trillion held by official institutions of foreign countries. Despite this, the leadership of this body is talking about bringing up legislation that would add another \$75 to \$180 billion to that debt. And some folks even have the nerve to say with a straight face they are taking a conservative position.

Those who want to extend expiring tax cuts or make the tax cuts permanent should be willing to put forward the spending cuts or other offsets necessary to pay for them.

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 Republicans actually mean what they say about controlling spending, you 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 and having what apparently seems to be a good campaign issue.

The problem is that actions of Republicans have not matched their rhetoric. They cut taxes without cutting spending, in fact, increasing spending at the most dramatic rate that we have seen in many, many years. They change the difference to our children and grandchildren by increasing the deficit. We should provide tax relief to working men and women, but we must do so without increasing taxes on our children and grandchildren. That is what the Stenholm amendment to instruct conferees would provide.

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

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to be very brief about this. This is a similar motion to instruct that we have seen before. The practical result of this motion to instruct is to make sure that a tax increase hits all middle-income families next year.

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We have a problem and the problem is when the tax cuts passed into law last July and in the original tax cuts when they passed in 2001, the intention of this body was to make those tax cuts permanent. The tax cut that passed the House originally was that the child tax credits would be doubled,

the marriage tax penalty would be vastly eliminated, and the 10 percent bracket would be expanded, and that that would be the law of the land in perpetuity.

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

Mr. RYAN of Wisconsin. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I know the gentleman did not intend to mischaracterize my amendment.

Mr. RYAN of Wisconsin. I am getting there.

Mr. STENHOLM. I guess I did not hear what I thought I heard you say.

Mr. RYAN of Wisconsin. Reclaiming my time, I am making a larger point that will come around to the practical effect of this motion to instruct.

The point I was trying to make, Mr. Speaker, is that because of an arcane rule in the other body, those tax cuts were made temporary, meaning next year if Congress does not act, the per child tax credits will go from \$1,000 down to \$700. The marriage penalty relief will go away and the marriage penalty will come back into full force which costs the average married couple \$1,400 in higher taxes. And the 10 percent bracket which is income tax relief to low-income Americans will go away and go back to the 15 percent tax bracket.

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

Mr. RYAN of Wisconsin. I yield to the gentleman from Texas.

Mr. STENHOLM. You are mischaracterizing my amendment. We are suggesting that the tax cuts be extended through next year. You are describing something that is not going to happen in my amendment, leaving a wrong impression with the people that might be listening to us right now.

Mr. RYAN of Wisconsin. Reclaiming my time, the point I am coming to is that the practical effect of this by saying "does not increase the Federal budget deficit," is to say that this will not, in effect, end up happening. And what we want to do is make sure these tax cuts stay in place.

The point is this, Mr. Speaker, when the House passed its budget resolution, when the House deemed its budget resolution passed, we budgeted for this. We planned for this. It is within our budget, which is also a broader plan to reduce the budget deficit. The point is if you put this emphasis as this motion to instruct is created, it will put a bias in to keep these taxes high. It will put pressure not on reducing spending, but keeping taxes high. That is my concern with the gentleman's motion to instruct.

By saying, "extend the tax relief provisions that expired at the end of 2004 and does not increase the Federal budget deficit," that puts emphasis on keeping taxes high or raise raising taxes somewhere else to make this tax cut extended, rather than putting the emphasis where it ought to be, and that is reducing spending like we budg-

et for in the budget resolution which we have deemed here.

So the points is this: we want these tax cuts to be permanent. It was always the intention they be permanent. By having these kinds of motions to instruct which will have the practical effect, in my opinion, of derailing these tax relief measures, we will have a tax increase on the middle-income family earners.

This is in our budget resolution. We budget for these tax cuts to be made permanent. That is what should happen. That is why I urge a "no" vote on this motion to instruct.

With that, I understand my friend from Texas disagrees with my assessment of this, but that is my assessment. I think that is exactly what would happen if this were to be the case. That is why I urge a "no" vote.

Mr. Speaker, I yield back the balance of my time.

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

I think it is a fascinating argument. We have heard it time and time and time again. My friend talks about the lack of controlling of spending. Let me remind, Mr. Speaker, you control this House. You control the Senate. You control the White House. All of the great speeches that are made about controlling spending are your responsibility.

This amendment will not stop that from happening. In fact, I suggest just the opposite has been happening because we continue to pay tax cuts but spending goes up. Nothing in my amendment suggests that spending would not go down. If you want to have a tax cut, pass the spending cuts first. Do not just do it on the promise of a theory that so far has not worked. Did not work in the 1980s, has not worked in the 1990s. But yet we hear the same rhetoric; and with all due respect, my colleague mischaracterizes our amendment.

I would be happy to yield at any time to my friend.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. As this motion to instruct is written, number one, under the PAYGO rules that you are advocating, you will have to raise taxes somewhere else to pay for this tax cut or you will cut entitlements because that is how PAYGO works for these tax reliefs.

Mr. STENHOLM. Reclaiming my time, I take back time because again you are totally misleading the body when you make that statement.

If you go back to PAYGO as was originally passed in this body in 1990, repassed in 1993, repassed in 1997 with Republican votes for it and Democrats joining, like myself, in putting that in place, it worked. There is nothing in this amendment that suggests that you, the majority party, must cut entitlement spending in order to achieve a tax cut.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Does PAYGO allow for cuts in discretionary spending to be used to pay for tax relief?

Mr. STENHOLM. Yes.

Mr. RYAN of Wisconsin. I have a different understanding on that.

Mr. STENHOLM. That is the problem. That is the problem. It is a lack of understanding.

PAYGO means you have got to come up with the spending cuts to take care of the amount of tax cut.

Mr. RYAN of Wisconsin. If the gentleman is suggesting that when the budget resolution sets its 302(a) and reconciles its provisions, then the answer is you can put credit on the PAYGO score card to pay for a tax cut. But given the fact that we already have a budget resolution that is deemed, that accommodates this tax relief provision extending this tax cut so that it does not expire, we already have in our budget this budgeted for.

Mr. STENHOLM. The gentleman has misstated the facts again. There is no budget. There is no budget until we get a House-Senate conference and we have a budget. If we had a budget, I would probably be standing up here agreeing with parts of what you are saying.

Mr. RYAN of Wisconsin. The House deemed a budget, so we for practical purposes are operating under the House budget resolution which we deemed to be the budget of the House because we could not get a budget agreement with the other body.

Mr. STENHOLM. Reclaiming my time, that is precisely why I am standing here tonight offering a solution for the House and the Senate.

There is a bipartisan family tax relief proposal in the other body. It calls for a clean 1-year extension of the present law, \$1,000 tax credit. It calls for the marriage tax penalty relief and the standard deduction, clean 1-year extension of present law so that married couples get twice the standard deductions of single filers. It calls for the 10 percent rate bracket clean 1-year extension. It calls for 1-year acceleration of the scheduled 2005 increase from 10 to 15 percent. It provides for the benefit of the child credit to military families by expanding the definition of earned income.

There is not a bit of this that you are opposed to. We all agree on that.

Now, what my proposal does is the offsets that they put in their bill. The Concord Coalition today has endorsed what this bipartisan group of Senators, let me read the names, Senator SNOWE, Republican of Maine; Senator BAUCUS, Democrat of Montana; Senator MCCAIN, Republican of Arizona; Senator BREAU, Democrat of Louisiana; Senator CHAFFEE, Republican of Rhode Island; Senator LINCOLN, Democrat of Arkansas.

The other body is showing some signs of saying, look, it is time for us to deal

with a very serious problem. If we do not act, these tax cuts are going to become tax increases on the middle-income folks. If we do not act. To act you are going to have to eventually get some kind of bipartisan agreement. You will never get bipartisan agreement by standing up in this body and saying, we passed a budget in this House. Whoopee. We passed one in this House. But you have got to have a Senate concurrence if you are going to, in fact, achieve something that we all agree needs to be done. That is my point.

We can do this. It is not that difficult. Unless you just believe we can borrow unlimited amounts of money.

There are some misconceptions flowing around. I have been in this body now for 13 terms. And when I look at spending as a percent of gross domestic product when I arrived here in 1979 and compare it with spending today, total spending as a percent of GDP, it is one half of 1 percent less today than it was in 1979. Revenue has dropped by 5 percent. The amount of revenue that we have available to fund the programs, including fighting three wars, has dropped by 5 percent; and in dropping the revenue by 5 percent, we are adding to the deficit at an alarming rate.

It does not seem to bother you, Mr. Speaker. It does not seem to bother my friend. As long as we were out here arguing about tax cuts, it does not bother anyone. And why should it? The folks that this should bother are our children and grandchildren, and they have about as much knowledge of this as my friend arguing on the other side here today and they cannot vote. That is the problem. Our grandchildren cannot vote.

Adding to the deficit under a political theory that has not worked, did not work in the 1980s, is not working today, is dangerous to the future health of this country. I believe that.

My friends on the other side apparently do not believe that. And that is fine. As long as you stand up and say, honestly, I do not believe it is going to harm the United States of America that we borrow another 75 to \$180 billion, because tonight I do not know what my friends are proposing in this mysterious conference. Very unusual procedure that we are talking about in doing what no one knows until the leadership deems that it is going to be on the floor, and deems the way it is going to be carried out, and deems the way that it is going to, in fact, effect the future economy of this country.

Now, that is perfectly within the purview of the majority party, to continue to allow business as serious as the economic future of this country to be decided in a very small cadre of Members who happen to be in the leadership. And if you continue to do as you have been doing, you are going to be successful in this body. But then what happens if we cannot get an agreement with the other body?

Why would we not come together tonight and say, okay, we can have a 1-

year extension and we can pay for it, either with the way the Senate has proposed it or by finding some other spending cuts up front. Not doing it like we did it 2 weeks ago, and spending 7 hours in this body debating all these wonderful amendments and then having nothing. Some got 100 votes and some got 105. And that is perfectly within the purview of any Member to stand up and speak for what they are for. But, ultimately, when you are in the majority party you have to accept the responsibility, the responsibility of your actions.

Just as I took the hand of your party in the 1980s when we were in the majority in this body and we worked together for some compromises regarding the economy of this country, we offer that hand tonight. This amendment, if you look at it honestly, again, is a very simple motion. It calls on Congress to extend middle-class tax relief without increasing the deficit. What is wrong with that? I ask my colleagues, what is wrong with extending middle-class tax relief without increasing the deficit? Why are my friends on the other side of the aisle so bound and determined that you want to continue to increase the deficit because you have a theory, a theory, that by cutting taxes without paying for them that it will do something other than increase the deficit?

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. I was thinking we were going to yield all time back.

I want to be very brief. We do want to reduce the deficit. We are trying to reduce the deficit. I think there is a better way than this vehicle. That is the point I am trying to make.

I do believe there is a difference of opinion on how the PAYGO rules work. But also I think it is important to point out the fact that the tax cuts that took place last year, since then we have actually raised more money in tax receipts under these new lower tax rates than we did last year under the higher tax rates. So the facts are there; but, nevertheless, the point of this is we passed budget resolutions. We have not gotten one with the other body for a lot of reasons, but we have deemed it here. We passed the budget to try to get a handle on spending and reduce the deficit. I would have done even more on spending control in our budget resolution.

This is not the vehicle to do it because I believe this vehicle will make it harder to extend this tax relief; and, therefore, you will have a tax increase on middle-income workers. And I believe the better vehicle to get a hold of our deficit is to pass a good budget that gets down our deficit, that reduces our deficit.

I thank the gentleman for giving me the time.

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Mr. STENHOLM. Mr. Speaker, I do. I respect the sincerity of the gentleman

and his belief. I happen to believe that he is wrong and is being proven wrong every day by the facts. And let the facts speak for themselves.

That is the whole question today, and this is something that we can continue to argue, but if we do not get some agreements fairly soon, middle-income folks will get a tax increase, and it will not be my fault.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HENSARLING). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. 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 motion will be postponed.

CITIZENSHIP DAY

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. GREEN of Texas. Mr. Speaker, on June 12 our office hosted our 10th annual Citizenship Day event. This is a one-stop application processing opportunity for residents who wish to become U.S. citizens. With the help of local volunteers, elected officials and community-based organizations, we were able to help over 150 residents take their first step to becoming a U.S. citizen. Over 10 years we have assisted thousands of people to become citizens of this great Nation.

The Citizenship Day process involves completing United States Customs and Immigration Service forms, taking photographs, and having volunteer attorneys and U.S. Customs and Immigration Service representatives review the application and actually mailing it that day.

Every year this event can bring tears to your eyes at the number of people who want to become citizens of our great country. While some of us tend to take for granted that we live in a great country, others wait in line all night long simply to submit an application to become a U.S. citizen.

Although an event like this takes many months of coordinating, the rewards are remarkable. Not only does it provide a service to our community, but it increases awareness among legal residents about how important it is to become a citizen.

Mr. Speaker, I would like to list in the RECORD all the volunteers and groups that helped us on this event, as follows:

Houston Community College—Northeast Campus, Harris County Constable Victor Trevino, U.S. Customs and Immigration Service, United States Postal Service, JP Morgan Chase, Alma Latina Taqueria, League of United Latin American Citizens LULAC, National Association of Latino Elected Officials, Hispanic Organization of Postal Employees HOPE, Telemundo, Univision, Quan, Burdette & Perez, Attorneys at Law, Hipolito Acosta-Houston District Director of USCIS, Rose Aguilar, Mary Almdarez, Norma Ambriz, Carmen Bermudez, Graciela Caballero, Rob Caballero, John Cedillo, Mary Closner, Tolanda Crombie, Anselmo Davila, Zonia Davila, Elias De La Garza, Cesar De Paz, Hector DeLeon, Olivia Del Bosque, Raul Diaz, Debbie Dimas, Jaime Elizondo, Armando Entenza, Linda Escamilla, Fernando Espadin, Pedro Espadin, Silvia Espadin, Charles Flores, Tim Floyd, Carmen Galle, Jaime Garcia, Juan Garcia, Rose Garcia, Martina Garcia, Sophie Ha, Krystal Hernandez, Ernest Hill, Amalia Huerta, Natasha Jabbar, Andres Lara, Dorothy Ledezma, Teresa Longoria, John Martinez, Leticia Martinez, Frances Munoz, Valerie Noyoda, Anna Nunez, Isela Obregon, Rafael Palafox, Claula Pulido, Isabel Ramirez, Sylvia Ramirez-Martinez, Mary Ramos, Christina Ramos Avila, Francisco Rodriguez III, Margaret Rodriguez, Catalina Rosas, Patrese Ruffin-Bush, David Ruiz, Rosalinda Salazar, Noe Sanchez, Cathy Shuler, Teri Smith, Christie Nga, Glida Treadway, Theresa Turnini, Frank Urteaga, Moses Villapando, Juana Wilson.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

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

ORDER OF BUSINESS

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to speak out of order.

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

There was no objection.

SMART SECURITY

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

Ms. WOOLSEY. Mr. Speaker, when Ronald Reagan was running for President in 1980, he asked voters the question, "Are you better off now than you were 4 years ago?" Ronald Reagan won the 1980 election, becoming the 40th President of the United States.

Now, in the year 2004, the disarray of world events and the failed economic policies of the Bush administration

force us to ask of the American people once more, "Are you better off than you were 4 years ago?"

Since he became President in 2001, George W. Bush has enacted the infamous policy of preemption. This doctrine asserts that the United States has the right to attack any country that the President thinks may seek to attack the United States without having any proof to back up that assumption.

Claiming this policy makes America safer against the threat of terrorism ignores the truth, that the war in Iraq has struck a hornet's nest of hatred in the Arab world against the United States for what it sees as a war against Islam.

In his annual budget request, President Bush has pushed hard for billions of dollars to fund an unproven missile defense system and research on new, illegal nuclear weapons. He claims these enormous weapons systems will make America safer against the threat of terrorism, but vast defense spending has squandered money that should be spent at home on health care for the millions of uninsured, on retirement benefits for our Nation's veterans, and funding for new energy sources to stop our dependence on foreign oil.

The time has come for a new national security strategy, and I have introduced H. Con. Res. 392, legislation to create a SMART security platform for the 21st century. SMART stands for Sensible, Multilateral, American Response to Terrorism.

In crafting this legislation, my staff and I received brilliant support and counsel from Ira Shorr, from Physicians For Social Responsibility; from Bridget Moix, from the Friends Committee on National Legislation; and Marie Rietmann, from Women's Action for New Directions. Without them, this legislation would not have happened.

SMART security will make the world safer by preventing future acts of terrorism. Because terrorism is an international problem, our response to terrorism must involve the international community.

SMART security emphasizes multilateral partnership because we are stronger when we work together than when we alienate our friends and allies, rejecting their participation, rejecting their help.

The possibility of nuclear weapons falling into the wrong hands is possibly the biggest threat we face as a Nation, and SMART takes the threat of weapons of mass destruction seriously.

SMART takes the Cooperative Threat Reduction program, which has been successful in dismantling nuclear weapons and materials in the states of the former Soviet Union, and replicates this program in other nuclear powers like Iran and North Korea.

It invests not only in new, effective weapons systems and equipment, but in peacekeeping and reconstruction efforts to prevent terrorism, exactly the kind of support that is needed in places like Haiti, Liberia, Sudan.

Mr. Speaker, every country in the world knows that America is the strongest nation in the world, particularly when it comes to defense. We have billions of dollars in weapons to prove it, but sometimes situations call for more than just brute strength.

Let us not look back in another 4 years and wish we had done things differently. It is time America got smart about its national security.

I urge all my colleagues to cosponsor this vitally important resolution, H. Con. Res. 392. Let us be smart about our future. SMART security is tough, pragmatic and patriotic, and it will keep America safe.

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

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

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

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

ORDER OF BUSINESS

Mr. McDERMOTT. Mr. Speaker, I ask unanimous consent to speak out of turn.

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

There was no objection.

ADMINISTRATION WILL HAVE TO ACCOUNT TO THE AMERICAN PEOPLE

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

Mr. McDERMOTT. Mr. Speaker, this is the administration that lays claim to security. They have got it under control. They have got it covered. They know, so Americans should trust them and reward them with another 4 years.

Well, it sure does not look that way. It took an independent, bipartisan panel to uncover 3 years later the fact that many of the 9/11 terrorists had crossed Iran's border with the knowledge and approval of the Iranian Government.

Why did the administration not know this? They made claims about their leadership in the war on terror. The administration's word rings hollow in the light of the 9/11 Commission's revelations.

When it comes to the war on terror, this revelation demonstrates this administration does not know what it does not know, but they claim to be

the leaders and they claim it now. Clearly, they do not. Three years after 9/11 occurred there is no excuse for them having to find out from the 9/11 Commission.

The 9/11 Commission, with nothing close to the resources the administration has at its disposal, was able to uncover that many of the hijackers passed through Iran. Why did the administration not know this?

What else do they not know? Why have 3 years gone by without an investigation into Iran? Why is that? What does this revelation mean about Iran? We do not know and neither does this administration.

How could this happen? Very simply. The administration's obsession with Iraq. It is that simple. The administration diverted attention, resources and global support away from Afghanistan and the hunt for Osama bin Laden. This administration launched a war in Iraq on thinner evidence than what has been discovered about Iran and al Qaeda.

The President talked tough today. Is he signaling the start of another pre-war campaign? That was the pattern in Iraq. Start the rhetoric out in the open and plan behind the closed doors.

Is that what is going on here? Considering the overwhelming U.S. military commitment in Iraq, the truth is, the United States has limited, if any, real ability to launch another significant military action while 160,000 troops remain in Iraq.

What does that mean? It means we are overextended for one thing. It means that diversion into Iraq diverted the war on terror. It means the President's decision to invade Iraq deprived us of the right to investigate Iran. We have lost invaluable time, measured in years, when this administration beat a drum beat that turned war rhetoric with Iraq into reality.

The 9/11 Commission has given us a glimpse of what we do not know. The rhetoric only goes so far. In the aftermath of the truth about Iraq, the administration's rhetoric is long on words but very short on credibility. That is not leading a war on terror.

Today, America strains under the weight and the consequences of a misguided war that substituted rhetoric for evidence. Today, America sees firsthand the consequences of a war that diverted us away from the real fight we have. Today, America is beginning to see what was overlooked, left behind or simply ignored in the administration's rush to judgment against Iraq.

Three years later, the consequences of the administration policy makes clear the real intelligence failure began not in the CIA but in the White House. Intelligence failure was not in the agencies. It was at the top, from the people who directed them. It should never have happened, and this administration will have to account with the America people in 105 days.

We cannot afford an administration that wastes 3 years on the investiga-

tion of a country with nuclear power and other issues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Ms. SCHAKOWSKY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PROBLEMS THAT OHIO FACES

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

Mr. STRICKLAND. Mr. Speaker, I thank the Speaker for his recognition, and I am happy to be joined this evening by the gentleman from Ohio (Mr. RYAN) and the gentlewoman from Ohio (Mrs. JONES), and later we will be joined by the gentleman from Ohio (Mr. BROWN). We are going to be talking this evening about the Nation, but especially about some of the problems that are faced by those of us who live in the State of Ohio.

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Mr. Speaker, Ohio's theme has been "Ohio, The Heart of It All." It is true that Ohio is the heartland of our Nation. Ohio probably more than any other State is a microcosm of this great Nation. We have the Great Lakes to the north, the majestic Ohio River along the eastern and southern boundaries. We have some of the richest, most productive farmland in the world. We have great cities: Akron, Toledo, Youngstown, Cincinnati, Columbus. They are wonderful metropolitan areas. We have small towns. And many of those small towns are in my district. Certainly Youngstown and Steubenville, Marietta, Portsmouth, Lisbon, Ohio, all wonderful towns. And we have a great diversity of population. We have great ethnic and racial diversity. We have religious diversity. We have high tech and some of the greatest universities that exist in this country.

Although the American people are hurting tonight economically and otherwise, the people of Ohio are especially hurting. In the month of June, Ohio lost 14,100 jobs, bringing the total number of jobs lost since President Bush came to office, the number of jobs lost in Ohio, to 231,500 jobs. In June, Ohio lost 3,400 manufacturing jobs, bringing the total number of manufacturing jobs lost under President Bush to 173,300 jobs. That is only 200 jobs behind those jobs lost in Texas, and third in the entire Nation.

The number of unemployed persons in Ohio grew by 111,121 since President Bush took office in 2001, rising to a total number of 3,338,831 persons unemployed last month. That is in Ohio. Nationwide, job creation is still anemic

with only about 110,000 jobs created nationally in the last month.

The middle class in America is being squeezed. Senator JOHN KERRY has been talking about this middle-class squeeze. Over 90 percent of the new jobs created since August 2003 are service-sector jobs that pay an hourly wage of less than the national wage average. About 1.4 million of the jobs created are service-sector jobs with an average wage of \$15.24 an hour, which is 41 cents less than the national average. And 203,000 of these jobs are temporary in nature, providing no stability to the people and the families who depend upon them. Approximately 370,000 of these jobs were in low-paying domestic industries such as wait staff in restaurants and bars and retail workers.

In addition to this, and most Americans know this, wages are at a record low. Over the last year, the average hourly wage has fallen. When adjusted for inflation, wages are now at the lowest point in 2 years, and the typical American family is making \$1,500 less per year under President Bush.

The portion of the national economy going to wages is lower than it has been since 1966. In contrast, after-tax corporate profits are the highest since the government began keeping track in 1947. So the wages of America's workers are declining and the income of the corporate giants are increasing.

Now as we approach a month-long recess, instead of this Congress taking steps to help the American working family, Congress is spending its last remaining days debating what is likely to be an unconstitutional effort to block gay marriage and a bill to further extend tax cuts to those who are already wealthy. No wonder that this Congress has come to be known as the "do-nothing Congress." Instead of taking up bills which focus on issues which are really important to the average American, congressional leaders are focusing on issues which are important to their very narrow political constituency. The priorities of this Congress do not reflect the priorities of the American people.

Tonight, my colleagues, the gentlewoman from Ohio (Mrs. JONES) and the gentleman from Ohio (Mr. RYAN) and the gentleman from Ohio (Mr. BROWN), and I will be talking about some of these issues to inform the American people and to try to alert our colleagues to what is really happening in this country.

Mr. Speaker, I yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I thank the gentleman. The gentleman talks about an area in his district which is near and dear to my heart. My grandfather lived in Portsmouth, Ohio, and raised nine children in Portsmouth, and I still have cousins and relatives there.

Mr. STRICKLAND. Mr. Speaker, every time I mention a town in Ohio, the gentlewoman from Ohio (Mrs. JONES) has relatives there. I do know

the gentlewoman's relatives in Portsmouth, Ohio, and they are delightful folk, and I am so pleased the gentlewoman is joining us today, and it is wonderful to have her as a colleague because I do feel like we come from the same part of the country.

Mrs. JONES of Ohio. Mr. Speaker, I also recognize the gentleman from Ohio (Mr. RYAN) from the Youngstown area. He has come to Congress, and he has not missed a beat; and I am so proud and pleased he is doing such a wonderful job.

Tonight I am going to focus on gas prices because gas prices have significantly affected Ohioans. I rise to express my disdain that gasoline prices have increased dramatically, exceeding \$2 per gallon, and reached record levels in May 2004. Although recent decisions by OPEC are expected to have some impact on gas prices, the Energy Information Administration has indicated that gasoline price levels are still expected to remain high by historical standards.

These high gasoline prices have significant impacts on family budgets and on the economy as a whole. We were talking about the middle-class squeeze; I am going to talk about middle-class and lower-class squeeze. Who can expect that they are going to have to pay \$2 a gallon for gas? Last night in Cleveland at a gas station right around the corner from my house, a guy walked up to the window and said \$40 worth of gas.

Increased expenditures for gasoline reduce families' discretionary income and can result in inflation in the price of consumer goods. On May 17, 2004, the Federal Reserve Chairman, Alan Greenspan, indicated that the dramatic increase in oil and gas prices is "an economic event that can significantly affect the long-term path of the U.S. economy."

A recent report by the staff of the Committee on Government Reform of the House of Representatives found that increased cost of gasoline prices can force motorists in Ohio to pay \$483 million more for gasoline in the summer driving season than they did last summer. The increased cost will be approximately \$62 million in the Cleveland area alone. For the average family in Ohio, the increasing gasoline prices can increase fuel costs by \$125 between Memorial Day and Labor Day.

In recent months, gasoline prices have increased rapidly in Ohio and in the Columbus area. On July 6, 2004, the average price for a gallon of gasoline in Ohio was \$1.81. Compared to 1 year ago, that represents a 35-cent-per-gallon increase.

Prices have increased by a similar amount in metro areas throughout the State. On July 6, 2004, average gasoline prices were \$1.82 in the Cleveland area, an increase of 32 cents a gallon compared to prices 1 year ago. In 2004, drivers in Ohio will purchase approximately 5.5 billion gallons of gasoline, an estimated 460 million gallons per month. Assuming that the prices remain at the statewide average of 35

cent per gallon average higher this summer than in 2003, increased gasoline prices could cost Ohio drivers an additional \$161 million monthly. Over the 3-month summer driving season from Memorial Day through Labor Day, the total increased cost for drivers in Ohio would be \$483 million. An estimated 12 percent of all gasoline used in Ohio is used in the Cleveland area. That means that Cleveland drivers purchase approximately 57 million gallons of gasoline monthly. Assuming gasoline prices in the region remain 36 cents per gallon higher this summer than last year, increased gasoline prices will cost Cleveland drivers almost \$21 million monthly. For the 3-month summer driving season from Memorial Day through Labor Day, the increased cost for Cleveland drivers would be approximately \$62 million.

There are 7.7 million registered drivers in Ohio. On a per-driver basis, the increased gasoline prices will cost the average driver in Ohio \$60 over the summer months. An average two-car family in Ohio will spend an additional \$125 for gasoline during the summer driving season, and the list goes on.

I am here to say that under this administration, we have not seen any efforts to decrease the cost of gasoline, which continues to put a pinch on our families.

Mr. STRICKLAND. Mr. Speaker, in the last Presidential election, then-candidate, now President, Bush said, I am an oil man. He said, I am not a big oil man, but I am an oil man, and I know how to jawbone, and I will jawbone OPEC and I will tell them to turn on the spigots.

The Saudi regime, I believe, only remains in power because of the support they receive from this country. In my judgment, if we were to withdraw our support from Saudi Arabia and that regime governing that country, they would be gone in a split second. And yet at a time when we really needed their help, when our economy was struggling to recover, they participated in a decision to cut oil production which sent the cost of gasoline in this country skyrocketing. To my knowledge, President Bush has said nothing to OPEC, nothing to the Saudi regime. He has not jawboned. We have gone through this spring and summer with all of these high prices. The gentlewoman talked about the price of gasoline in Ohio, and that situation exists across this country.

Now, are we going to have lower prices soon? I suspect we may because I think there is reason to believe that an arrangement has been made with OPEC and especially the Saudi government as the election comes nearer and nearer, that they will take steps to increase production and thereby decrease the price pressure, and the result may be lower gasoline prices. But I hope the American people remember what they have gone through over the last 5 or 6 months. I hope they remember the hundreds and hundreds of dollars that

have come out of their family budgets as a result of these high gasoline prices.

Mr. Speaker, I thank the gentlewoman from Ohio (Mrs. JONES) for sharing her thoughts.

Mrs. JONES of Ohio. Mr. Speaker, I heard on the news that a Saudi person, a representative said in fact they do this every time a Presidential year comes up, nearer to the Presidential election, they reduce the cost of gasoline in an effort to support the President.

I want to remind Members of one more thing. I heard candidate Bush, then-candidate, now President Bush, say if Bill Clinton wanted to reduce the cost of gasoline in the United States, all he would have to do was pick up the phone, call the OPEC leaders and say, turn on the spigot.

My statement to President Bush is practice what you preach. Pick up the phone, call the OPEC leaders, and tell them to turn on the spigots. It is a much more complicated process than that. He knows it, but now he is not willing to step up and do what he said back when he was a candidate.

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I want to again thank the gentleman from Ohio (Mr. STRICKLAND) for his leadership. I thank the gentleman from Ohio (Mr. RYAN) for the opportunity to be a colleague of his.

Mr. STRICKLAND. I thank the gentlewoman from Ohio (Mrs. JONES).

Mr. Speaker, I yield to the gentleman from Ohio (Mr. RYAN), our newest representative from the Youngstown/Trumbull County area.

Mr. RYAN of Ohio. I thank the gentleman for the opportunity here tonight and for taking the leadership to put this together for us for the Ohio delegation.

We have suffered unlike any other State, I think in the country, as far as job loss goes. The one statistic that former Secretary Reich shared with us last week was that one in five of the jobs in the United States of America that were lost have been lost in the State of Ohio. One out of every five. And so if there is any constituency, if there is any State that has something at stake in the upcoming election, I think it is the great State of Ohio.

I would like to shift gears a little bit, not too much, but to talk a little bit within the same context of job loss and talk a little bit about China.

Ohio has had over the years an extremely strong manufacturing base in a variety of sectors, an opportunity to really grow our economy over the last 30 or 40 years and to provide a great opportunity for immigrants who have moved into the State of Ohio an opportunity to have a good wage and a pension and health care benefits and be able to send their kids on to school. We are now competing with, really, the great country as far as manufacturing goes that is China. We cannot deny it any longer. In many ways we have let

this happen, but we have to deal with the facts as they present themselves today.

I was going through Wired Magazine last week, and I want to share with the American people and the citizens of the State of Ohio some statistics and some pie charts here. I do not know if they can read them at home so I will share them with them, but they can get this at Wired Magazine. I do not know if it is on their Web site or not, but their last publication had these, or maybe it was two publications ago, had these statistics in there. I want to share them with the American people because I think they are very indicative of the situation we are facing, the critical situation that we are facing in the United States of America.

Let me just say, first, that this is not an issue that we can deal with 10, 20, 30 years down the line. This is not an issue where we can say, "We're just going to wait. We're the United States. We're the superpower, the only superpower. We're going to wait and we'll deal with that later. We've got to deal with Iraq, and we've got the budget deficits."

Mr. STRICKLAND. The fact is if we do not wake up and smell the coffee in a few years, and I am talking about a handful of years, we are going to find that China is going to eat our lunch economically. They have billions of people. They do not have the same kind of requirements that we have here in terms of environmental requirements, labor standards. Their wages are pathetic. We are talking about pennies a day. And they use slave labor; they use child labor.

They are an authoritarian government. I have been told that when a Chinese worker is injured on the job, they are just shuttled aside and they bring on someone else. So there are all kinds of reasons why the playing field is not level when it comes to China and dealing with China and this trade issue.

We made a mistake, in my judgment; this Congress, this administration made a mistake in granting to China most-favored-nation trading status. We gave them the advantages that come with that designation.

We supported their entry into the World Trade Organization, although they are authoritarian, although they are oppressive, although they routinely abuse their own citizens in terms of human rights and civil rights; and yet now we are allowing them to engage in a trade relationship with us which is out of balance, unfair, unequal.

I think my friend is right, and I believe he has some charts there showing what is happening in terms of certain sectors of our economy.

Mr. RYAN of Ohio. And staggering, staggering in the sense, and the gentleman has been here a lot longer than I have, but he will remember, every trade agreement that we have signed, from NAFTA on, the great phrase, the permanent normal trade status that we have granted to China, at one point it

was most-favored-nation, and Singapore and Chile and then Australia and now Morocco later this week.

In each instance, when we were talking about this, we were told that the high-wage jobs were going to stay here and that we were going to give the lower-paying jobs, the jobs that Americans did not want, we would let them go to China. We were told that all this new high technology, all these new high-tech jobs that we were going to be creating here in the United States of America would stay here, so our people would benefit with the jobs and health care and everything else.

I want to just share with the American people these pie charts. This is the top five exporters of electronics in the billions of dollars in 2002. Top five exporters of electronics, one of the industries that we thought when everyone was talking about these trade agreements, we could keep here.

Who is actually exporting these electronics? The United States of America in 2002, \$2.5 billion; China exporting electronics, \$3.8 billion worth. The United States, \$2.5 billion; China, \$3.8 billion. That was in 2002, top five exporters. Then it goes on, it has Italy is at \$5.9 and Germany and the Republic of Korea.

Then we get to the top five exporters of telecom equipment in the billions of dollars in 2002. United States of America, \$21.6 billion; China, \$36.4 billion. In electronics, in telecommunications equipment, we are getting our clock cleaned. Wake up and smell the Starbucks.

Next pie chart. I will start over here. The top five exporters of assembled computers. When we were hearing NAFTA and GATT and permanent normal trade, these were the jobs. We are going to start making computers in the United States of America. You are going to go from making steel to computers. It is going to be great. You are going to make good wages. You are going to be able to move your community forward and increase your tax base.

Top five exporters of assembled computers, United States, \$2.4 billion; China, \$3.8 billion. They are cleaning our clock in the computer industry as well. Ireland, \$4.6, Mexico, Malaysia.

So the point is well taken. Electronics, telecommunications equipment, assembled computers, we are getting our clock cleaned by China.

And so the point I want to make is, it is easy to sit up here and say, what do we do? We are getting beat up. We look like Rocky Balboa at the end of Rocky I. We have the bloody eye and we cannot see. We have the Band-Aid and our nose is broke. That is how the United States looks as we are competing with China.

And so what do we do? It is easy to make that analysis. The only thing that we can do is invest in education in the United States of America, and we have not done it.

This is a staggering statistic that I want to share with the American peo-

ple that will explain and illustrate why we are having the problems that we are having today with China and why, if we do not fix this problem, we are going to continue to have these kinds of troubles.

Top five sources of engineering graduates: United States of America, 59,000 in 2001; China, 219,563 engineering graduates.

If we want to create the new economy, if we want to compete in electronics and computers and telecommunications equipment, if we want to start exporting, we need to have engineers graduating from universities in the United States of America who are going to go out into our economy, who are going to create jobs, start businesses, work for American companies. There are not many Americans that want to move to China. There just are not that many. That is not a jingoistic statement. That is not slamming the Chinese. The Chinese have a proud culture, as they should, as every country does in some capacity.

But quite frankly, I was not elected in China. I was elected in the United States of America. And when you see a problem like this, a problem that can be fixed, 219,000 engineers in China graduating every year compared to 59,000 in the United States of America, that is something that the United States of America can fix. We can make it a national priority. We can fund Pell grants. We can lower tuition costs around the country. We can provide incentives for people to graduate in math and science and engineering and the different kind of technological industries that we need them to graduate in.

We need to fund No Child Left Behind. We need to start at the beginning and we are not doing the job here in the United States of America.

There are a lot of problems here that we cannot fix. There are some problems that you hope, you say your prayers at night that the problems get fixed. This is not one of them. This is a problem we can fix. The unfortunate thing is, as I go through these educational statistics here, title I, underfunded by \$7.2 billion. The No Child Left Behind Act that was passed by this administration and the Congress, the last Congress, just in Ohio, the No Child Left Behind Act with all the Federal mandates in Ohio, Ohio local school districts are underfunded by \$1.5 billion this year, \$1.5 billion.

Pell grants, in the 1970s when they started, they accounted for 80 percent of a person's college tuition. Now they account for 40 percent. Student loans being run by the banks. The banks are in on the deal now. We have to worry about making sure the banks make their cut instead of making sure students have the opportunity to go to school. There are 250,000 people that are college eligible that do not go to college because they cannot afford it, 250,000.

Mr. STRICKLAND. Speaking about China, job loss, the needs that we have,

I have a chart here that shows that since President Bush has been in office, I am talking about the period from January 2001 through April of 2004, 48 of our 50 States have lost manufacturing jobs. These are jobs that traditionally pay decent wages, have benefits, enable a person to support their families, pay their taxes, support their communities. If we can just look at the heartland of our country here, and I am talking about our great State of Ohio, Ohio has lost 163,500 manufacturing jobs.

That job loss is continuing. We now know from the recent statistics that just last month, Ohio lost more than 3,000 manufacturing jobs.

Mr. RYAN of Ohio. I thought the economy was doing great. Did I miss something?

Mr. STRICKLAND. There are people who live in Never-Never Land. People in this administration must live in Michael Jackson's Never-Never Land because they seem totally out of touch. The President comes to Ohio and he talks about how the economy is doing better than it has done in decades. Where is he talking about? What is he talking about?

The job loss continues. You look at our surrounding States. Pennsylvania lost 157,400 jobs. West Virginia, a fairly small State, 9,500 manufacturing jobs. The great State of Kentucky where I got my education, my higher education, lost 38,600 jobs. Indiana lost 66,500 jobs. Michigan, 133,200 jobs. The job loss is horrendous, and it is continuing. Even the jobs that are coming back do not pay nearly as much as the jobs that have been lost.

Mr. Speaker, I yield to the gentlewoman from Illinois (Ms. SCHAKOWSKY) who is kind enough to join us tonight.

Ms. SCHAKOWSKY. I appreciate this discussion tonight and just wanted to make a few points. The gentleman said that there has been talk from the Bush administration, from the President himself, on how there has been this great recovery. I wanted to point out what was in the Wall Street Journal today that talks about that, yes, for some sectors of the economy, there has been a recovery.

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They talk about a two-tier recovery that is going on where wealthier households are the big beneficiaries of a stronger stock market and higher corporate profits and bigger dividend payments and boom in housing, but ordinary people are not seeing that same kind of recovery.

And they show some very telling statistics here. For example, hotel revenue was up 11 percent in the first 5 months of 2004 at luxury and upscale chains, but just up 3 percent at economy chains. At the five-star Broadmoor Hotel in Colorado Springs, Colorado, \$600-a-night lakeside suites are sold out every day through mid-October.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I think this may indicate something that I think we intuitively feel, that under this administration the wealthy have done very well. There are people in this country who have got significant tax breaks, who are capable of paying \$600 a night for a hotel room. Most of my constituents certainly could not do that, and I think this is just one example of how the rich are being well cared for by the Bush administration. The working middle class is being squeezed, as Senator JOHN KERRY and Senator EDWARDS have been talking about as they have traveled around this country. There is a middle-class squeeze. The wealthy are doing very well.

Ms. SCHAKOWSKY. Mr. Speaker, let me give the gentleman a couple of other examples that will kind of surprise him, I think. At least I do not know people who spend this kind of money. At high-end Bulgari stores, and I may not be pronouncing it right because I am not sure what they are, but "at high-end Bulgari stores, meanwhile, consumers are gobbling up \$5,000 Astrale gold and diamond 'cocktail' rings made for the right hand, a spokeswoman says. The Italian company's U.S. revenue was up 22 percent in the first quarter. Neiman Marcus Group, Inc., flourishing on sales of pricey items like \$500 Manolo Blahnik shoes, had a 13.5 year-over-year sales rise at stores open at least a year. By contrast some 'same stores' sales at Wal-Mart Stores, Inc., retailer for the masses, were up just 2.2 percent in June. Wal-Mart believes higher gasoline costs are pinching its customers. At Payless ShoeSource, Inc.," and I know about Payless Shoes, "which sells items like \$10.99 pumps, June same-store sales were 1 percent below a year earlier.

"A similar pattern shows up in cars. Luxury brands like BMW, Cadillac, and Lexus saw double-digit U.S. sales increases in June from a year earlier. Sales of lower-tier brands such as Dodge, Pontiac, and Mercury either declined or grew in the low single digits."

So it is not just the gentleman that thinks that maybe there is a difference, but this economist from J.P. Morgan, Dean Maki, says: "To date the recovery's primary beneficiaries have been upper-income households." He said, "Two of the main factors supporting spending over the past year, tax cuts and increases in stock wealth, have sharply benefited upper-income households relative to others."

So we have the good times for upper-income Americans and pretty hard times or certainly not better times for most other Americans.

If I could just go on for another minute, there was an article also in the New York Times on July 18. The headline was: "Hourly Pay in U.S. not Keeping Pace with Price Rises," and the lead is: "The amount of money workers receive in their paychecks is failing to keep up with inflation." So

this is really the relevant number. Even though we may be seeing some increase in jobs, what we are finding is that wages are going down, that American workers are having a hard time keeping up with inflation.

Last Friday, the Bureau of Labor Statistics reported that hourly earnings of production workers, non-management workers ranging from nurses and teachers to hamburger flippers and assembly-line workers fell, wages fell, 1.1 percent in June after accounting for inflation. The June drop, the steepest decline since the depths of the recession in mid-1991, came after a 0.8 percent fall in real hourly earnings in May.

And one other article I wanted to quote from the New York Times on Sunday, if I could, and that will end my comments: "If President Bush was correct when he asserted recently that the economy was strong and getting stronger, why are so many people not only out of work but also looking for jobs?"

"Mr. Bush noted with evident relief that the Nation had added 1.5 million jobs since last August. Senator Kerry and his supporters complain that the country still has about a million fewer jobs than when Mr. Bush took office.

"But," the New York Times says, "neither statement captures properly the shortfall of jobs that has built up over the last 3 years. An accurate estimate is not 1 million but 4 million, and possibly higher."

So the real job numbers, the real numbers of the shortfall of jobs, is about 4 million jobs. This tells us average workers are not even keeping up with inflation, and this Wall Street Journal article tells us today for some people they can go out and buy \$5,000 cocktail rings made for the right hand, that there is a boom business in that. We have a two-tier recovery. Ordinary people are not feeling it.

Mr. STRICKLAND. Mr. Speaker, I want to thank the gentlewoman from Illinois for sharing with those of us from Ohio tonight.

As I said earlier, and this reinforces what she has said, wages are now at the lowest point in terms of the purchasing power that they have been in 2 years, and the typical American family is making nearly \$1,500 less per year than they were when George Bush was elected President.

I yield to the gentleman from Ohio (Mr. RYAN), and I noticed the gentleman from Ohio (Mr. BROWN) has joined us.

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentleman for yielding to me, and I welcome our good friend from Lorain, who is here.

A couple of points. We are, talking about how the wealthy are doing very well, and I think most Americans would say George Bush is an all right guy, and this is not a personal debate that we are having here. These are statistics that we have. These are facts that we are presenting to the American

people and let them make the decision that they need to make in the fall.

But I really think that this administration, very similar to the first President Bush's administration, has really gotten out of touch with average American families.

The gentlewoman from Illinois (Ms. SCHAKOWSKY) was just saying \$600 for a hotel room. For people in my district, that is 2 months' rent. They are spending it for one night in a hotel room. I mean, that is out there. But I think this President has really become out of touch, and a couple of examples, one in particular, that I want to use.

Last year, last Labor Day, the President came to Ohio, and all the problems that we have talked about tonight, all of the issues that we have talked about with all the different cities in our communities and Youngstown, this President on Labor Day, the most job loss since Herbert Hoover, goes to Richfield, Ohio, which is one of the wealthiest suburbs in the State. He does not go to Toledo or Youngstown or Lorain or Akron or Cleveland or Steubenville. He goes to Richfield. I mean, if one really wants to empathize with the people who are suffering in our country, one does not go to the suburb. Go to where the people are hurting.

And two times ago when he came to Ohio, he was in a very small little county that had the best unemployment rate in Ohio. In the city of Youngstown, the unemployment rate is almost 17 percent. In the city of Warren, it is 14 percent. He goes to an area that is doing okay and says the economy is really turning around.

So I think that this administration is clearly out of touch. They are not understanding that we have lost 14,000 jobs in the State of Ohio just in June. This was not over the last year. Just in June we lost 14,000 jobs. Tuition has gone up by 10 percent. We are getting our clock cleaned by China. So I think all of these issues tell me, as a new Member of Congress, that this administration is not really getting the point.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I think what my friend is describing is the middle-class squeeze. The fact that in America today the people who play by the rules, who work, who want to work, who want to pay their taxes, support their churches, invest in their communities, educate their kids, these are the people who are being squeezed. And those at the very upper limits of the income ladder are being richly rewarded by this administration.

I yield to the gentleman from Ohio (Mr. BROWN), my long-time friend.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Ohio (Mr. STRICKLAND) for yielding to me, and the gentleman from Ohio (Mr. RYAN) and earlier the gentlewoman from Illinois (Ms. SCHAKOWSKY) for joining us.

I got here late, but I heard the comments of each of my three colleagues about job loss, and Ohio has suffered

probably more than any other State. Maybe the gentleman from Michigan's (Mr. HOEKSTRA) State has been hit just about as hard. But we have lost one sixth of our manufacturing jobs in my State, the State of Ohio. We have lost over 200,000 jobs. In fact, if I look at it, we have literally lost 180 jobs every single day of the Bush administration.

They are saying that we are seeing job growth now, and we have seen a few jobs created; but there are a couple of issues there. One is we have not nearly come back to where we were. In fact, as the gentleman from Ohio (Mr. RYAN) pointed out, George Bush will be the first President since Herbert Hoover to have lost a net loss of jobs. We have had a net loss of 215,000 jobs, and now we have just had a net loss this past month, heavily manufacturing jobs, 160, 165,000 manufacturing job loss.

And it is not just the people that lose their jobs. It is what it does to these communities. Cleveland laid off 800 school teachers because of job loss, and that means that the average schoolroom in Cleveland will have 30 students per teacher in an average schoolroom. The city of Lorain, my hometown, has been forced to cut its number of teachers to lay teachers off. It means worse police and fire protection for those people who live in these communities. So job loss does not just hit the families who lose their jobs, as bad as this is. It also can really devastate a community.

That is the first part of it. And even though we are now seeing some job growth, and that is a good thing, as we said, those jobs do not pay as much as the jobs, as the gentleman from Ohio (Mr. STRICKLAND) said, that were lost. We lose a steel job, an auto job, and we create a job maybe, not as many as we lost, but we create a few jobs that pay \$5 an hour less. Better than nothing, but certainly not what we need to build the kind of middle-class economy and middle-class communities that we would like.

But the other part of it, as the gentleman from Ohio (Mr. STRICKLAND) said, is those who have jobs, and most people, of course, have not lost their jobs. Most people still have jobs. But those who have jobs are feeling that squeeze. Gas prices are up almost \$2 a gallon. I guess I should not be surprised because the President and the Vice President both were oil company executives. Vice President CHENEY is still receiving \$3,000 a week from the Halliburton Company, the oil company that he used to work for that is now doing so much business in Iraq. Oil prices are up. Health care costs are way up. The cost of prescription drugs is through the roof.

Yet this Congress and the President have done absolutely nothing to bring drug prices down. The drug industry has given President Bush and the Republican Congress for their campaigns literally, literally, tens of millions of dollars. And it has been a good investment for the drug companies because their profits continue to be the best,

the highest profits by a factor of three or four of any industry in America.

So gas prices are up. Health insurance prices are up. College tuition, if people want to send their kids to college, Ohio State is going up 13 percent next month, I believe, or in September, whenever school starts. Tuition at Akron University a year ago, in the gentleman from Ohio's (Mr. RYAN) and my district, for freshmen went up about 16 percent. So they are getting gas prices increasing, health care costs increasing, college tuition increasing. At the same time, wages are stagnant. There has been no wage increase.

And I think the best example of sort of the Bush economy, we can see it at the Timken Company.

□ 2045

Timken, for those who are not from Ohio that are listening and for those perhaps unfamiliar, Timken is one of the major success stories of American manufacturing, a fourth generation family running a steel company, ball bearings and steel supply company, in Canton, Ohio.

The Timken Company, the fourth generation owners of the company and managers of the company are very good friends of President Bush. The Bush family and the Timken family have gone back for years together.

The Timken Company a year ago was the site of a visit by President Bush celebrating the productivity of the workers and the success of the company. President Bush said, and we all applaud this, that Timken workers' productivity has increased 10 percent from 2 years ago to last year. A 10 percent productivity increase, almost unprecedented.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I would ask the gentleman, what was the result of that increased productivity? What did the workers get out of that?

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will continue to yield, that is the rest of the story. That is exactly right. A 10 percent productivity increase a year ago. Then earlier this year, in April, Timken announced record sales, the highest sales of any quarter in its history, in its almost 100-year history, and Timken announced a 63 percent increase in earnings per share over the first quarter of 2003. So immensely more productive workers, 10 percent more. A year later, record sales, a year later highest earnings, a great increase in earnings per share.

Do you know what happened a week later? You know, obviously. Timken announced it was going to shut down its three remaining Canton, Ohio, plants; 1,300 workers would lose their jobs, good-paying jobs, industrial workers, and Timken was going to build another plant in China.

This is sort of the Bush economy. It is more productive workers, more corporate profits, higher pay for executives; squeeze the workers, squeeze their health care, make them pay

more, squeeze wages; shut the plant down, more production in China. Then a whole other cycle: more profits, more sales, bigger executive pay, more squeeze on the workers.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I make a prediction to my good friend, the gentleman from Ohio (Mr. BROWN). My prediction is this: President Bush will not return to Canton, Ohio, to the Timken plant during this election year, because the people there are hurting. They know that although they worked hard, although they increased productivity, although the company continued to make money, it wanted to move to where it could earn more money, and that was China.

I just want to share with my friend something that is in the President's economic report to the Congress that was presented to us in February of this year. On page 25 of that report, is this statement: "Whenever a good or a service can be produced at lower cost in another country, it makes sense to import it, rather than to produce it domestically."

That is the philosophy that drove Timken to China: more money, greed, higher profits. But that is the philosophy of the Bush administration. "Whenever a good or a service can be produced at lower cost in another country, it makes sense to import it, rather than to produce it domestically."

I say to my friend, the gentleman from Ohio (Mr. BROWN), nearly every product can be produced at lower cost in another country if you are going to pay slave wages, if you are not going to have environmental standards, if you are not going to have safety requirements for the workplace.

That is what we face with the George W. Bush economic philosophy, and we are going to lose jobs until we change our course.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield further, it is interesting what the gentleman says about these companies moving to China, because I have heard executives say to me, some from my district, some from Ohio, some from around the country, "The global economy forces us to have to move to China."

But it is those same executives, and the gentleman from California (Mr. HUNTER) has been part of these debates in the past, a Republican friend from California opposed to these trade agreements, but these same executives come to this Congress and ask for trade agreements, ask for PNTR for China, as for the North American Free Trade Agreement.

President Bush is wanting to double the size of NAFTA in population with the Central American Free Trade Agreement and the Free Trade Area of the Americas and quadruple the number of low-income workers. So the companies push for the trade agreements which serve to bring in more low-income workers, weak environmental

laws, no labor standards. Then the companies throw their hands up and say, "We have to move because our competitors do."

It is all part of the Bush economic plan, to do these trade agreements that lower wages, that force down wages, that weaken food safety standards, that weaken environmental laws; that really do pave the way, invite those companies, really invite those companies to go overseas, at forced slave labor wages for totalitarian governments.

These are not democratic governments. They are countries that suppress labor, that keep laborers from organizing, that keep workers docile. Then we are surprised they are "outcompeting" us. Of course they are.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I am sometimes amazed and sometimes appalled at what I perceive to be the hypocrisy of this administration. Recently, with the approval of the Bush administration and this Congress, a decision was made that Cubans living in this country could only visit their relatives on the island once every 3 years. Why? Because Cuba is a Communist country. Fidel Castro is an authoritarian dictator. Yet, at the very same time, we continue to expand our efforts to accommodate China, to encourage Americans to invest in China, to encourage trade with China.

Mr. BROWN of Ohio. If the gentleman will yield further, to encourage China to take our jobs, the best example, when the gentleman from Ohio (Mr. STRICKLAND) and I came to this Congress in 1992, our trade deficit with China, meaning the number of dollars we bought from them more than we sold to them, was about \$1 billion. In those days, 1992, we bought from China about \$1 billion more than we sold to China. We had a trade deficit of about \$1 billion.

A year-and-a-half ago, that trade deficit passed \$100 billion. This year it will exceed \$120 billion. So we are buying from China every day about \$300 million more than we are selling to China. We have a daily trade deficit with China of between \$300 and \$400 million.

What does that translate to? According to the first President Bush, who really lost his job because he was out of touch with the workaday problems of American workers, but what President Bush I said is, \$1 billion in trade deficit translates into 18,000 jobs.

If we have a trade deficit every day of \$300 million, we are losing hundreds of thousands of jobs as a result of that trade deficit.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I thank the gentleman for pointing out those really outrageous facts. But can you imagine the American citizen is being told, you cannot voluntarily travel to Cuba. You cannot go down there and enjoy a few days vacation or interact with your friends or families except once every 3 years, because they are a bad Com-

munist country and Fidel Castro is a authoritarian dictator, and they persecute people of religious faith.

Does anyone in this Chamber or who serves in this Chamber or in this administration, are they unaware that China routinely persecutes people of religious faith, puts them in jail, in prison; uses slave labor; is an authoritarian country? And yet we encourage this free trade with China.

I think it is hypocritical. I do not think it is consistent. I think the American people should be asking, what kind of rationale or reason is behind such duplicitous policy and behavior?

Mr. Speaker, I yield to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, when the gentleman from Ohio (Mr. BROWN) was talking about Timken and all the issues with China and how it really has tilted the playing field to benefit really the top 1 or 2 percent of the people who can benefit from the increase in stock prices and the increase in their own personal wages because they have to pay someone 50 cents an hour, as opposed to \$50 an hour with health care benefits and all that, I think what we are trying to say here, beginning to wrap up, is all we are trying to do here is to create a system where everybody gets to play along.

It is like there are only certain kids that can get into the sandbox, and if you are not born to the right gene pool or you are not born in the right hospital or in the right neighborhood or belong to the right church, somehow you do not get to play.

All we are saying is, there are ways that the government throughout the history of this country has played a role in moving these people along.

We mentioned earlier with the Title I funding, which deals with at-risk youths who need help, Title I funding, the 2005 President's budget underfunded it by \$7.2 billion. \$7.2 billion.

So we could talk about China, and we are getting our clock cleaned, and the top 1 percent is really benefiting. The question the American people are asking and the people in my district are asking is, how do we help those people who are not able to play along? And the answer that we always have come up with in this country is to make sure everybody is educated, that everybody has health care, that everybody has a shot. You may not finish the same, but you should start the same at the beginning.

All I am saying is, we are trying to argue that if the system does not help everybody, the system is not working; and this system is not working. The threat when people do not move along with everyone else is, the whole system collapses.

Mr. STRICKLAND. Mr. Speaker, reclaiming my time, I want to thank my friend.

Earlier this evening I had the privilege of meeting with a group of Ohioans who are involved with projects and

agencies that try to help the homeless. They were from Cincinnati and Cleveland and Portsmouth and all of the areas throughout Ohio.

I said to them, "You are the people who are really doing God's work, because you believe in community. You understand that none of us really gets through this life as individuals. All of us need help and receive help. It may be from our parents, our relatives, our neighbors, our church, our schools."

But I think what the gentleman from Ohio (Mr. RYAN) is trying to describe is the fact that we are a large national family, and we have differences. We have ethnic and religious and racial, philosophical differences. We have different skills and abilities, different educational levels. The fact is, we are not all the same, but we are all a part of the same great Nation.

What we have been describing tonight is a nation that is out of balance, that has great unfairness, has inconsistencies, and quite frankly, I believe, a nation that is lacking in leadership.

What we need is a Congress that will come together and work for the real benefit of the American people, and we need a President who is aware of the real problems. I think what we have described tonight is a government administration that is out of touch.

I want to thank my friend, the gentleman from Ohio (Mr. RYAN), the gentleman from Ohio (Mr. BROWN), earlier our colleague, the gentlewoman from Ohio (Mrs. JONES), and our colleague, the gentlewoman from Illinois (Ms. SCHAKOWSKY) for participating in this discussion tonight.

NEUTRALIZING THE IRAQI THREAT

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

Mr. HUNTER. Mr. Speaker, I want to follow my good colleagues who just talked about what they consider to be the free trade debacle of the 1990s with a gentle reminder that that debacle commenced with the 1994 NAFTA vote under the Clinton administration, strongly supported by President Clinton, and I think, strongly supported by then Senator KERRY. At the time when we started that, I think we had a \$3 billion trade surplus with Mexico. Shortly thereafter, we had a \$15 billion annual trade loss.

I am reminded with respect to China that one of Mr. Clinton's strongest contributors, who happened to be the chief executive officer of the Loral Corporation, found that he had, after he had seriously violated the rules of transferring technology, had transferred technology to the Chinese with respect to their launch capability, because in their satellite launches they use these Long March rockets to do their satellite launches, and they use that same

rocketry to aim nuclear warheads at their adversary cities, several of which are in the United States of America.

□ 2100

And when Loral violated the restrictions on transferring this weapons technology, which puts all Americans at risk, he was allowed to continue to make those sales; and Loral was allowed to continue to make those sales, prematurely, in my judgment, and there was, I think, a very strong link to the Clinton administration manifested in a \$300,000-plus contribution to President Clinton.

So I remember the free trade, the threshold free trade vote well, which a lot of my Republican colleagues do not agree with me on, and a number of Democrats do not agree with me on; but I do remember that it was done by President Clinton, and I wanted to add that little historic footnote.

I wanted to engage in a little dialogue with my good friend, the gentleman from Michigan (Mr. HOEKSTRA), who has been to Iraq a number of times, four times, I believe, and is one of the Members who has really focused on Iraq. I would just start off by saying, Mr. Speaker, that it is a long, hard road in Iraq. We understand that. It has been tough for our soldiers. It is a difficult environment. It is full of sweat and dust and high temperatures, and sometimes blood. But we are undertaking and are now well on our way to making this hand-off, both politically and militarily, to the Iraqi people in Iraq, and giving them the best running start at freedom that country has ever had. And, in doing so, we are on our way to neutralizing Iraq as a potential springboard for terrorism in the years to come, which will accrue to the benefit of many, many generations of Americans.

So the cause is right. It is a just cause. We are standing up that military right now. We have General David Petraeus, one of our best military leaders, former commander of the 101st Airborne in Iraq, as a leader of that stand-up and training of the Iraqi forces. He has put together the schools for officers, for noncoms, for enlisted personnel; and those forces are starting to pick up that weight a little bit now and carry it in various battles and clashes that they have had around Iraq with the insurgents.

So, Mr. Speaker, I would simply want to report that while this is not an easy task, it is a very difficult task, the United States is carrying the ball and the folks who wear the uniform of the United States are doing a wonderful job for us.

Having said that, I would like to yield to the gentleman from Michigan (Mr. HOEKSTRA) for his observations on this very important issue.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding. He, like myself, has been to Iraq a number of different times. And as chairman of the Committee on Armed Services, I

just want to congratulate the gentleman on the tremendous work that the gentleman and his committee have done to demonstrate to our armed services, our men and women in uniform, that we stand with them, that we are providing them with all of the resources necessary to conduct this war effectively, and that our presence in Iraq is a testament to the courage that we witness from them each and every day.

I was over there on Father's Day, really, just to go over there and to say thank you. We have 130,000 men and women over there who are giving up their time with their families, who are over there on Father's Day, they are over there on Christmas, they are over there on Easter, all of the important holidays for our families. It was really meaningful to be there and to have lunch and dinner with some of our troops.

As we talked with them, we found out the effectiveness of the Committee on Armed Services. We found out that this is a little different type of a war than what we expected, a little bit different than an occupation. The gentleman and his committee have done just a tremendous job in altering the procurement process and the types of things that we are buying to get them what they need in Iraq to be successful and to be safe. I know that they appreciate all of the work that the gentleman and his committee have done. I know there are lots of other things.

The gentleman may want to respond to some of the things that the gentleman's committee has done in terms of getting armored Humvees and these types of things to our troops, to enable them to be successful to go after these insurgents.

Mr. HUNTER. Mr. Speaker, I thank the gentleman. I will tell him that I am just one of many, many great folks on that committee, I am just part of the group there, because we have really wonderful people on both sides of the aisle on the Committee on Armed Services. The committee has been working hard. Our members have been working very hard. This has been a challenge. The IEDs, these Improvised Explosive Devices that are detonated remotely now, are an enormous challenge; and the deadliness of those is manifested and can be illustrated as you walk the halls of the hospital there in Ramstein, Germany, or over here in Bethesda at Walter Reed when they come back.

So we moved out smartly and the services moved out very quickly to armor up some 8,000-plus Humvee vehicles, basically our follow-on utility vehicle, and we are also working hard on other means of trying to stop these very deadly systems.

But in the end, if we look at the combat that took place in Iraq, it is interesting, with this high-tech world, a lot of it is just great, great people. So we have done a few good things; but we have had some really, really wonderful people wearing the uniform of the United States.

The last citation I picked up before I went over there was for a Marco Martinez, who was a sergeant in the Marine Corps who won the Navy cross for taking an enemy position, taking on and taking out four insurgents with grenades and rifle fire. That is one of hundreds of high awards for valor and literally thousands of lesser awards. We have issued some 16,000 Bronze Stars in that theater and over 127 Silver Stars. Mr. Speaker, those people, the television this year and the movie screens were filled with the invasion of Normandy, but the kids that wear the uniform of the United States, and they are kids, because a lot of them are teenagers, a few of them just in their early 20s, are every bit as courageous and dedicated as that great generation that hit the beaches in Normandy and hit the beaches in the South Pacific.

So I want to thank the gentleman for all the great work that he has done, all the intelligence work that he has done along with his colleagues.

Saddam Hussein really rattled on when he was there in the court, and I do not know if that is an equivalent to a preliminary hearing or a time in which one enters their plea; but he said as he rattled on, he said one thing that was true. He said, in essence, if it was not for George Bush and those Americans, this would not be taking place, and that was true. He would not be there if it was not for George Bush and about 300,000 great Marines and soldiers and sailors and airmen.

And I think of all of those great units, the First Marine Division, 101st Airborne, the Third Army, the Fourth Infantry Division, now taken over by the Big Red One, the first infantry division up there in Tikrit, and the First Cav and the First Armored Division, which has been centered there in Baghdad for so long, right in the heart of the tough operations, and now the First Striker Brigade up in the north, if it was not for the Americans, the people of Iraq would have no chance at freedom and we, the Free World, would have no chance at neutralizing Iraq as a potential springboard for terrorism.

So I want to thank the gentleman. I also want to thank the gentleman from New Hampshire (Mr. BRADLEY) and the gentleman from Florida (Mr. MILLER) for coming on down here. We have spent a lot of time working this issue and going over to theater, and all of the great work that they have done.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I just want to put some of that in context of what our men and women are doing in Iraq as to the shameful event that was outlined yesterday here in the United States, last night. This war on terrorism has evolved through the 1990s. It was not brand-new on September 11, 2001. It started when the World Trade Centers were bombed the first time in the early 1990s, when the Khobar Towers in Saudi were attacked, when our embassies in Africa were attacked, when the USS

Cole was attacked. We know that during much of the 1990s, the Clinton administration did not appear to take this war on terror very seriously. Mr. Speaker, it was not identified.

What we found out last night was we may never know the decision-making process that the Clinton administration went through as it developed its policies. Because after 9/11, we have had a joint inquiry between the House and the Senate as to what happened, what went wrong, and what went right; and there has been talk about the failure in decision-making, both in the executive branch and in Congress, and in other areas. And we now have a 9/11 Commission report coming out.

What we found out last night, what America learned last night, is that JOHN KERRY's foreign policy adviser, Sandy Berger, who was the National Security Adviser to President Clinton, removed highly classified documents from a secure area; and these documents, we are not quite sure what they are anymore, because they are gone. But we do know that he went into a secure area, and the gentleman and I have gone into these rooms ourselves. You go in with maybe a couple of pieces of paper, a pen, they bring in the documents, you have the opportunity to review the documents, to read them, to study them, to take notes on them, to organize your thoughts. But when you leave that room, you leave all of the paper and you leave all of your notes in the room. Nothing comes out with you, because these are secret documents.

Sandy Berger, the National Security Adviser, last night revealed, and he has been under investigation by the FBI I guess now for over a year, last night publicly admitted that he inadvertently took documents from the National Archives that outlined Clinton administration decision-making policies, practices, whatever, in relationship at least to the millennium threat; he removed those documents inadvertently. We do not know exactly how many. We do not know what was in them. But he inadvertently removed them; and then, some time later, when he was home or in his office, he inadvertently destroyed these documents.

I think some of the news media said, Berger said he deeply regretted the sloppiness involved. Well, to American citizens, to the folks that are involved in the 9/11 Commission, and to our troops who are fighting in Iraq, and for the troops that may be fighting sometime in the future, I am sorry, America deserves better than that. Our troops deserve better than that, and taking highly classified, secret documents out of a secure room inadvertently and then destroying them inadvertently means that the 9/11 Commission, this Congress, and others will probably never really know what we knew in the 1990s, what we could and maybe should have acted on in the 1990s, and how we could have improved this process so that it would not happen again.

Critical documents were taken out and they were destroyed, and we have a

National Security Adviser who was involved in this for years. He knows, the gentleman from California (Mr. HUNTER) and I know the rules going into that room. How is it characterized? I think the sloppiness is characterized as somebody stuffing papers into their coat and into their pants. Excuse me. This is a National Security Adviser with top secret documents who takes them out of there, and the only question that one can really ask is, because I believe that he probably knew that somewhere along the line someone would discover that these documents were missing; why was he willing to risk taking these documents out of this security facility and taking them home and destroying them? What was in those documents that he probably did not want the American people to see?

I yield back to the chairman, because it is an unbelievable assertion from Sandy Berger that he inadvertently took documents. I mean, when the gentleman from California (Mr. HUNTER) and I go into these rooms, do we walk in with a binder of our own notes and our own documents and then put the classified stuff next to it and kind of put it through each other and then walk out with a binder and say, oh, man, I just happened to take a few extra documents? Is that the process that we go through? I yield back to the chairman.

□ 2115

Mr. HUNTER. Well, I would just say to my friend that, at worst, we do not put documents in our socks; and I have not seen the definitive statement on this, but one, at least according to the news reports, and I think that is why we need to get more information on this, one of the staff members at the Archives said he put some of them into his socks.

Now, I think that they keep the temperature fairly temperate in that room, and you do not need to warm your feet. And just the idea of a national security adviser putting documents into his socks, I think raises a few questions.

There are more questions here than there are answers, and I think we all want to believe the best of our fellow man, our fellow government servant, who, as you said, was national security adviser. But another thing that I think the American people have to ponder on is that he did not, according to the news reports, say, Yes, I have got them until he was called by the archivists, who said, "You have got secure documents." And at that point he said, "Yes, I believe I do."

So you are right. These are not documents that are mixed up.

It is a standard procedure to divest yourself of any notes that you have written, but also divest yourself of the documents, as it is to turn your car off when you pull your car into the parking garage. You turn it off. And the idea that you left the car running, and then you did not go down and turn the car off until somebody called you and

told you the car was still running and that that was all done unintentionally is, I think, something that Mr. Berger needs to continue to explain.

Because one thing about the 9/11 Commission, the reports are out, one they were afraid of, and I need to yield to my friend from Florida, is that bits and pieces, little bitty statements out of that report, two and three words, will be used for news triggers, little statements that people made. And they will be plucked out and they will be used politically on one side or the other and they will be used by the news media, and so just a couple of words, one sentence, can have enormous effect, enormous effect.

I know the more liberal members of the media have pointed to one sentence that somebody used in one of the weapons of mass destruction analyses, where said it does not matter what we find, because this war is going to happen. Now, that was not a statement of policy. That was a statement by some guy who did not control policy, but it was plucked out and used and probably put in front of 50 million people. So little bitty words and little bitty sentences and little bitty phrases can be pulled out. And so the idea that we now have an incomplete reservoir of facts is, I think, disturbing to the American people.

If you lined up all the people in the United States and said, who would take those documents out, the President's former national security adviser would be the last gentleman that you would suspect. And on the other hand, apparently truth is stranger than fiction. It has happened. I think there is some explaining to do.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman would yield for a second, I think we need to put this in context to the American people.

He removed those documents as he was preparing his testimony for the 9/11 commission. It just does not feel right. The context of going into a secure room, reviewing documents, knowing that these documents are going to be scrutinized by the 9/11 Commission, and as the chairman said, word for word for word, and then perhaps stuffing them into his coat, into his pants and perhaps even into his socks as he is preparing that testimony, and the disappointing thing is, now the American people will probably never know what was in those documents.

Those were original documents. They were not copies of documents, at least the evidence that we have or the information we have today said that those were original documents, they were not copies. There are not multiple versions of this available. He had the originals.

And the other thing we have to know about Sandy Berger, very different than the current President in the way that he operates, Sandy Berger was the gatekeeper to the President, meaning that George Tenet, John Deutsch and the CIA and other folks who wanted to

get to the President and brief the President had to go through Sandy Berger, and Sandy Berger was the gatekeeper.

It is not like this President, who gets briefed by a wide variety of people on a pretty regular basis. Sandy Berger was the gatekeeper. He had all of the information. These were documents that he prepared. Most likely, these are documents that are now missing. We will never know what is in them.

As those of us here on Capitol Hill are involved in the process of trying to improve the Intelligence Community, improve the intelligence capability and the analysis, we will never have the benefit of reviewing how these documents influence decision-making, and that will impair our ability to come up with the right recommendations to try to make sure or to minimize the possibility that a 9/11 will ever happen again.

I thank the chairman for yielding.

Mr. HUNTER. Mr. Speaker, I thank the gentleman, and I think he has raised probably the most important question for the next several weeks.

One other question we might ask is when Mr. Berger took these documents home, he obviously took them home for a purpose, and presumably he reviewed them at home, he looked at them. That would be another opportunity to say, I have got classified documents; they should go back. And it would certainly be a time when you would not scrunch one of them up and destroy it, because you realize you have got something that the Archives needs.

And so it is a very, very strange situation, and I think the gentleman has posited the most important questions. And maybe in the next 5 or 6 or 7 days we are going to have some answers.

I hope the gentleman would stay around and we will talk about Iraq, because the gentleman, along with the gentleman from Florida (Mr. MILLER) and the gentleman from New Hampshire have a wealth of experience with respect to the Iraq theatre.

I would be happy to yield to the gentleman from Florida, a great member of the committee.

Mr. MILLER of Florida. Mr. Speaker, I thank the chairman very much.

We all intended to come down to the floor tonight and speak about Iraq and the successes that are taking place in that region, having been there myself, planning to go back there in August again on behalf of the committee.

But I do think attention needs to be drawn, as my good friend, the gentleman from Michigan (Mr. HOEKSTRA) and the chairman have already alluded to, the fact that the information that was provided to most of us today and some last night that Sandy Berger has in fact admitted that he did take information out of a secure area.

It has already been alluded to that we can take notes while we are in an area looking at specific Top Secret information, but we by no means are al-

lowed to take any of that information out, much less the notes that we make to take out, and the facts that are coming to light now that he apparently used his jackets, his pants and possibly his socks. And I would tell my good friend that I understand today that while they all were original documents, there may, in fact, have been three different drafts of a single document that were there. And apparently, Mr. Berger went back and got all three drafts of that particular document. For what reason, I do not know.

Mr. HOEKSTRA. Mr. Speaker, would the gentleman yield?

Mr. MILLER of Florida. I would certainly yield to my good friend.

Mr. HOEKSTRA. I think this is another critical point. Again, the information that we have to date is that this was not a single occurrence, but this was a pattern on a series of visits that he on multiple occasions inadvertently took documents. Again, that is what some of the press reports are indicating, which makes it even more suspect that by accident you took documents on a number of occasions.

I thank my colleague for yielding.

Mr. MILLER of Florida. Exactly, and I think that the additional question that needs to be asked, and apparently now the presumed Democratic nominee, Mr. KERRY has accepted Mr. Berger's resignation as his national security adviser in regards to his political campaign.

Interestingly enough, I think it should have been the reverse. I think that the good Senator probably should have immediately, once he found out what was going on, should in fact asked Mr. Berger to step aside instead of waiting for Mr. Berger to make that decision. Again, I think it shows a lack of leadership on the Senator's side in regards to how he would handle an issue in regards to Top Secret information.

I would be glad to yield to our chairman.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding at this point, because I think that it does reflect on the judgment of Senator KERRY, but I think more reflective of his judgment with respect to intelligence is the fact that Senator KERRY voted to cut intelligence all during the 1990s.

Now what we have discovered is that we cut intelligence, we cut our operatives, our operating officers by more than 20 percent during the 1990s, during the Clinton administration; and that meant that we cut all of the people that gave us information because each of those operating officers has stables of people who talk to them, whether they are taxicab drivers or people in a bureaucracy in some foreign country or just people that have a certain insight into knowledge, people who are in the room when somebody bad makes a decision to hurt Americans. We lost 40 percent of our assets, of our intelligence assets.

So we had all this information coming in, and we cut out 40 percent of it. So we are like Ford Motor Company cutting out 40 percent of its dealerships and then wondering why the number of Fords sold has dropped dramatically.

Well, while we were doing that during the Clinton administration in the 1990s, Senator KERRY tried to cut it more, and in 1994 he offered a massive cut that received from fellow Democrats extreme criticism, one of them saying this was going to cut the eyes and ears out of our Permanent Select Committee on Intelligence, and another one saying that this was going to be a disservice to our troops.

And then in 1996, Senator KERRY offered a bill, and I understand that he did not get a single cosponsor. There was not anybody in the Senate, Democrat or Republican, who was liberal enough to sign up to this one, because this cut \$1.5 billion out of the intelligence budget. This is in 1996 when we really needed it, when we needed to rebuild intelligence; and he cut what would have been \$300 million per year for 1996, 1997, 1998, 1999 and the year 2000. Luckily, not a single Senator was liberal enough to join him in that.

And it goes back to a statement that he made that was reported in one of the Harvard newspapers when he was first running for office, and he said that for practical purposes, he was going to for practical purposes defund the CIA, just take away the money.

I think that Senator KERRY always looked at the CIA in the same way as people look at it when they go into these movies and the movie is made through the prism of some left-winger in Hollywood; and in these Hollywood movies the CIA is always out there moving drugs and hurting people and being basically a bad influence. In reality, the people that serve in the CIA and our other intelligence agencies are wonderful people who serve this country, get no kudos, get no parades down Main Street, put themselves in dangerous positions for our country and often die in small, isolated places around the world for the United States of America.

But the problem in judgment is not Sandy Berger, the image of Sandy Berger stuffing stuff into his clothes and leaving the classified intel room, as JOHN KERRY's adviser. The real crisis in judgment, I think, is when JOHN KERRY got up and tried to cut an already debilitated CIA, one where the Clinton administration had sliced the top right off of it, cut out 40 percent of our assets, and he came in with further cuts. And he called our programs, the intelligence programs, silly programs.

Nobody calls them silly programs today. We wish we had had more. We wish we had had people sitting in those meetings when decisions were made to hurt Americans.

I would be happy to yield to the gentleman.

Mr. MILLER of Florida. And I appreciate the chairman's remarks, and in

fact, President Bush has been working diligently, as the chairman knows, for months and months trying to rebuild that Intelligence Community that has been decimated so terribly.

Looking for that great peace dividend that was out there and slashing the intelligence budget was a foolish thing to do, and we now see, and in fact people are telling us, that it will take 1, 2, 3, maybe 5 years, in order to rebuild that human intelligence. You do not just rely on all of the whiz-bang things that we have now and the great ways that we have to gather intelligence, but you certainly have to take the opportunity to get the human intelligence.

But what bothers me even more is the fact that it appears that the information that Mr. Berger took out of that Top Secret room in that area where he should not have taken anything out of that room possibly dealt with very credible information in regards to our vulnerability at airports and seaports and what was going on in those general areas; and I think it is very coincidental, at best, that Mr. KERRY, Senator KERRY's advertisements, as he has been running for the Democratic nomination and has in fact been beating on our President time and time again, have in fact been homed in on our vulnerability at our airports and our seaports. And I am just concerned as to what Mr. Berger did with the information once he removed it from that Top Secret classified room and took it supposedly to his home, who may have seen it, who gained from the information that was there; and in fact, is there any type of tie that can be made to the campaign of Mr. KERRY, because it is beginning to appear we have a very convoluted web at this point in regards to some of the issues that the Senator has been raising.

□ 2130

Mr. HUNTER. I thank the gentleman. Another question I think is a common-sense question that the average American would ask is, well, if you took this stuff home that was highly classified, very sensitive, it is against the law to take it home, and you took it home. And you are reading it and you are a former security advisor, you know that it is highly classified, well, if you had it up and throw it in the garbage, which is almost unthinkable, almost unthinkable, would you not, when you get called up by the people who have run the collection of that information, would you not then go try to retrieve it?

Would you not go out to your garbage and dig through it and say, why did I just lose it and throw it away?

Mr. MILLER of Florida. I understand that it was not just papers that were taken, but there possibly were bound books or folders of some type that you, in fact, could not just crunch up as a bunch of papers. You would know, in fact, that you were disposing of them; and you had to do it deliberately, if, in fact, you did dispose of it.

So to say that it was sloppy and inadvertent kind of stretches the imagination. But, of course, a lot of this has been done in this House over recent months, unfortunately; and it is being done out on the campaign trail, so it is certainly to be expected.

Mr. HUNTER. I agree with that and I want to thank, also, the gentleman from New Hampshire (Mr. BRADLEY) for his great work on the committee and especially his focus on making sure our troops have everything that they need. I yield to the gentleman.

Mr. BRADLEY of New Hampshire. I thank the chairman.

I first want to take this opportunity to salute his leadership, the way that he works on the Committee on Armed Services in a bipartisan fashion to strengthen our Nation's military and to make sure our troops have what they need. Certainly your leadership is commendable.

The one point that your comments brought to mind from some in the Defense authorization bill that we recently just passed out of the Committee on Armed Services, when we were talking about intelligence, one of the other cut backs that was made in the 1990s was the overall troop level. And we are seeing the unfortunate consequences of that when we have gone from 18 Army divisions down to 10 today. And we have our troops, our brave, loyal troops that are being asked by all of us as Americans to win the war on terrorism and fighting in over 100 different countries. It is not just Iraq and Afghanistan. It is Bosnia, it is Kosovo, it is many different places. And we are by virtue of having made these cut backs, stressing our troops rather to a high degree.

The point that I am trying to make, and perhaps the gentleman would want to elaborate on this, is that in the Defense authorization bill which we passed as I recall unanimously out of the committee in the final vote, we upped the number of troops over the next 3 years by 30,000, 10,000 for each of the next 3 years, active members of the Army and 9,000 additional Marines over the next 3 years. And this is certainly a first step in addressing the fact that we have gone from 18 Army divisions to 10 divisions.

And certainly something that all of us have to look at to make sure that not only, like intelligence, but in terms of personnel that we have the troop strength that is necessary to win the war on terror, it is not just the numbers. It is ample pay. It is the appropriate level of benefits for veterans, housing allowances, all of those things that the gentleman has shown such remarkable leadership on in his tenure as a chairman to make those improvements for our troops.

Mr. HUNTER. Let me thank the gentleman for his great initiative because I am just a cog in this wheel and both gentlemen, the gentleman from Florida (Mr. MILLER), has been a leader and put together, drafted the provisions that

we all got behind that gave these great survivor benefits which heretofore had not been coming. And the gentleman from Florida (Mr. MILLER) is to be congratulated on that.

The gentleman from New Hampshire (Mr. BRADLEY) has been a real leader in making sure that we have this momentum to rebuild the military; and not only do we have the 30,000 increase in Army end strength in our bill, but we also have an increase of some 9,000 Marines. I think that is important also. The Marines are out there deployed a great deal of the time. They are kind of a 911 for us. It always has one MEU or one larger unit. A MEU is a Marine Expeditionary Unit, a little bit bigger than a battalion, out on patrol, so to speak, in the world's oceans, ready to move in quickly if there is a problem.

The interesting thing is this all reflects on the people. If you have a family sitting around the breakfast table trying to decide whether to re-up or not, the fact that the dad has not been home for two or three Christmases is going to have an effect on whether he stays in. This is a corporate decision that is made by the family. So having enough people is a very, very important thing.

It is also standing military that is not committed that is an insurance policy for our country. It makes sense to have an insurance policy.

I want to thank the gentleman for his great work and just ask the gentleman, he has been to Iraq, and I would like to ask both gentlemen what their take is now. We all know it is a tough, hard road; but our troops are walking down that road. We are starting to make this hand-off. We have handed off the government of Iraq to Iraqis, and we are starting to hand off the military. What do you think?

Mr. BRADLEY of New Hampshire. As the chairman knows, I had the opportunity to visit Iraq several months ago. While there is no question what we saw there, there were six of us Members of Congress with other military personnel attached to us. We saw a war zone. There was no question about that. But we also saw the rebuilding of the country; and that is something that, unfortunately, people only see the pictures from the war zone, but they do not see the fact that the electricity is coming on, that the water is being restored, that there is adequate supplies of petroleum products in the country.

We saw a lot of traffic on the street. For instance, in northern Iraq, in Kirkuk where we were, we even saw some new construction. We were told there was plenty of food available in the country. As we flew around the country, not only in the C-130 transport planes at 18,000 feet but in Black Hawk helicopters at 150 feet, we flew over a lot of agricultural areas of the country that were starting the winter planting.

We did not have, when we were there, the opportunity to visit a school or a hospital; but certainly we have been

told, as you know, about the progress in refurbishing those critical institutions for Iraqi education and health care. So these are things that show where progress is being made to this day and certainly it was when I was there in November.

The other thing I think is really important to stress, and I think you may want to add to this, Mr. Chairman, is the morale of our troops. I had the opportunity to talk to a number of New Hampshire troops at every stop that we made, as did all of the other Members of the delegation. You are right, we are asking them to do a dangerous and dirty job. It is difficult. It is life threatening. And these kids are so dedicated to their mission and that is probably the most compelling story that I came away with. And when I say "kids" that is really not right. They were young Americans. They are wonderful patriots. They are fine Americans. And they are so dedicated to restoring a sense of normalcy, a representative government in Iraq; and they felt, despite the difficulty of the job that we are asking them to do, they felt that they were making significant progress and the morale was high.

All I can say is God bless them, and I pray for their safe return. They are doing a fantastic job in very difficult circumstances.

Mr. HUNTER. I thank the gentleman for his comments. I would like to ask the same question of the gentleman from Florida (Mr. MILLER), who has been a great member of the committee and who has really worked this issue.

Mr. MILLER of Florida. I thank the Chairman. I would say that all indications, I think for most Members, they would say that Baghdad is returning to normal. Yes, there still are some problems. We see them on a daily basis, but the fact of the matter is children are attending new schools, new universities, playgrounds are up. Children are actually going there. Their parents feel comfortable to allow them to go. Where the statue of Saddam Hussein was pulled down some 15 months ago in Firdos Square, adults are sitting around playing games of bingo.

Now, that sounds pretty silly, but the fact of the matter is if you are comfortable enough to sit on the ground or under the shade of a tree and play bingo, things are getting back to normal.

At the northern end of Iraq in Mosul, security forces are in almost total control up there. It has been divided into sectors. They have been going house to house, neighborhood to neighborhood; and they have got a lot of insurgents out and a lot of weapons caches there in that area to make sure our troops and coalition forces remain safe. We have thwarted hundreds of different types of IED attacks on our troops. On the banks of the Tigris River I would say that nightlife is returning to normal as well.

You look in the background of all of these TV scenes that you see of some of

the car bombs that are exploded and burning. If you look in the very back, you will see that traffic is moving and progress is still going on. Commerce is taking place. People are walking in the streets.

Certainly the target is coalition forces. And recently we have seen where they have begun to target those members of the coalition that have the smallest numbers of troops because it makes them easy for them to pull out by going in and taking some of their people captive and holding them hostage and threatening to cut their heads off. Of course, the press might show that for maybe 1 or 2 days on television, but they are going to over and over and over again show the fact of our troops and the coalition forces that are being killed.

It goes back, I think, to the old adage, and I hate to be overly descriptive of this but I am a journalism major. And I can tell you that one of the things we learned, if it bleeds, it leads. That is exactly what the press want to do right now is to continue to try to turn the American situation or the American feelings and opinions against what is going on. Our opponents know that. They have been working it.

Saddam Hussein is not a dumb man. He had his people well prepared, and he thought that the American citizens and the coalition forces would be so afraid when these things started that we would pull out, and leave or we would be willing to give in to whatever demands that he may actually put out there. And that, in fact, is not what is happening.

President Bush has been very strong in his resolve. I will never forget, totally different subject, but I had an opportunity to travel to North Korea over a year ago. When we were in North Korea, the North Koreans absolutely could not understand why this American Commander in Chief would not negotiate with them. They were used to dealing with the Clinton administration who would give them whatever they asked for in order to keep the peace.

Now, the things that have been welling up inside and swelling up for so long have come to pass. We have had 9/11. We have had attacks on our soil. President Bush is doing whatever he can to make sure that does not happen in the United States again on our own soil, making sure that we take the war to the terrorists where they live and root them out, and it is not going to happen over night. I mean, Saddam Hussein ruled for over 25 years. Longer than Tojo was in Japan. Longer than Hitler was in power in his time in Germany.

So the fact of the matter is for years Saddam Hussein ruled. He killed the Kurds in the north and those in the south, and we are continuing to try to root out those people in whatever hole they may have climbed into.

Mr. HUNTER. The gentleman made a good point when he said that some-

times the news media follows the old adage, if it bleeds, it leads. Because that is what a TV station will use to get viewership for their news hour so they can sell Coca-Cola and whatever type of advertising they have got. And they know that violence does attract a certain core audience.

Now, the problem with running wall-to-wall car wrecks if you are a local TV station is that you give a misleading impression of the traffic situation in a given town. If you go in, if you are a new TV station in town and you say, because we do not have a lot of good substantial news, we will do wall-to-wall car wrecks, and your news guys may say, we only have two car wrecks a day; and you say, run them over and over again. If the average person watches that news station and sees wall-to-wall car wrecks on the news, he will be given the impression if he drives out on the freeway in that town, he has a 50 percent chance of being in an accident.

The car wrecks in isolation may be true. They are accurate pictures, but if you run them back-to-back, wall-to-wall, all the time, all car wrecks, you are going to give a misleading impression on the traffic situation on that town. Similarly, if you run wall-to-wall pictures of burning tankers. If there was one tanker blown up in a country that is as big as the State of California and has 25 million people, and you run one explosion over and over and over, you give the impression that the entire country is on fire. It is not.

That is not to say it is not dangerous, because it is dangerous; and that is not to say it is not tough.

I want to give a description of what I saw last time I was there. When we went into Balad, we were there in time for the daily mortaring, where a couple of mortar rounds are thrown in by the insurgents in this big former fighter base for Saddam Hussein, which is now one of our main logistics bases.

Well, we were out looking at the gun trucks at that time; and as these rounds came in about 1,000 yards away, all the GIs just walked, they did not panic or stampede. They just walked, did not even stop their conversations, to the shelters that were nearby.

□ 2145

Our general said, Quick, get into the nearest building. It happened to be a movie theater. We went in there, and he said, get away from the glass, go indoors. We went into the actual theater portion of this building. I opened up the door and went in. It was a big church service. It was on Sunday. There were 400 GIs there. They had a great preacher who was preaching. They had a 100 GI choir, a band, had a couple of steel guitars up there, and everybody had their combat gear sitting there.

Not only were the politicians forced to go into the church service because of mortaring, we were forced to stay there because of mortaring. We asked

when we could leave, and they said, You are going to have to wait till the service was over, and so we waited until the service was over and we left.

My point is, those folks are standing firm. Our people in uniform are standing firm. The American people should stand firm.

It was interesting to come back here and watch the talking heads on television whip themselves into a tizzy, and in my mind's eye I had those great folks in uniform who were doing their job very coolly, very professionally and with a sense of purpose; and with respect to a sense of purpose, that is an important thing.

Just saying, Well, I support the troops, but they are wasting their lives is not enough. If you tell people that what they are doing, whether they are a truck driver for a living or they are a soldier, is without value. Then you are really denigrating that person. You are really taking the value away from their occupation.

So those who say, Well, I would support the troops, but what they are doing is a waste, is not a support of the troops.

Now, you may say, Well, that is okay, I think my opinion outbalances whether or not I support the troops but I am not a supporter of the troops, and it does a disservice to the troops.

I want to let you know when we went over, and the gentleman from Texas (Mr. REYES), a great Member from El Paso, was over with us and the gentleman from California (Mr. CALVERT), we let the troops know that we valued their service and valued them.

I would be happy to continue to yield to the gentleman from New Hampshire.

Mr. BRADLEY of New Hampshire. Mr. Speaker, one of the most telling periods of time when I was there was our visit to the Abu Ghraib prison, and while that prison has gotten a certain amount of notoriety because of the abuse by our troops, a very small number of people, of Iraqi detainees, the larger story that I took away from it is what I saw in that prison.

When you walk through the execution chamber, when you go through the torture chambers, and when you see the barbaric nature of those facilities, and the fact that in this one prison, 80,000 Iraqis were first tortured and then executed, it was a life-altering experience for me and, I think, the other Members of Congress who were there to have been in that room where so many souls were so cruelly murdered.

I left, from that experience, I think, a very changed person, having seen that kind of depraved behavior and the aftermath of it; and certainly when I have come home and had the opportunity throughout New Hampshire to talk to people about that, it has been a pretty telling experience.

I had a video camera with me and took an actual picture of the execution chamber and how it worked. We were shown the grizzly details. It is a very frightening experience, and people need

to know of the mass graves and the fact that Saddam Hussein started two wars; that he actually used chemical weapons against his own people, against the Iranians; that he was funding suicide bombers; that he did have a very significant weapons of mass destruction program that the United Nations was never able to account for at the end what happened to.

While there certainly have been intelligence questions, and we need to improve our intelligence as we talked about at the beginning of this hour, these are facts about what happened. Having been in that prison and having seen that execution chamber, it certainly changed the way I look at this entire situation.

Mr. HUNTER. Mr. Speaker, I will tell the gentleman about another operation that took place.

For those folks who now have given the distorted view to the world that somehow the Americans are worse than Saddam Hussein, that we have tortured people and we are the emblems of torture because they have run these pictures back to back, including the picture where a person is pretending to shock a person. In the briefings I received, they never turned on the electricity, but they have given that picture out to literally millions of viewers with the clear impression that that person is being shocked with electricity.

When I was in the hospital there at Ramstein, one of the surgeons had a disk, and on the disk was a video of Saddam Hussein's people amputating the hands of people in one of the villages because they had not done enough for the economy. They were businessmen, and the growth rate of the economy had not been high enough. So he thought he would give a little example and amputate their hands.

So for people that want to see real torture, real inhumane treatment, it is there to see, but of course, if we give that disk to the news media, I am sure that nobody will. In fact, I think those people were in the capital. I think the gentleman from Pennsylvania (Mr. WELDON) brought them over for a reception, and as I recall, there were almost no stories about those people.

There was a story or two about the young kids, the 14-year-old kids who wrote anti-Saddam graffiti on their blackboard in high school. They were promptly taken out and hanged.

Mr. BRADLEY of New Hampshire. In that prison.

Mr. HUNTER. And the Kurdish mothers who died there by poison gas, with their babies in their arms, those were representations of real inhumane treatment.

I would be happy to yield to the gentleman from Florida.

Mr. MILLER of Florida. Mr. Speaker, I want to say I think a little perspective probably needs to be added to some of the discussions tonight, and I would imagine there is not a person that looks at that hollow Manhattan

skyline that does not think of the Twin Towers and where they stood. There are some that remember before the towers were ever built. Certainly, there are those that now know the towers were there and one day something will be built in its place, but I say this just to say that it is far easier to destroy something than it is to rebuild it. And rebuild is, in fact, what America and the coalition forces have been doing in Iraq and in Afghanistan as well, but tonight, we are mostly focused on Iraq.

Our military forces have been engaged in a very complex not only war on terror, but also the process of going through and rebuilding. They have been looking for weapons of mass destruction. We keep hearing people saying that it is a failure because the weapons of mass destruction have not been found.

I am more concerned because of the fact that they have not been found. Where are they? We know that they existed at one point. We know that Saddam Hussein used them on his own people. We have not found them yet. David Kay said, all we are looking for from a biological standpoint is a vial that is about this big and a two-car garage-size building that could hold 500 chemical warheads in a country, as you have already related, the size of California.

We are working on restoring basic public services: electricity, water, sewer. We hear some on the other side say, we went in and we broke it. We did not break it. It was already broken, but what is happening out of all of this is something that I think is truly revolutionary, and that is, the verge of democracy breaking out in an Arab region.

The fact of the matter is, Iraq now has a new government. They are preparing for election, but of course, the press does not want to tell the positive story that is there to be told. They want to continue to focus, as you have already said, on those car crashes in a loop over and over again, those burning cars. They want to focus on those lives that have been lost, and we are all focused on the lives that have been lost.

Not a single Member of this Congress does not mourn the loss of an American military man or woman, nor a Coalition force person; but the fact of the matter is, they are doing again, as the chairman has adequately stated tonight, very, very difficult work in a difficult region and in an area where people want to kill us. We are the enemy to them, and we understand that, and the soldiers that are there and the Marines that are there know they are there to do a job.

A great number of individuals have chosen to travel to Iraq. Some have not been yet, but they want to go to Iraq, and they are working on scheduling trips over there. And when they sit down and they talk with the soldiers, bar none, every one of them will tell them they are there for the right reason. They have, in fact, been welcomed as liberators. They have had the arms

of young Iraqi children, men and women around their neck thanking them, hugging them for what they have done relieving them of the brutal regime of Saddam Hussein; and now we are helping, along with the Coalition forces, to rebuild their country.

Mr. HUNTER. Mr. Speaker, I thank the gentleman. I thank the gentleman from New Hampshire also, and would ask if he has any closing words he would like to say.

Mr. BRADLEY of New Hampshire. Once again, it has been a pleasure to serve under the gentleman from California's (Mr. HUNTER) leadership, to have watched the Committee on Armed Services start the process of rebuilding our Nation's military, in particular, making sure that we have given a pay increase to members of the military for the last couple of years; that we have done a better job of providing the bulletproof vests and the retrofit kits for the Humvees and that type of thing. It is a process that needs to continue.

I thank you once again for your leadership and certainly look forward to continuing to work with you.

Mr. HUNTER. We will all continue to work together, and I thank all Members, Republican and Democrat, on our committee. We have got a great membership.

Let me just say one thing, if I could, with the indulgence of my colleagues.

A great gentleman, Cato Cedillo, who served as my assistant district administrator for 23 years passed away early this morning, and he was a real hero. He was a guy from San Angelo, Texas, who helped everybody, who had a heart as big as all outdoors; and I swear he could do more with a telephone, getting the problem solved, than the rest of us with a bank of computers.

Cato was a wonderful, wonderful person, and I was with him and with his family last night as we said good-bye to Cato. It is sad. He will be greatly missed around his hometown of San Angelo, Texas, and San Diego, California.

I thank the gentlemen for letting me mention him in the closing moments of our special order.

I want to thank the gentlemen for participating tonight, and again, the message from our troops was that they are staying steady and we in America should stay steady. We are making this handoff. We need to follow through with it and follow through with our mission.

I thank the gentlemen.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. HENSARLING). Under the Speaker's announced policy of January 7, 2003, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes.

Mr. MEEK of Florida. Mr. Speaker, once again, it is an honor to address the American people and also Members of the U.S. Congress, and there are so many issues to talk about tonight.

As many of the Members know and the American people know, once a week the gentlewoman from California (Ms. PELOSI), the Democratic leader, has allowed the 30-something Working Group to come to the floor to share with the American people issues that are facing not only young Americans but Americans in general. We have 14 Members in our working group, and we work throughout the week and here in the Congress to make sure that we give voice to issues that are facing Americans throughout our country.

I must say that being from Miami, Mr. Speaker, I just want to share with the Members and the American people, we are so glad that the people of Los Angeles allowed for the Miami Heat to be able to receive Shaq. We look forward to the Miami Heat going to the NBA not only finals, but championship this upcoming season. Shaq is going to bring a new flavor to Miami, and all Miamians are very proud to have him there and also his family; and we welcome them all. We look forward to a successful Eastern Conference playoff and even regular season, and I will tell you, not being a season ticketholder myself, I look forward to saving up my money to get an opportunity to see him in the Magic City.

□ 2200

Mr. Speaker, let me share for a moment with the American people that week after week the 30-something Working Group has had an opportunity to come to the floor to speak to the American people about the issues. This week we had a visit from the WWE, which is the World Wrestling Entertainment Association. These are wrestlers that came to the U.S. House of Representatives to talk about their initiative that they are working on throughout the country.

Everywhere the WWE is going, they are registering voters, and they are working with the democratic way of making sure that every vote counts in this upcoming election. We know that many Americans, many of them are young; a lot of issues facing Americans right now are issues that are working towards our future. It does not matter what age you are, but especially for young people. I commend WWE for the work they are doing. They were here Monday night at the MCI Center registering voters. Their number is up to a million voters who have already registered for the upcoming election.

I am very excited about Americans who have not had an opportunity to vote in the past that are taking an opportunity to vote this time; and wrestlers, entertainers are telling them it is important that they vote. There are issues facing the economy, the environment, the war in Iraq; and we are glad they are there.

I have a picture, if I may, of three of the WWE wrestlers that came to the Capitol on Monday. This fine gentleman is myself. I wanted to wrestle once upon a time, but I do not think I

can hang with these guys. We have Maven, who is an outstanding young man. We had an opportunity to hear his views on voter suppression.

This is Hurricane. We had an opportunity to see him Monday night. He is a very popular young man and has a bright future in the wrestling entertainment world. And then we have Chris Nowitski, who is a Harvard graduate. He graduated from Harvard and now wrestles in the WWE. They all have a voter consciousness. And here is our very own, the gentleman from Ohio (Mr. RYAN), who wanted to have a lights-out cage match with these gentlemen. He said as long as he has his track shoes on, he will be okay.

Mr. Speaker, we want to commend these men for coming and helping to get out the word about democracy and making sure every voter takes their American right and has an opportunity to vote so their voices are heard. It was good. We had an hour-long meeting, and we opened it to the press to allow them to come in and hear these fine gentlemen. I am glad they have taken time out to share in a bipartisan and nonpartisan way the importance of voting.

Mr. Speaker, I must share the issue of voter suppression. This is going on throughout the country, and I must say to many of those students that are going to return to colleges and institutions and even to those parents that are sending their kids off for the first time to a college in a city that they have never been in before, many of those individuals have registered in high school through their social studies programs and government classes. We do it in Florida, and in many locations throughout the country the same thing happens. We want to make sure that these young people know they can register.

In November, November 2, they are going to be at the location where they are going to school. We started getting reports of young people going to register to vote before they recessed for the spring, and now in the middle of August they are going to return for the fall semester; but they were told they were not eligible to vote because they did not live in that particular city. Taken from my good friend, David Letterman, and hopefully I will get out of here in time to be able to catch the show, if you live in Sioux City, Iowa, and you are attending university in Akron, Ohio, you should have the opportunity to vote there. The Supreme Court said in 1979, if you are a registered student, going to school there, you have a right to vote in that location.

Mr. Speaker, there is also rhetoric that is being shared with many students that want to vote at their college campus, if they register, they will lose their out-of-state or in-state aid they will receive, or their scholarship will be in jeopardy because they were brought in as an out-of-state student.

That is not true, and there are no repercussions to take part in our democracy. We want to make sure we get that word out to all Americans.

I think it is important for every parent and grandparent, for the grandparents that have given their hard-earned money to make sure their bloodline has a better opportunity than what they had, that they have the opportunity to educate themselves, and they have also an opportunity to share in this democracy. They have feelings, too. As it relates to growing and skyrocketing tuition costs, they have to be heard on that. They have to be heard on the environment. A lot of things that are happening that were not happening years ago, they have to be heard on that. They have to let it be known that we want alternative fuel sources in the United States of America. If they are not heard, it may not happen.

They have to be heard on the issue of student loans, of skyrocketing costs of college tuition, and that they are graduating in debt. We want them to take part in the American Dream. That is what it is all about, to buy a home and get a piece of the rock. And we want them to have a credit report so that they will be able to be eligible to get a loan to buy a house.

So for 18 to 30, young people being able to have an opportunity to vote, if we can raise the level in that demographic, what we call it in the political world, we will have a better America. We will have a safer America, a cleaner America, and a healthier America. I think that is very important.

That is the reason why the 30-something Working Group formed itself under the leadership of the gentlewoman from California (Ms. PELOSI), because she believes in a better America. She believes if given the opportunity to be Speaker of this House that we will be able to top-shelf many of the issues that are facing young Americans. So not only now but post-election, we will be coming to the floor to share these philosophies and issues with the American people.

Also as it relates to voter suppression, we want to make sure if anybody wants to find out more information about it, go on the rockthevote.com Web site and find out more information on voter suppression, or you can take the opportunity to contact us here in the House of Representatives. We are going to give voice to those individuals that may run into problems.

This is our Web site here. We have our e-mail address, 30somethingdems@mail.house.gov. Also our Web site, we have democratticleader.house.gov/30something. I will share the Web site and the e-mail address again later on. You will have an opportunity to be able to allow us to fight on your behalf. We are not talking about just Democrats; we are talking about Independents, Republicans, Green Party, what have you.

We feel to be able to have a stronger America, safer and healthier America, it is important that our entire country takes part in the electoral process. If one does not take part in the electoral process, we will not bring about the kinds of change that everyone cares about. That is what we are about. We are about making sure that everyone, and I mean everyone, not just folks from Florida or Ohio or the Californians or Texans, we want to make sure that everyone participates in this process. We want to make sure that everyone can have their voice heard, and that is why it is so very important.

Tonight we are going to talk about several issues. One we are going to talk about is our breach in intelligence. We are also going to talk about many issues facing Americans. And guess what, we even have a top 10 list tonight that we will give birth to tonight so when we return after Labor Day, we will continue on with our top 10 list.

I have been joined by the gentleman from Ohio (Mr. RYAN), who is an outstanding Member of the House of Representatives.

Mr. Speaker, I just want to say to the gentleman from Ohio (Mr. RYAN) that I shared our picture on the Capitol steps. I talked a little about how you wanted to have a lights-out cage match, and as long as you had your tennis shoes on that it would be okay.

Mr. RYAN of Ohio. Mr. Speaker, did the gentleman explain that I was not the man with the green hair in the picture? Was that clarified?

Mr. MEEK of Florida. I think it is obvious. The man with the green hair has more muscles.

Mr. RYAN of Ohio. That hurts me.

Mr. MEEK of Florida. It is love.

Mr. RYAN of Ohio. The Hurricane is in the green hair, along with the Maven. I have not watched professional wrestling since Jimmy Superfly Snuka and the Wild Samoans. And so to now meet the next generation, and I am sure the gentleman touched on this, how great it is that they are taking part in trying to reach young people to get out the vote. They have registered over a million kids already.

Did you get into the voter suppression?

Mr. MEEK of Florida. We talked about, but it would not be complete without your views.

Mr. RYAN of Ohio. That was really the issue yesterday when we were here. There is a huge voter suppression issue where young college kids, and I talked about it last week, how young students who live in college towns are going to register to vote at the local board of elections or supervisor's office, and they are being told they cannot vote there because they are not a permanent resident. Or if they do register to vote in that town, they will lose their financial aid, they may be prosecuted for fraud, lose their health care coverage. There are issues which have dissuaded young college students from actually registering to vote.

Once we started hearing about this, we went back and did some research. The gentleman from Florida (Mr. MEEK) did most of the research. He found a Supreme Court decision back in 1979 that said that even if you live in a dorm, you can register to vote in that community.

We have just been getting flooded with e-mails from people all over the country, young students who have tried to register to vote in certain areas and have been denied. They have been told that the local prosecutor would prosecute them for fraud or that they would lose their financial aid. So if you tell a young student that they are going to lose their financial aid if they register to vote, they are not going to vote.

Then we turn around and say why do young people not participate in the process? So to have the Hurricane and the Maven here was special. It was special.

Mr. MEEK of Florida. Mr. Speaker, if the gentleman would yield, everyone forgot about us. Walking through the halls, they wanted to touch the Hurricane and the Maven. They said these guys are just Capitol regulars.

Mr. Speaker, athletes nine times out of ten get a bad rap for being about business. This is a capital city. These gentlemen could have been doing anything. They could have been somewhere relaxing, kicking back, doing what they wanted to do. They were doing what they wanted to do. They wanted to make sure that not only young people but wrestling fans throughout the country could just pause for a moment and realize the seriousness about their vote and about their voice being heard. This is serious business.

Mr. RYAN of Ohio. Big time.

Mr. MEEK of Florida. We are at war.

If I can say, 897 American troops are not coming home. We honor them, but they are not coming home. That means 897 individuals will no longer see their family members ever again.

□ 2215

That means that 5,394 American troops, not coalition troops, American troops, injured, dealing with the war in Iraq, just Iraq. This is not talking about Afghanistan, going after the Taliban and 9/11. Do not get me started.

The real issue is serious. We have to make sure that the men and women that follow the WWE, and that is what these gentlemen are trying to do, let your voice be heard. They are not telling them how to vote or who to vote for. They are just telling them that they have to get registered and that they have to get out the vote.

Mr. RYAN of Ohio. What is interesting is that after having discussions, both of those gentlemen, they were in Cleveland a few months ago, maybe last year some time, and they came to Kent State University to have this discussion. We had a chance to talk a little bit. One, and I will not say which

one, is a Republican. The other is a Democrat. And so it is a very bipartisan issue of just getting kids registered and getting them out and engaged in the process.

Last week, since you brought it up about the soldiers, and then I want to quickly move back to the voter suppression because I have someone who wrote in, e-mailed in from Ohio State University after hearing me last week talk about voter suppression.

Mr. MEEK of Florida. I must say, the gentleman from Ohio does that well. He reads the e-mails. He gives the Web site. I gave the Web site out earlier. I want to apologize to the gentleman from Ohio for giving the Web site out because that is what he does.

Mr. RYAN of Ohio. I practice reading these e-mails. I do not just come to the floor and expect myself to have the rhythm. I practice.

Mr. MEEK of Florida. The gentleman just wants to make sure that the individual who e-mails, that he does not skip a word. Every word is important. Every little nuance is important. We are not here to talk about travelogues or footlockers. We are here to talk about serious business.

Mr. RYAN of Ohio. Let me read this since we have come back to it. Here is a young kid, a young student, a graduate of Ohio State University, still residing in the 12th District in Ohio. She was told a few years ago by the local Franklin County board of elections when she registered herself to vote, told by someone in the office that if she registered in Franklin County she could lose access to college funding because her parents were of another voting district. On and On. Currently I'm an assistant manager for a bookstore across the street from the Ohio State campus. In March I went to the Franklin County board of elections office on Broad Street in Columbus to pick up 500 voting registration forms to set on display for the many students that walk through our doors each day.

So here is someone who wants to go out and try to recruit people to make sure they get registered to vote. Put them on display. The lady at the office that provided me with the registration form asked that we warn students that their financial aid could be affected if they should choose to register in Franklin County. Being that this information was consistent to what I had heard when I was a student, I assumed this was accurate information and placed a warning sign near the applications. After watching Representative RYAN on C-SPAN last night, I have realized that what I was told may be erroneous, illegal information and this really upsets me because I have noticed that some students have been hesitant to pick up the application. I would like to know if this is indeed a case of voter suppression. If not, I would be glad to help fix the problem.

So here is a student that not only wanted to vote for themselves, they were willing to go and get 500 applica-

tions, set them down at the bookstore, and say, let's register to vote, let me get these young kids involved in the process. She actually was so confused that she put up a sign saying they may lose their financial aid.

The gentleman from Florida and I are here tonight to tell the Speaker and everyone else who is listening that that is not true. The Supreme Court ruled in 1979 that students can register to vote on campus even if they live in a dorm or off campus. They can register wherever they want in most States. Do not be deterred. Do not let anyone tell you that you cannot sign up to vote. I am 31 years old. The gentleman from Florida is 37 years old. I know this is probably going to be the biggest election of my life. And there are people who are 60 or 70 years old that are telling me that this is going to be the biggest election of their life. Do not let someone tell you that you cannot register to vote. We have the 1979 Supreme Court decision. We have the WWE wrestlers. If you have a problem at the local board of elections, we will call up the Hurricane, we will call up the Maven and we will do what we have got to do.

Mr. MEEK of Florida. Nowinski, also. We cannot leave him out. Our Harvard grad.

Mr. RYAN of Ohio. We cannot leave out the Harvard grad.

Mr. MEEK of Florida. Who is a wrestler.

Mr. RYAN of Ohio. I have had conversations over the past couple of weeks with some people in the entertainment industry whom I think also are going to be willing to take this and promote it to their fans as well. This is something that is really catching on that I think we really need to make sure that everyone knows, ride the wave out and let them know. If you have a particular story like the gentleman who heard us on Friday from Columbus, Ohio, send us an e-mail to 30somethingdems@mail.house.gov. Or you can also e-mail our friends at smackdownyourvote.com. You can e-mail them or studentsuffrage.com, also, a new organization.

Mr. MEEK of Florida. Studentsuffrage.com. They have good information about voter suppression. I just want to from that e-mail let you know, we have to remind the American people and Members of the House, this is not the 30-something report. This is not the Representative TIM RYAN report nor the Representative KENDRICK MEEK report. This is for real. People who would think we are joking, it is unconscionable for someone to even put a sign out as much as we are trying to encourage young people to come out and to take part in this democracy, that anyone would say that you would suffer financially from voting. Leave alone from voting, from registering to vote. I am from Florida. Do not get me started. I am just going to say that when we look at individuals taking part in this democracy, we are not

talking about Democrats only. Let us make sure we are straight on that because we will get some folks who come in on the other side of the aisle, the 30-something Dems, they have Dems on the back of 30-something, they are only fighting to make sure the Democrats have a right to vote. That is not true. We want Republicans to vote. We want independents to vote. We want democracy. We want to make sure that their voices are heard. We want to make sure that we have a better America as we move forward. If we do not have a voting America, then we are not going to have a better America. If they are not turned on or turned off about what is going on, we need individuals like WWE. We need them to have a fair shake when they go to register to vote. And for someone to a student, think of a student, and I am sorry, I am getting a little wound up here, think of a student that would even take the prerogative to register to vote when they have all of these issues to worry about, exams, term papers, making sure that they get registered in their classes. They want to do what they are supposed to do, what their parents have done, and that is register to vote. We want kids, we want parents. Parents, if you are listening to us here tonight, even Members of the House, if you have children that are attending, or of the other body or even of the Bush administration, I must add, if you have children or, I must say, let us just be bipartisan, if you work for Senator JOHN KERRY or Senator EDWARDS or what have you, we want you to be able to call your kids and make sure that they have an opportunity to vote. The bottom line is that we have to crush this. We have to crush this right now. We want people to let us know. We want to fight on behalf of those individuals. We want to make sure that they know that they have a voice, even here in the U.S. House of Representatives, that they have a voice. For all the folks who stand up here and say, I support the troops. No, I support the troops more than you do. No, you don't support the troops as much as I do. I support the troops even more. I have a tattoo saying, I support the troops.

Let me tell you something, we want some folks enthusiastic here in this House and in this democracy, I must add, here in the United States to be supportive of democracy. There may be some individuals that are actually scared that people may very well vote in this country and if they vote, they may no longer be here. But that is the price we pay for being public servants in this process. I am saying, bring it on. Allow Americans to vote, especially young people. My goodness, I am taking out my deficit chart here. \$477 billion in Federal debt and this is using the Congressional Budget Office. The number is probably higher. \$477 billion. That means children at birth already owe the Federal Government money. This is serious business. This is not a joke. This is \$477 billion, the highest

deficit in the history of the republic. So for those of us in this House that want to drape ourselves in the flag and talk about how we support the troops and I am more American than you are, you look at this number. This is nothing to be proud of. I have two children. I have a 7-year-old and a 9-year-old. I do not want them asking the question, what were you doing when this was going on? Why don't we have Social Security now? To my uncle who is a Korean War veteran, why do I have to wait 6 months at the VA to see an ophthalmologist? Why don't I have health care, for the 43 million Americans that are working. These are not individuals that are sitting at home, looking at cable and saying the job situation looks sad. These are people that are working every day. So how are we going to resolve those issues that are facing everyday Americans? \$477 billion, that is not a small number. We are knocking on the Bank of China and Japan every 3 weeks saying, guess what, we're the United States of America. We need money to pay down the debt.

So this voter suppression issue, some people may say, it's just rhetoric. This is for real. These are the individuals that are going to have to pay this. That is why we need them engaged. Everyone that comes to Capitol Hill, we have a lot of young people walking through the Capitol. We see them in the hall. They come. They identify with us. They want to talk to us. They want to talk to Members of Congress. But when they get back in the fall, do you think that it is going to be a lower tuition rate there? I do not. Why? Because of this. \$477 billion because we do not have the money to be able to help State governments. State governments do not have a credit card with a U.S. Treasury here and, I must add, we are not in control. News flash to Members of the Congress and the American people. They cannot say, well, you know, the Democrats, tax-and-spend Democrats. Hey, guess what, ladies and gentlemen, the last time that the budget was actually balanced in this House, the Democrats had control. And we passed a balanced budget amendment in this House without one Republican vote. Without one. Maybe two or three could have come over. Without one. When we start talking about this issue of spending and the deficit, we need to talk to the hand. You cannot talk to me about that, because the real issue is that the Republican Congress put us in the situation that we are in now.

Believe me, there is a good argument for it, if someone was to mike up on the Republican side of this House and some of them are very good people. Some of my best friends are Republicans, okay? I am going to let you know that right now. I will tell you that many of those individuals feel the way that we feel, fiscal conservatives, concerned about the Federal deficit. They have children, too. And they are concerned, too. And every time some-

one from the other side of the aisle tries to step out and say I am going to do the responsible thing and make sure that we spend within reason, make sure that we invest within reason, that I will not give a tax break that I know that we cannot afford, that I will no longer send States that are over \$87 billion in deficit right now, because States do not have a credit card. They pass that cost on to State universities. They pass that cost down to local governments and they have to pay the bill. So this voter suppression, I say to Members of this Congress, members of the Bush administration, I hope they are listening. This is serious business. Yes, we know November 2 is going to go and come but this deficit will be here, for our children and in many cases our grandchildren to pay the cost. Even seniors now will pay the cost. Prescription drugs, they will pay the cost.

□ 2230

Adequate health care for every American, will pay the cost. For everyday working Americans that know what it means to have a 15-minute break in the morning and a solid 30 minutes and not-a-minute-over lunch break, and 15 minutes in the afternoon, they know what I am talking about. So those are individuals that we are trying to represent. That is why their children have to have an opportunity to vote, and that is the reason why the 30-something Working Group wants an opportunity to fight on behalf of that individual that sent the gentleman from Ohio (Mr. RYAN) that e-mail to make sure that they have a right to not only vote but, guess what, a right to register.

Goodness gracious. I am from Florida. We talk about voting in Florida. Now we are having in the United States an opportunity to talk about just registering. So when we look at that, it is important that we fight. Now, the National Secretaries of State Association, which is a bipartisan organization, not a Democratic organization, but a bipartisan professional organization, has joined in this effort with us to make sure that these individuals will have an opportunity to vote.

So I want to apologize for my being a Congressman just for a few minutes because it is a great amount of frustration.

Mr. RYAN of Ohio. Mr. Speaker, the gentleman does not have to apologize. Let us go, after that passionate display, over to our e-mail, 30-somethingdems@mail.house.gov.

If there is some kind of voter suppression going on where people are telling them they cannot register at their local board of elections because it is on a college campus or because they are a student or because they live in a dorm, I ask them to give us a call. We will help them negotiate the waters with Smack Down Your Vote, with Hurricane and the Maven and our guys from

WWE who are helping us out; we will be happy to help them.

I know I just sent around a letter last week contacting all the local members of Congress in the State of Ohio. We are going to send a letter off to the Secretary of State in the State of Ohio. I know the gentleman from Florida (Mr. MEEK) is going to do that in Florida. So we start contacting the Secretaries of State in these different States. The National Secretaries of State Association is going to help us also communicate to their local board of elections to let them know that this is something that can really happen with young people. So 30somethingdems@mail.house.gov, send us an e-mail.

One of the issues that the gentleman from Florida was talking about, about how this is their future, the future of the country is at stake, and how we need young people to participate in the process, and I will tell my colleagues why. Not because young people are just inherently great, but young people have certain qualities that this democracy needs, and they have a way of replenishing the system here with some new ideas, and so in a way they are great. We need new ideas in this institution. And we are in the process of creating a new economy, and we need them.

And the disagreement they have with many on the other side is that they consistently have chosen to give tax cuts to people who make millions of dollars a year and are not invested in the Pell grants, not invested in low, low-interest student loans, not invested into the States to allow them to reduce the costs of college and reduce the tuition costs that a lot of these kids will face as they go back to school in the fall. And the gentleman said, You know how I know they are going to have higher tuition? Well, you know how I know? Because they have already said in Ohio State it is going up 13 percent. In Akron it is going to go up 10 percent.

So I want to share this, and we did this earlier. We had an Ohio working group that was out here earlier, and I shared some of these graphs, but I want to share these with the people watching here. One of the greatest threats to the United States of America, Mr. Speaker, is China. China. And give me a minute here because I am going to have to segue into making my point.

Mr. MEEK of Florida. Mr. Speaker, I further yield to the gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, I appreciate that. He is a generous man. I am getting choked up here with the gentleman's hospitality.

Exports from China. And I went over this about an hour ago here, but I want to do it again just in case we have some new people watching. This is out of Wired Magazine, and Ryan Keating on my staff ran across this, and I want to thank him for his insight into these particular issues. Top five exporters of

electronics, countries: China in 2002, \$8.8 billion in exports of electronics; United States of America, \$2.5 billion. Let me repeat. China, \$2.5 billion; United States, \$2.5 billion exporting electronics. So China is cleaning our clock. Top five exporters of telecom equipment: China, \$36.4 billion, United States \$21.6 billion. Getting our clock cleaned in the telecom equipment industry.

We will go over here to the green. Top five exporters of assembled computers, when we signed all these trade agreements and we said we are going to compete with all these countries, we are going to have to have the high-tech jobs. That is what everyone always told us. Top exporters of assembled computers: China, 3.8 billion; USA, 2.4 billion. Getting our clock cleaned by China for assembled computers.

Here is the point I want to make with this pie chart and two other graphs here. Top five sources of engineering graduates, if we want to get the new economy going, if we want to make sure that our economy can compete in this very competitive global economy, one of the things we need to do is we need to have engineers who are creating, finding better ways of doing things, finding more efficient ways of doing things. Engineer grads in 2001: United States, 59,000; China, 219,000 engineers in 2001, graduated from China. 59,000 in the United States of America.

And I ask the gentleman from Florida, the Speaker, and everyone else who is listening here tonight, how are we going to compete in the global economy when we have 59,000 engineers graduating, China has 219,000, European Union has 179,000, Japan has 104,000, Russia has 82,000, and the United States of America has 59,000? How are we going to compete in the global economy when we do not have enough engineers out there creating the new economy?

And we have talked here before, Mr. Speaker, about the space program and how the goal for the United States was to go to the Moon; but that was the sexy, glamorous part. We are going to land on the Moon and everyone can see it and it is great. But the idea was to make sure that we are educating mathematicians, scientists, engineers, chemists, people who are going to be able to participate. There was a goal there to go to the Moon, but all that was to make sure that we were educating people in the process of getting there. Yes, it is great to get to the Moon. Yes, we can do experiments up there. But imagine all those people who got educated in those specific sciences and never ended up working for NASA. They ended up in the private sector driving our economy.

Let me share two more charts here; and I do not like to get too statistical because, one, it makes me nervous, but we have got to wake up and smell the Starbucks. Other countries emphasize science and engineering education. This is the percentage of first degrees

awarded in the natural sciences and engineering.

Mr. MEEK of Florida. Mr. Speaker, it is important. Natural sciences, engineering.

Mr. RYAN of Ohio. Natural sciences, engineering. And I am not saying I was the sharpest knife in the drawer when I went through college, but what I am saying is I know enough and the gentleman from Florida (Mr. MEEK) knows enough, and I think the American people know enough of what we need to do to compete. So look at this chart. Percentage of first degrees awarded in natural sciences and engineering: China, 73 percent; Japan, 66 percent; Germany, 59 percent; South Korea, 45 percent; United States, 32 percent. So China is at 73 percent. We are at 32 percent. And how do we expect to compete with all these people if we do not have enough people participating in the sciences and in engineering?

One final chart. These are people entering graduate school and engineering, physical sciences, math and computer sciences in U.S. institutions. The green line is U.S. students and permanent residents, 59,000, roughly, as I stated earlier. The red line is foreign students at U.S. institutions, almost 83,000.

I do not want to get bogged down in the numbers; but my point is that because we are not investing in education, because this administration, this House, this Senate, this Congress, has chosen time and time again to give tax breaks to the top 1 percent while we have 250,000 students across the United States of America who are college eligible but will not go because they cannot afford it, we have a problem.

And we have a problem that we can fix, and this is why I am here at almost 11 o'clock at night. This is why the gentleman ran for Congress. This is why we spend long hours going to parades and shaking hands and working here late at night during the week, because we believe that there is an answer to this problem that is going to make the United States stronger. And what we have been arguing here on the Democratic side, and many Republicans have been arguing this as well, but the leadership, the President, the leadership in the Senate, has not been responsive, the Pell grant now only accounts for 40 percent of one's college tuition. In 1973 or 1974 when the Pell grant was started, the Pell grant would take care of almost 80 percent of a student's college tuition. We had a commitment to education. We had a commitment to make sure that we could keep driving this economy by having engineers and scientists out in the private sector pushing it along, starting a business, working for a business, making it grow, helping it grow time and time again.

We did not have the banks involved in the student loan business. Why do the banks have to be cut in on the whole deal? I have nothing against

banks. They own my house right now; so I do not have anything against them. But they do not have any business being involved in a student loan. We cannot help them make profits. We are trying to get kids educated, and that is what this country needs to do. We need to make it a priority, and I think this is something that has got to come from the President of the United States. I love JOHN KERRY's plan. He wants to double the Pell grant. He wants to give \$25 billion to the States that has to be spent to lower tuition costs. He wants to help kids get low-interest loans. He wants scholarships for math and science students. These are things we need to do.

And I went off and I apologize, but the frustrating part is that this is solvable. These are solvable problems, and that is the beauty of this system. And we can fix this. I think we have to fix it because really the future of the country is at stake. When we look at trying to compete with China and they are cleaning our clock in electronics, telecommunications equipment, assembled computers, and the United States workers are losing their jobs and scrambling over to see if they can get to Wal-Mart, we have got a real problem. And I think if we made this a national commitment, and I hope President KERRY would make it a national commitment, but if we do that, I think we still have some time left. And the scary thing is the clock is ticking.

Mr. MEEK of Florida. Mr. Speaker, I want to thank the gentleman from Ohio (Mr. RYAN) for sharing that with the American people. I know he needed those charts to make sure that he can show the picture, but he was kind of brushing against kind of like a Ross Perot kind of feeling there. I started thinking he was going to say in a minute, You are not listening. But I think it is important. We try to make this not normal C-SPAN watching for the viewing public and for the Members of Congress. We want to make sure they hear what we have to say. But if we are going to compete, guess what, we have to have players on the field that are the numbers. It is almost like football. One cannot line up with five people and expect to beat a full defense there with five people on offense.

Mr. RYAN of Ohio. Mr. Speaker, the gentleman from Florida (Mr. MEEK) is a former football player.

Mr. MEEK of Florida. That is correct.

Mr. RYAN of Ohio. What position did the gentleman play?

Mr. MEEK of Florida. I played a little defensive end. That was when I could legally hit someone. But we will leave that out here because there is no hitting in the Congress, I must add.

Mr. RYAN of Ohio. That saves lives.

Mr. MEEK of Florida. That saves lives.

Mr. Speaker, we are going to talk a little bit about intelligence for a minute, if we can.

□ 2245

Then we are going to get into our top 10 list after intelligence. I am just going to talk about that for a minute, because the American people are going to get an opportunity to hear more about intelligence as the week gets a little older.

We know that there has been a lot of talk, that there has been a Senate report released. The Senate Intelligence Committee put out a 511 page report, which is a bipartisan report. It gave a pretty good picture of what was going on in the CIA, of what possibly went on in this administration as it relates to intelligence analysts that were subject to political pressure.

There is going to be a second tier to this report, and guess what? It is going to be after the election.

Mr. RYAN of Ohio. Absolutely.

Mr. MEEK of Florida. Wow. Is that not a news flash?

Mr. RYAN of Ohio. If the gentleman will yield, we are trying to engage young people here in the voting, participating in the process, and they hear this garbage that "we are not going to tell you until after the election. Then, you know, then we will give you the truth."

Mr. MEEK of Florida. Once again, this is not the gentleman from Florida (Mr. MEEK), the gentleman from Ohio (Mr. RYAN) and/or the 30-something Democrats working group report. This is a report from the Senate, or the "other body" Intelligence Committee.

I must say that the Democrats on that committee did file a dissenting view, basically saying intelligence analysts were subject to political pressure.

I will say this: We had some very honorable Members whom I respect and, we are both members of the Committee on Armed Services, I am also a member of the Select Committee on Homeland Security, and this is serious business. We have men and women right now getting sand in their teeth over in Iraq right now based on intelligence.

Right here in this well, right above the gentleman from Ohio (Mr. RYAN), our Commander-in-Chief shared with us information that we know now is false, or was given bad information.

This is serious business. This is the reason why we have got to deal with voter suppression. This is the reason why everyone who has a voter registration card or will become eligible to get a voter registration card should make sure they let their voice be heard at the polls.

I for one and the gentleman for one and the 30-something Democrats for one are not scared of American people voting. Democrats, Republicans, Independents, Green Party, whatever party you are a member of, we want you to vote, because in this democracy things will happen better for our future.

This report will be coming out. There will be a lot of rhetoric about who did what, who did not say this. We know the CIA director, Mr. Tenet, resigned.

We know that there are others that should resign.

No one gets fired from this administration, I must add. For all of the issues that have gone on in this country, no one has been asked to resign. Everyone has done a superb job.

Mr. RYAN of Ohio. They have not made a mistake.

Mr. MEEK of Florida. They have not made a mistake.

Mr. RYAN of Ohio. The first administration in the history of the United States of America that has not made one mistake.

Mr. MEEK of Florida. I will tell you this: It would be good for politics. But, do you know something? I have to go back to the numbers. The numbers speak for themselves.

The reason why this is serious business and the reason why week after week we come back and the reason why we have a Committee on Armed Services, hopefully that will have hearings that would hold the higher echelons, and I mean the secretary and undersecretary and everyone over at the Pentagon that is wearing a shirt and tie and suit that is appointed, that are calling the shots for men and women. They say well, you know, we wait to hear from our commanders in the field. We do not make those decisions.

Mr. Speaker, I remember a day when everyone at the Pentagon took credit for what was going on. Now it is like, well, we are waiting to hear from this general and this other general, and, until we hear from the field, we are not going to do anything.

Mr. Speaker, 897 and climbing. A coalition of troops that one may say is over 132,000 American troops, enlisted, Reserve, National Guard. And, guess what? Over 6,000 individuals that did not say, hey, I am ready to go. They were called up and sent. And also 4,000 troops were relocated from other parts of the world that we need them to go to Iraq.

The last I checked on 9/11, it was all about the Taliban and al Qaeda. And, guess what? They are in Afghanistan doing what they want to do.

Yes, we commend the troops. Do not get me wrong. I do not know a Member in this Congress, I have not encountered an individual out on the street, either here in Florida or Washington, D.C., that says I am not with the troops. So we can just put that debate aside.

I think it is important that the American people understand that we all support the troops. For anyone that spends 30 or 40 minutes talking about how he or she supports the troops, we need to focus on other things about the intelligence of why we are in Iraq in the first place.

Mr. RYAN of Ohio. We want to protect the troops.

Mr. MEEK of Florida. And protect the troops, and making sure that Reservists who signed up to protect this country, they will fight for 20 years if this country asked them to fight. That

is not the question. It is about decisions that are being made here inside the Beltway. It is about the individuals that are being driven around with tinted windows in black cars and Suburbans with police escorts. We are talking about those individuals.

Guess what, I say to the gentleman from Ohio? The U.S. Congress and the Committee on Armed Services are the individuals charged with making sure that those individuals are held accountable. We have the leadership of this House on the other side of this aisle here that says, oh, we do not need to bother the Pentagon. They have a lot work to do. We do not need to ask the Secretary to come down here. He has a war to fight.

Well, guess what? The last I checked, we need some help, and we need some oversight.

Mr. RYAN of Ohio. Article I, Section 1. The people govern.

Mr. MEEK of Florida. So I want to move on, if we can. If the gentleman from Ohio would, he can remove that e-mail address. We want to make sure the American people get an opportunity to see it. He is going to help me out here.

Mr. RYAN of Ohio. This is unbelievable. This is unprecedented.

Mr. MEEK of Florida. Unprecedented. We want to make sure that people know that we are here, that we mean business.

Mr. RYAN of Ohio. And I am not Vanna White. I want you to know from right now, I am not Vanna White.

Mr. MEEK of Florida. No one is calling the gentleman from Ohio (Mr. RYAN) Vanna White. No one wants to.

Mr. RYAN of Ohio. Are we ready? I do not know what to do here. I just pull this off?

Mr. MEEK of Florida. What you do at the top, you start at the very top.

Mr. RYAN of Ohio. I am nervous.

Mr. MEEK of Florida. I want to let you know, this is the top 10 reasons why young Americans need a change in leadership. I just want to make sure our viewing public has their eyes on this, or our friends at C-SPAN have their eyes on this chart here, because it is important.

The top 10 reasons why Americans need a change in leadership. Can you take number 10 off.

At the top, the gentleman from Ohio (Mr. RYAN), look at that.

Mr. RYAN of Ohio. Oh, yes.

Mr. MEEK of Florida. Not sure how you will be able to pay your share of the \$2.9 trillion deficit and afford Outcast tickets. That is important there. The Outcast tickets are important.

I want to add to the American people that the Congressional Budget Office says that is the next 10 years. It will be \$477 billion, which is the current deficit for this fiscal year. That is right now where we stand. That is number 10.

Number 9.

Mr. RYAN of Ohio. Here we go.

Mr. MEEK of Florida. Look at the gentleman from Ohio (Mr. RYAN). The

gentleman from Ohio (Mr. RYAN) is about to get a contract here in a minute.

New dorm rooms run by Halliburton overcharge you by \$900,000.

That is possible. I want to let you know that is very possible. That happened.

Mr. RYAN of Ohio. If you think your college tuition is high now, wait until we privatize your dorms and turn them over to Halliburton. Then you are in trouble.

Mr. MEEK of Florida. Let us go with number 8.

Mr. RYAN of Ohio. I am ready.

Mr. MEEK of Florida. We have to get moving here.

Mr. RYAN of Ohio. I am nervous.

Mr. MEEK of Florida. Because young people cannot get sick, 30 percent of young people do not have health insurance. That is an important issue. That is number 8.

The top reasons why young Americans need a change in leadership.

Go ahead with number 7.

Mr. RYAN of Ohio. I like this number 7. I had a chance to peek.

Mr. MEEK of Florida. You can talk about it later.

Young people concerned over the prospect of another CHENEY swearing in. Oh, wow, that is interesting.

Mr. RYAN of Ohio. That is because when he was in the Senate with Senator LEAHY, he keeps swearing.

Mr. MEEK of Florida. Let us go from there.

Number 6: MTV spring break coverage lacking. Only 15 students able to afford the Cancun getaway. Worse teen unemployment since 1949.

That is very serious.

Go ahead. We have got a couple more here. Number 5: Students dismayed that 10 Crackerjack box tops now worth the same as Bush's Pell Grant.

Go ahead, number 4: Because John Ashcroft has got to go.

So, number 3, the gentleman from Ohio (Mr. RYAN) has got to move fast-er. Number 3.

Mr. RYAN of Ohio. I know help me out.

Mr. MEEK of Florida. A draftee is not what you meant when you said you hope the Bush policies would help you find a job.

Mr. RYAN of Ohio. The gentleman from Florida (Mr. MEEK) has got to give me a chance to drop the thing.

Mr. MEEK of Florida. Just drop it to the floor. We will clean it up later.

Number 2, cannot buy self-help books titled "I am da bomb" in fear that the homeland security officers will investigate you under the Patriot Act.

Number one, the gentleman from Ohio (Mr. RYAN) is doing a fine job: Because this is your country and what is at stake is your future.

And that is very, very important, that the American people understand that that is important, and that goes for everyone and every age group.

We want to make sure this top 10 reasons why young people need to change

leadership in America is all in being able to frame this issue, to let them know what the issues are. We know that we put a little humor to it, but, at the same time, it is very real, it is very accurate.

We need to give folks our website. We are running out of time. We have probably a minute or so left.

Mr. RYAN of Ohio. We have 2 minutes.

Mr. MEEK of Florida. And make sure we give them the web site so we can continue to communicate with Americans.

To the gentleman from Ohio (Mr. RYAN), I must say he is going to have the last word tonight and close this out. That it is a pleasure being here with the gentleman and a pleasure working with the 30-something group. We look forward to hopefully a democratically-controlled House when we return back here after November so we can talk about offense and not defense.

Mr. RYAN of Ohio. 30-somethingdemocrats@mail.house.gov. 30 as in the number, somethingdemocrats@mail.house.gov.

I agree. We are wrapping things up this week. This will be our last 30-something probably until September. We will be here for a few weeks, and then off to the elections. So, hopefully you can send us an e-mail. Let us know what you think.

But part of what we are trying to do here is share with the American people what we are learning while we are down here and just present the facts. It has not been partisan, but we have, I think, illustrated tonight and over the past few weeks kind of what we want and the direction we think the country needs to go in. So I appreciate the opportunity to be with the gentleman from Florida (Mr. MEEK) here. The gentleman from Florida (Mr. MEEK) does a fine job, and I am happy to be his wing man.

Mr. MEEK of Florida. Mr. Speaker, this is the conclusion of the 30-something working group. We appreciate the opportunity to address the American people and the House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. CARTER). The Chair will remind Members to refrain from referring to Senators in violation of clause 1 of rule XVII and to address all remarks to the Chair rather than the viewing audience.

CONFERENCE REPORT ON H.R. 4613

Mr. LEWIS of California submitted the following conference report and statement on the bill (H.R. 4613) "making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes":

[The conference report will be printed in a future edition of the RECORD.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON of Indiana (at the request of Ms. PELOSI) for today and the balance of the week on account of advice of my physician.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. WOOLSEY) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

(The following Members (at the request of Mr. RYAN of Wisconsin) to revise and extend their remarks and include extraneous material:)

Mr. BURNS, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, July 22.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2385. An act to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the "Santiago E. Campos United States Courthouse"; to the Committee on Transportation and Infrastructure.

ADJOURNMENT

Mr. MEEK of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 21, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

9218. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Brucellosis in Sheep, Goats, and Horses; Payment of Indemnity [Docket No. 00-002-2] (RIN: 0579-AB42) received July 15,

2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9219. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Classical Swine Fever Status of Chile [Docket No. 03-009-2] received July 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9220. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Animal Welfare; Inspection, Licensing, and Procurement of Animals [Docket No. 97-121-3] (RIN: 0579-AA94) received July 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9221. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Japanese Beetle; Domestic Quarantine and Regulations [Docket No. 04-032-1] received July 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9222. A letter from the Congressional Review Coordinator, APHIS, Department of Agriculture, transmitting the Department's final rule — Karnal Bunt; Compensation for Custom Harvesters in Northern Texas [Docket No. 03-052-2] received July 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9223. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Pesticide Environmental Stewardship (PESP) Regional Grants; Notice of Funds Availability [OPP-2004-0171; FRL-7361-8] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9224. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Spiroamine; Pesticide Tolerance [OPP-2004-0120; FRL-7367-1] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9225. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Acequinocyl; Pesticide Tolerance [OPP-2004-0141; FRL-7364-1] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9226. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Propoxycarbazone-sodium; Pesticide Tolerance [OPP-2004-0172; FRL-7365-7] received July 1, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9227. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Office of Pesticide Programs Address Changes [OPP-2004-0216; FRL-7368-4] received July 1, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9228. A letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting the 2004 annual report on the status of female members of the Armed Forces, pursuant to 10 U.S.C. 481 note Public Law 107—314 section 562(a); to the Committee on Armed Services.

9229. A letter from the Directors, Congressional Budget Office and Office of Management and Budget, transmitting a joint report on the technical assumptions to be used in preparing estimates of National Defense Function (050) fiscal year 2005 outlay rates and prior year outlays, pursuant to 10 U.S.C. 226(a); to the Committee on Armed Services.

9230. A letter from the Acting Under Secretary for Acquisition, Technology, & Logis-

tics, Department of Defense, transmitting the Department's Report on Security Guards Needs Assessment and Plan, pursuant to Public Law 107—314, section 332; to the Committee on Armed Services.

9231. A letter from the Deputy Secretary, Department of Defense, transmitting notification that the DoD anticipates it will be prepared to commence chemical agent destruction operations at the Umatilla Chemical Agent Disposal Facility (UMCDF) in Hermiston, Oregon, pursuant to 50 U.S.C. 1512; to the Committee on Armed Services.

9232. A letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting Approval of Captain Jon W. Bayless, Jr. to wear the insignia of rear admiral (lower half) in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

9233. A letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting Approval of Rear Admiral (lower half) James G. Stavridis to wear the insignia of rear admiral (upper half) in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

9234. A letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting Authorization of Brigadier General Roger W. Burg to wear the insignia of the grade of major general in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

9235. A letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting authorization of the enclosed list of officers to wear the insignia of the grade indicated in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

9236. A letter from the Secretary, Department of the Treasury, transmitting a report entitled, "Security of Personal Financial Information—Report on the Study Conducted Pursuant to Section 508 of the Gramm-Leach-Bliley Act of 1999"; to the Committee on Financial Services.

9237. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Criteria for the Certification and Recertification of the Waste Isolation Pilot Plant's Compliance with the Disposal Regulations; Alternative Provisions [FRL-7787-6] (RIN: 2060-AJ07) received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9238. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — National Emissions Standards for Chromium Emissions From Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks [OAR-2002-0010, FRL-7786-9] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9239. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Emission Guidelines and Compliance Times for Large Municipal Waste Combustors That are Constructed on or Before September 20, 1994 and Federal Plan Requirements for Large Municipal Waste Combustors Constructed on or Before September 20, 1994 [OAR-2004-0007; FRL-7786-8] (RIN: 2060-AM11) received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9240. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule

— Approval and Promulgation of Implementation Plans; Texas; Revisions to Regulations for Control of Air Pollution by Permits for New Sources and Modifications Including Incorporation of Marine Vessel Emissions in Applicability Determinations [TX-165-1-7610; FRL-7788-2] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9241. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the State Implementation Plan [R04-OAR-2004-GA-0001 200420; FRL-7788-3] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9242. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Adequacy of Indiana Solid Waste Landfill Permit Programs Under RCRA Subtitle D [FRL-7787-3] received July 14, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

9243. A letter from the Deputy Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to India for defense articles and services (Transmittal No. 04-08), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

9244. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

9245. A letter from the Vice Chairs, President's Council on Integrity and Efficiency, and the Executive Council on Integrity and Efficiency, transmitting a Progress Report to the President, FY 2003, regarding the twenty-fifth anniversary of the Inspector General Act of 1978; to the Committee on Government Reform.

9246. A letter from the Deputy Chief Financial Officer, Department of Housing and Urban Development, transmitting in accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, Pub. L. 108-199, and the Office of Management and Budget Memorandum 04-07, the Department's report on competitive sourcing efforts; to the Committee on Government Reform.

9247. A letter from the Inspector General, General Services Administration, transmitting the Office's Audit Report Register for the six-month period ending March 31, 2004, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

9248. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Circular 2001-24; Introduction — received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9249. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Incentives for Use of Performance-Based Contracting for Services [FAC 2001-24; FAR Case 2004-004; Item I] (RIN: 9000-AJ97) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9250. A letter from the Deputy Associate Administrator, Office of Acquisition Policy,

GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Definitions Clause [FAC 2001-24; FAR Case 2002-013; Item II] (RIN: 9000-AJ83) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9251. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Procurement Lists [FAC 2001-24; FAR Case 2003-013; Item III] (RIN: 9000-AJ82) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9252. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Determining Official for Employment Provision Compliance — Immigration and Nationality Act (INA) [FAC 2001-24; FAR Case 2004-009; Item IV] (RIN: 9000-AJ98) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9253. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Federal Supply Schedules Services and Blanket Purchase Agreements (BPAs) [FAC 2001-24; FAR Case 1999-603; Item V] (RIN: 9000-AJ63) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9254. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Designated Countries — New European Communities Member States [FAC 2001-24; FAR Case 2004-008; Item VI] (RIN: 9000-AJ96) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9255. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Buy American Act — Nonavailable Articles [FAC 2001-24; FAR Case 2003-007; Item VII] (RIN: 9000-AJ72) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9256. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Application of Cost Principles and Procedures and Accounting for Unallowable Costs [FAC 2001-24; FAR Case 2002-006; Item VIII] (RIN: 9000-AJ65) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9257. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Gains and Losses, Maintenance and Repair Costs, and Material Costs [FAC 2001-24; FAR Case 2002-008; Item IX] (RIN: 9000-AJ69) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9258. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administra-

tion's final rule — Federal Acquisition Regulation; Technical Amendment [FAC 2001-24; Item X] received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9259. A letter from the Deputy Associate Administrator, Office of Acquisition Policy, GSA, National Aeronautics and Space Administration, transmitting the Administration's final rule — Federal Acquisition Regulation; Small Entity Compliance Guide — received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

9260. A letter from the Administrator, Small Business Administration, transmitting in accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, FY 2004, Pub. L. 108-199, and the Office of Management and Budget Memorandum 04-07, the Administration's report on competitive sourcing efforts; to the Committee on Government Reform.

9261. A letter from the Chief Administrative Officer, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period April 1, 2003 through June 30, 2003 as compiled by the Chief Administrative Officer, pursuant to 2 U.S.C. 104a; (H. Doc. No. 108-203); to the Committee on House Administration and ordered to be printed.

9262. A letter from the Chairman, Inland Waterway Users Board, transmitting the Board's 18th annual report of its activities; recommendations regarding construction, rehabilitation priorities and spending levels on the commercial navigational features and components of inland waterways and harbors, pursuant to Public Law 99-662, section 302(b) (100 Stat. 4111); to the Committee on Transportation and Infrastructure.

9263. A letter from the Secretary, Department of Transportation, transmitting a report entitled, "Fundamental Properties of Asphalts and Modified Asphalts-II" submitted in accordance with Section 6016(e) of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), Pub. L. 102-240, and Section 5117(b)(5) of the Transportation Equity Act of the 21st Century (TEA-21); to the Committee on Transportation and Infrastructure.

9264. A letter from the Chairman, Medicare Payment Advisory Commission, transmitting a copy of the Commission's "Report to the Congress: Sources of financial data on Medicare providers," fulfilling two Congressional requests in the Medicare Modernization Act; jointly to the Committees on Ways and Means and Energy and Commerce.

9265. A letter from the Chairman, Labor Member, and Management Member, Railroad Retirement Board, transmitting the 2004 annual report on the financial status of the railroad unemployment insurance system, pursuant to 45 U.S.C. 369; jointly to the Committees on Ways and Means and Transportation and Infrastructure.

9266. A letter from the Assistant Attorney General, Department of Justice, transmitting a report entitled "Report from the Field: the USA Patriot Act at Work"; jointly to the Committees on the Judiciary, Intelligence (Permanent Select), and International Relations.

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. YOUNG of Alaska: Committee of Conference. Conference report on H.R. 2443. A

bill to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes (Rept. 108-617). Ordered to be printed.

Mr. LINCOLN DIAZ-BALART of Florida: Committee on Rules. House Resolution 730. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2443) to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes (Rept. 108-618). Referred to the House Calendar.

Mr. BARTON: Committee on Energy and Commerce. H.R. 2929. A bill to protect users of the Internet from unknowing transmission of their personally identifiable information through spyware programs, and for other purposes; with an amendment (Rept. 108-619). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS: Committee on Rules. House Resolution 1731. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 108-620). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 732. Resolution providing for consideration of the bill (H.R. 4837) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes (Rept. 108-621). Referred to the House Calendar.

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 4613. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes (Rept. 108-622). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BECERRA (for himself, Ms. ROS-LEHTINEN, Mr. RODRIGUEZ, Mr. ORTIZ, Mr. ACEVEDO-VILA, Mr. BACA, Mr. BROWN of Ohio, Mr. CARDOZA, Mr. DOGGETT, Mr. FROST, Mr. GONZALEZ, Mr. GRIJALVA, Mr. GUTIERREZ, Mr. HINOJOSA, Ms. LEE, Mr. MEEKS of New York, Mr. MENENDEZ, Mrs. NAPOLITANO, Ms. ROYBAL-ALLARD, Mr. SERRANO, Ms. SOLIS, and Mr. UDALL of New Mexico):

H.R. 4863. A bill to establish the Commission to Establish the National Museum of the American Latino to develop a plan of action for the establishment and maintenance within the Smithsonian Institution of the National Museum of the American Latino in Washington, D.C., and for other purposes; to the Committee on House Administration.

By Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. PETRI, and Mr. LIPINSKI):

H.R. 4864. A bill 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; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Ways and Means, Resources, and Science, 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. BEREUTER:

H.R. 4865. A bill to amend the National Trails System Act to authorize an additional

category of national trail known as a national discovery trail, to provide special requirements for the establishment and administration of national discovery trails, and to designate the cross country American Discovery Trail as the first national discovery trail; to the Committee on Resources.

By Mr. BURR (for himself, Ms. ESHOO, Mr. SIMMONS, Mr. RAMSTAD, Mrs. MYRICK, Ms. ROS-LEHTINEN, Ms. PRYCE of Ohio, Ms. KAPTUR, Mr. ROGERS of Michigan, and Mr. PRICE of North Carolina):

H.R. 4866. A bill to amend the Public Health Service Act to establish a grant program to provide supportive services in permanent supportive housing for chronically homeless individuals, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DEUTSCH (for himself, Mr. HASTINGS of Florida, and Ms. CORRINE BROWN of Florida):

H.R. 4867. A bill to amend title 3, United States Code, to permit an objection to the certificate of the electoral votes of a State to be received by the Senate and the House of Representatives if the objection is signed by either a Senator or a Member of the House of Representatives; to the Committee on House Administration, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FERGUSON:

H.R. 4868. A bill to direct the Secretary of Transportation to conduct a test to determine the costs and benefits of requiring jet-propelled aircraft taking off from Newark International Airport, New Jersey, to conduct ascents over the ocean, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GILCHREST:

H.R. 4869. A bill to amend the Marine Mammal Protection Act of 1972 to authorize appropriations for the John H. Prescott Marine Mammal Rescue Assistance Grant Program, and for other purposes; to the Committee on Resources.

By Mr. GREEN of Wisconsin:

H.R. 4870. A bill to amend title 38, United States Code, to revise the effective date for payment of lump sums to persons awarded the Medal of Honor who are in receipt of special pension pursuant to section 1562 of such title, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MCCRERY (for himself, Mr. ACEVEDO-VILA, Ms. PRYCE of Ohio, Mr. RANGEL, Mr. GREENWOOD, Mr. BECERRA, and Mr. MENENDEZ):

H.R. 4871. A bill to amend title XVIII of the Social Security Act to provide for equity in the calculation of Medicare disproportionate share hospital payments for hospitals in Puerto Rico; to the Committee on Ways and Means.

By Mr. MEEKS of New York:

H.R. 4872. A bill to direct the Secretary of Health and Human Services to establish a retinoblastoma public awareness and prevention program; to the Committee on Energy and Commerce.

By Mr. MEEKS of New York:

H.R. 4873. A bill to amend the Immigration and Nationality Act to provide for flexibility in the naturalization process for aliens in active duty service in the Armed Forces abroad; to the Committee on the Judiciary.

By Mr. ROSS:

H.R. 4874. A bill to provide emergency assistance to producers that have incurred losses in a 2004 crop due to a disaster; to the Committee on Agriculture.

By Mr. SAXTON (for himself, Mr. ANDREWS, Mr. FORD, Mr. MICA, Mr. MCCOTTER, and Mr. ENGEL):

H.R. 4875. A bill to amend title 28, United States Code, to clarify that persons may bring private rights of actions against foreign states for certain terrorist acts, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMMONS (for himself, Mr. ISRAEL, Mr. SHAYS, Mrs. JOHNSON of Connecticut, Ms. DELAURO, Mr. LARSON of Connecticut, Mrs. LOWEY, Mr. KING of New York, Mr. ACKERMAN, Mrs. MCCARTHY of New York, Mr. BISHOP of New York, Mr. SERRANO, Mr. ENGEL, and Mr. CROWLEY):

H.R. 4876. A bill to establish the Long Island Sound Stewardship Initiative; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, 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. STARK:

H.R. 4877. A bill to amend title XVIII of the Social Security Act to revoke the unique ability of the Joint Commission for the Accreditation of Healthcare Organizations to deem hospitals to meet certain requirements under the Medicare Program and to provide for greater accountability of the Joint Commission to the Secretary of Health and Human Services; to the Committee on Ways and Means.

By Mr. RANGEL (for himself and Mr. FOSSELLA):

H. Con. Res. 475. Concurrent resolution encouraging the International Olympic Committee to select New York City as the site of the 2012 Olympic Games; to the Committee on International Relations.

By Mr. NEY (for himself, Mr. LARSON of Connecticut, Mr. DELAY, Mr. BLUNT, Mr. SWENEY, Mr. BUYER, Mr. RENZI, Mr. POMBO, Mr. HOBSON, Mr. ISTOOK, Mrs. KELLY, Mr. BASS, Mr. HERGER, Mr. NEUGEBAUER, Mr. MICA, Mr. JONES of North Carolina, Mr. MCCRERY, Mr. LATOURETTE, Mr. BOEHNER, Mr. CHABOT, Mr. SESSIONS, Mr. TIAHRT, Mr. COBLE, Mrs. CUBIN, Mr. OXLEY, Ms. HART, Mr. COLE, Mr. DOOLITTLE, Mr. LUCAS of Oklahoma, Mr. MCKEON, Mr. HOSTETTLER, Mr. BACHUS, Mr. CRENSHAW, Mr. OSE, Mr. WALDEN of Oregon, Mr. HUNTER, Mr. SHIMKUS, Mr. HYDE, Ms. PRYCE of Ohio, Mr. ROGERS of Alabama, Mr. GARRETT of New Jersey, Mr. FOLEY, Mr. GOSS, Mr. PAUL, Mr. BARTLETT of Maryland, Mr. THOMAS, Mr. LEWIS of Kentucky, Mr. PORTMAN, Mr. SHUSTER, Mr. GARY G. MILLER of California, Mr. CALVERT, Mr. AKIN, Mr. WILSON of South Carolina, Mr. WHITFIELD, Mr. OTTER, Mr. SCHROCK, Mr. VITTER, Mr. LAHOOD, Mr. WALSH, Mr. SIMPSON, Mr. REHBERG, Mr. BOOZMAN, Mr. REGULA, Mr. BEAUPREZ, Mr. REYNOLDS, Mr. CARTER, Mr. HENSARLING, Mr. TIBERI, Mr. NUNES, Mr. EHLERS, Ms. LORETTA SANCHEZ of California, Mr. DEFAZIO, Ms. WOOLSEY, Mr. BISHOP of New York, Mr. RAMSTAD, Mr. GINGREY, Mr. SANDLIN, Mr. GALLEGLEY, Mr. KENNEDY of Minnesota, Mr. GREEN of Texas, Mrs. MALONEY, and Mrs. MILLER of Michigan):

H. Res. 728. A resolution expressing the sense of the House of Representatives that the actions of terrorists will never cause the date of any Presidential election to be postponed and that no single individual or agency should be given the authority to postpone the date of a Presidential election; to the Committee on House Administration.

By Mr. BEREUTER (for himself and Mr. LANTOS):

H. Res. 729. A resolution expressing the sense of the House of Representatives with respect to the 50th anniversary of the food aid programs established under the Agricultural Trade Development and Assistance Act of 1954; to the Committee on International Relations, and in addition to the Committee on Agriculture, 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. LINCOLN DIAZ-BALART of Florida:

H. Res. 730. A resolution waiving points of order against the conference report to accompany the bill (H.R. 2443) to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard, and for other purposes.

By Mr. REYNOLDS:

H. Res. 731. A resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules.

By Mrs. MYRICK:

H. Res. 732. A resolution providing for consideration of the bill (H.R. 4837) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2005, and for other purposes.

By Mr. BEREUTER (for himself, Mr. WEXLER, and Mr. WILSON of South Carolina):

H. Res. 733. A resolution calling on the Government of Libya to review the legal actions taken against several Bulgarian medical workers; to the Committee on International Relations.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

407. The SPEAKER presented a memorial of the General Assembly of the State of Ohio, relative to Senate Concurrent Resolution No. 31 supporting the retention and expansion of all military bases and centers in Ohio and to urge local governments and community, industry, and labor leaders to work with the Governor's All-Ohio Task Force to Save Defense Jobs for that purpose; to the Committee on Armed Services.

408. Also, a memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to House Resolution No. 764 memorializing the Congress of the United States to increase funding for the Division of Diabetes Translation (DDT) as needed for the fight against diabetes; to the Committee on Energy and Commerce.

409. Also, a memorial of the General Assembly of the State of Ohio, relative to Senate Concurrent Resolution No. 24 urging the support of Taiwan's participation in the World Health Organization and to deplore the persecution of Falun Gong practitioners, Christians, and members of other religious groups in the People's Republic of China and to urge that specified actions be taken to end that persecution; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. VAN HOLLEN introduced a bill (H.R. 4878) for the relief of Malik Jarno; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 104: Mr. BROWN of Ohio, Ms. PELOSI, Mr. DINGELL, and Mr. WAXMAN.

H.R. 290: Mr. ROTHMAN and Mr. DEAL of Georgia.

H.R. 293: Mr. PORTER.

H.R. 480: Mr. NADLER, Mr. WEINER, Mr. OWENS, Ms. VELAZQUEZ, Mr. FOSSELLA, Mr. RANGEL, Mr. SERRANO, Mrs. LOWEY, Mrs. KELLY, Mr. HINCHEY, Mr. MCHUGH, Mr. BOEHLERT, Mr. WALSH, Mr. REYNOLDS, Ms. SLAUGHTER, and Mr. HOUGHTON.

H.R. 677: Mr. GREENWOOD.

H.R. 717: Ms. ESHOO.

H.R. 792: Mr. EMANUEL.

H.R. 814: Mr. RAHALL.

H.R. 871: Mr. RYUN of Kansas.

H.R. 962: Mr. DAVIS of Alabama, and Mr. SAXTON.

H.R. 979: Mr. McNULTY.

H.R. 1043: Mr. CASTLE and Mr. WICKER.

H.R. 1057: Mrs. LOWEY.

H.R. 1102: Ms. HERSETH.

H.R. 1157: Mr. SCOTT of Virginia.

H.R. 1160: Ms. HERSETH.

H.R. 1212: Mr. MCGOVERN.

H.R. 1422: Mr. SNYDER.

H.R. 1433: Mrs. CHRISTENSEN.

H.R. 1476: Ms. HERSETH.

H.R. 1910: Ms. HERSETH.

H.R. 1919: Mr. FORD.

H.R. 1993: Mr. FATTAH.

H.R. 2305: Mrs. TAUSCHER, Mr. MARKEY, and Mr. LEWIS of Georgia.

H.R. 2466: Mr. WU.

H.R. 2528: Mr. SWEENEY.

H.R. 2536: Mr. VAN HOLLEN and Mr. FORD.

H.R. 2681: Mr. DELAHUNT.

H.R. 2792: Ms. LORETTA SANCHEZ of California and Mr. MORAN of Virginia.

H.R. 2930: Mr. FILNER.

H.R. 2950: Mr. GERLACH.

H.R. 2952: Mr. MEEHAN and Mr. TIERNEY.

H.R. 2974: Mr. SANDERS, Mr. CARDOZA, and Ms. WOOLSEY.

H.R. 3022: Ms. WOOLSEY.

H.R. 3194: Mr. STRICKLAND.

H.R. 3281: Mr. LEVIN.

H.R. 3310: Mr. ISAKSON and Mr. REHBERG.

H.R. 3361: Mr. VAN HOLLEN.

H.R. 3369: Mr. BURTON of Indiana and Mrs. CARTER.

H.R. 3438: Ms. BORDALLO, Ms. KAPTUR, Mr. STUPAK, Mr. PAYNE, and Mr. WOLF.

H.R. 3446: Mr. EVANS.

H.R. 3459: Mr. ROTHMAN and Ms. BERKLEY.

H.R. 3485: Mr. GREEN of Wisconsin.

H.R. 3729: Mr. ENGLISH.

H.R. 3888: Ms. WATERS.

H.R. 3896: Mr. KILDEE.

H.R. 3984: Mr. COLE.

H.R. 3985: Mr. COLE.

H.R. 3986: Mr. COLE.

H.R. 4057: Mr. LARSEN of Washington.

H.R. 4067: Mr. ROTHMAN.

H.R. 4100: Mr. RANGEL, Mr. SCHIFF, and Mr. UDALL of Colorado.

H.R. 4113: Mr. TANNER and Mr. RAMSTAD.

H.R. 4169: Mr. HYDE.

H.R. 4192: Mr. PRICE of North Carolina.

H.R. 4229: Mr. ETHERIDGE.

H.R. 4257: Mr. REHBERG and Mr. SKELTON.

H.R. 4335: Mr. SYNDER.

H.R. 4358: Mr. SMITH of Michigan.

H.R. 4391: Mr. LAMPSON.

H.R. 4433: Mr. FERGUSON, Mr. LATOURETTE, Mr. SMITH of New Jersey, Mr. SMITH of Washington, Mr. TIBERI, and Ms. SCHAKOWSKY.

H.R. 4440: Mr. BARRETT of South Carolina and Mr. MILLER of Florida.

H.R. 4528: Mr. REHBERG and Mr. BISHOP of Utah.

H.R. 4530: Mr. SHADEGG, Mr. GARRETT of New Jersey, and Mr. MCHUGH.

H.R. 4543: Mr. WILSON of South Carolina, Mr. BEAUPREZ, Mr. TERRY, and Mr. SOUDER.

H.R. 4571: Mr. MILLER of Florida.

H.R. 4578: Mr. TIBERI, Ms. GRANGER, Mr. GUTIERREZ, Mr. KIRK, and Mr. CANNON.

H.R. 4595: Mr. ANDREWS, Mr. LANTOS, Mr. CARSON of Oklahoma, Ms. BALDWIN, Mr. FILNER, Ms. HERSETH, Ms. LORETTA SANCHEZ of California, Mr. VISCLOSKY, and Ms. HART.

H.R. 4620: Mr. CARSON of Oklahoma.

H.R. 4629: Mrs. BLACKBURN and Mr. GOODLATTE.

H.R. 4633: Mr. BURR.

H.R. 4634: Mr. GREEN of Wisconsin, Mr. MURPHY, and Mr. JONES of North Carolina.

H.R. 4658: Mr. STRICKLAND and Mr. HOLDEN.

H.R. 4662: Mrs. MUSGRAVE.

H.R. 4669: Mr. JONES of North Carolina and Mr. FEENEY.

H.R. 4670: Mr. BEREUTER.

H.R. 4689: Mrs. CHRISTENSEN and Mr. CUMMINGS.

H.R. 4694: Mr. FROST and Mr. FATTAH.

H.R. 4712: Mr. DEAL of Georgia, Mr. KOLBE, Mr. PETRI, Mr. PAUL, Mrs. MYRICK, and Mr. DEMINT.

H.R. 4718: Mr. OSBORNE, Mr. TERRY, Mr. REHBERG, and Mr. KINGSTON.

H.R. 4730: Mr. RUPPERSBERGER.

H.R. 4785: Mr. CRANE and Mr. CLAY.

H.R. 4786: Mr. MCDERMOTT.

H.R. 4799: Mr. COSTELLO, Ms. MCCARTHY of Missouri, Mr. McNULTY, Mr. JENKINS, Mr. DAVIS of Tennessee, Mr. DAVIS of Florida, Mr. JOHN, Mr. CASTLE, and Mr. SAXTON.

H.R. 4823: Mr. DOGGETT and Ms. MCCARTHY of Missouri.

H.R. 4839: Mr. HASTINGS of Florida.

H.R. 4849: Mr. SIMMONS.

H.R. 4853: Ms. LEE, Mr. BRADLEY of New Hampshire, Mr. CHANDLER, Mr. MARKEY, Mr. DELAHUNT, and Mr. GREENWOOD.

H.J. Res. 44: Mr. MILLER of Florida.

H.J. Res. 48: Mr. GORDON.

H. Con. Res. 99: Mr. KUCINICH and Mr. LEWIS of Georgia.

H. Con. Res. 111: Mr. PASCRELL.

H. Con. Res. 126: Mr. SMITH of Michigan.

H. Con. Res. 276: Mr. DOYLE.

H. Con. Res. 467: Mr. RODRIGUEZ, Mr. ISRAEL, Mr. WALSH, Mr. OLVER, Mrs. TAUSCHER, Mr. SCHIFF, Ms. CARSON of Indiana, Ms. LORETTA SANCHEZ of California, Mr. BALLENGER, Mr. LUCAS of Kentucky, and Mr. GEORGE MILLER of California.

H. Con. Res. 471: Mr. BARTLETT of Maryland and Mr. SNYDER.

H. Res. 313: Mr. RAMSTAD.

H. Res. 466: Mr. FORD and Ms. KILPATRICK.

H. Res. 689: Mr. SCOTT of Virginia.

H. Res. 690: Mr. GEORGE MILLER of California, Mr. GRIJALVA, Mr. RUPPERSBERGER, Mr. THOMPSON of Mississippi, Mr. WYNN, Mr. STARK, Ms. WOOLSEY, and Mrs. TAUSCHER.

H. Res. 699: Mr. SCOTT of Virginia.

H. Res. 700: Mr. SCOTT of Virginia.

H. Res. 716: Mr. FALEOMAVAEGA, Mr. SOUDER, and Ms. ROS-LEHTINEN.

H. Res. 721: Mr. EMANUEL.

H. Res. 723: Mr. FORBES, Mr. MCCOTTER, and Mr. PETERSON of Minnesota.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 857: Mr. SULLIVAN.

H.R. 1078: Mr. SULLIVAN.

PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

96. The SPEAKER presented a petition of the Board of Supervisors, Seneca County, Waterloo, New York, relative to Resolution No. 95-04 providing for unified negotiations or meetings with tribes or tribal representatives; to the Committee on Resources.

97. Also, a petition of the Board of Supervisors, Seneca County, Waterloo, New York, relative to Resolution No. 94-04 supporting efforts to fairly enforce taxation of Indian business sales to non-Indians and oppose efforts at price parity and/or exemptions; to the Committee on the Judiciary.

NOTICE

*Incomplete record of House proceedings.
Conference Report on H.R. 4613 will be in Book II of today's Record.*



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WASHINGTON, TUESDAY, JULY 20, 2004

No. 101

Senate

The Senate met at 10 a.m. and was called to order by the Honorable MICHAEL ENZI, a Senator from the State of Wyoming.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Awesome God of the universe, Creator of the changes of day and night, giver of rest to the weary, Your works are great and Your ways are just and true. Thank You for Your mercies and for Your blessings on our work. Thank You for the riches of Your grace that make salvation possible. Forgive our doubts, anger, and pride. As we look to You, may we learn to esteem others as more important than ourselves. Give Your wisdom to our Senators that they may be instruments of Your providence. Keep them from sin, evil, and fear, for You are our light and salvation and strength. Give us that peace which the world can neither give nor take away. Fix our minds on the doing of Your will. To You be the glory for endless ages. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MICHAEL ENZI led the Pledge of Allegiance as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 20, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable MICHAEL B. ENZI, a Senator from the State of Wyoming, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. ENZI thereupon assumed the Chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for statements only for up to 60 minutes, with the first half of the time under the control of the majority leader or his designee, and the second half of the time under the control of the Democratic leader or his designee.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

SCHEDULE

Mr. CRAIG. Mr. President, today, following 1 hour of morning business, the Senate will resume consideration of the nomination of William Myers III to be U.S. circuit court judge for the Ninth Circuit. A cloture vote is scheduled on the Myers nomination at 2:15 today, and that will be the first vote of the day. As a reminder, the Senate will recess from 12:30 to 2:15 to allow the weekly party luncheons to meet. Additional votes are possible today following the scheduled cloture vote. The Morocco Free Trade Agreement may be available, and we may begin consideration of the bill under the statutory limit.

As always, Members will be notified as additional votes are scheduled.

VOTE ON WILLIAM MYERS

Mr. CRAIG. Mr. President, I see the minority leader in the Chamber. I will make a few brief comments prior to him taking the floor.

This morning, we will be in morning business, and I want to make a couple of comments about my frustration at this moment. William Myers is a Ninth Circuit court nominee from the President to fill the Idaho position. He is a phenomenal and highly qualified young man who has served as Solicitor at the Department of Interior. He was nominated well over a year ago and brought before the committee. He handled himself extremely well and professionally. He has been a man who has had experience in both the public and the private sector. He served on the Judiciary Committee under the former Senator from the State of Wyoming. He is a top-flight man.

Yesterday, as we debated the nomination of Bill Myers, no one from the other side came. The reason they did not is that we were served notice some months ago that Bill Myers would not receive a vote this year. We could try to cloture him, but they were going to block a vote against him. Was he qualified? Yes. Should he serve? Yes. Is he the selection of the President? Yes. Should he have an up-or-down vote? Absolutely. But that is not going to happen.

He is now the eighth judge the other side has just flat told us does not serve their political purpose, and therefore they will not allow us a vote. That is constitutional obstructionism in the first order of the advise and consent of our Constitution.

So here is a young man who came to Washington out of college to serve his U.S. Senator, served with honor with the Judiciary Committee, worked for a

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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private organization advising this Senator and the Senator from South Dakota, as well as the National Cattlemen's Association, on grazing; became a private practice attorney; then went as attorney to the Secretary of Interior; has served most honorably and very credibly. He will not get a vote this session of the 108th Congress. Why? Because the other side has just flat said he serves their environmental agenda purposes and therefore we will not be allowed to vote on him.

That is a phenomenally frustrating reality to me as a Senator who believes that we do not have the right to arbitrarily pick and choose, we have the right to advise and consent and to vote them up or vote down, 51 votes or 50 votes, but not to arbitrarily pick and choose to serve the political agenda of a given political party for these purposes. There is no other explanation than the one I have just offered.

If one looks at the broad qualifications of the eight judges who have now arbitrarily been chosen for their political past involvement and therefore the accusation that they might be an activist on the court, that is a frustration of the first order.

So no one came to the floor yesterday to debate him except those of us on the Judiciary Committee advocating his nomination. The votes are so locked in, so fixed, so regimented, that this just is not going to happen. So we will have a 2:15 vote today. It is perfunctory. It is just the way it is going to be, unless we break out of this and say collectively to the Senate as a whole, no, this procedure of misusing the process is wrong. There is a time to debate, a time of reality, a time of broad understanding, but most importantly, under our Constitution, we have never filibustered nor intentionally blocked by demanding a 60-vote majority. They have always broken in the past when tried, and ultimately up until this Congress, Presidential nominations received the opportunity of the advise and consent of the Senate by a vote on the Senate floor, not of a cloture but of a majority.

The reason I highlight that is because that is the vote this afternoon. It is a false vote. It is an unnecessary vote for a highly qualified young man who would serve the Ninth Circuit well, a Ninth Circuit court that is now viewed as the most dysfunctional court in the land, where over 90 percent of its decisions are overturned by the Supreme Court. Bill Myers brings common sense to the court, not the radicalism of San Francisco lawyers but common sense spread across the western public land States of our country.

Is that why he is not getting the vote? Very possibly so. And that is a tragedy of the highest order. This is not the kind of day the Senate, this great Chamber, ought to have, but we are going to have it today at 2:15 this afternoon. So it is important that I speak briefly to that.

9/11 COMMISSION REPORT

Mr. CRAIG. Mr. President, I know the minority leader is kindly waiting, but let me say one other thing. We are going to be presented—the press has already been presented—the 9/11 Commission report. I do not have one in my office. I have to go read about it in the New York Times. Thank you, Commission, for being so public that you will not even inform those of us who created you, but we understand they are going to recommend the creation of a czar-like or individual director of intelligence that coordinates all of the agencies.

I have one comment on that only because I have not seen the report, and I do not know that the minority leader has either—we have not had a full opportunity to read it—let us proceed with caution. We have done a great deal of work since 9/11 now to bring these institutions together to coordinate intelligence. We are better off than we were pre-9/11.

I am not sure that I want a Cabinet level, politicized director of intelligence for our country. I do not know that it is a good idea to politicize that. If we put them in a Cabinet level position, by the character of that position we have politicized intelligence. Intelligence should not be politicized. It ought to be factual. And we now know we have had a problem with the facts, but it wasn't just our intelligence community; it was intelligence communities around the world. Bad information makes bad information makes bad reports and can produce bad decisions.

Intelligence is critical and it needs to be of the highest order. I am not suggesting we don't have a top level coordinator/director, but let us think long about the idea of politicizing that person. We have seen the Directors of the FBI stay on through Republican and Democrat administrations throughout history—not always but many times. It brought quality and uniformity to that law enforcement community. It did not politicize it. It is every bit if not more important today, with the war on terrorism, that we build a quality structure, that the information be of the first order, and that it never ever could be suggested or run the test of, well, that person is a political person, that person was appointed because he was a political friend. That is my only caution today, in a preliminary thought, until we get the report and see the facts and the evidence. And I do wish the Commission would let us have the report before they give it to the New York Times. It probably would be a bit more appropriate and give us an opportunity to speak factually and knowledgeably about it.

I thank you, Mr. President. The minority leader has been kind and patient, and I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

ORDER OR PROCEDURE

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Democratic half hour be allocated in the following manner: Senator SCHUMER, 15 minutes; Senator HARKIN, 10 minutes; and Senator REID, 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I will use my leader time so as not to take any of the Democratic time.

JUDICIAL NOMINATIONS

Mr. DASCHLE. Mr. President, let me respond briefly, if I may, to the Senator from Idaho. I have respect for him and for much of the work we have done together over the years on many issues, including forest health. But I must say I strongly disagree with his characterization of this particular judicial nominating debate.

Over the history of our 220 years, the Senate has seen fit on countless occasions to require either a threshold cloture vote or, before we had cloture, some resolution to controversial matters involving extended debate. Before we had cloture, there was no way to resolve it. A Senator could see fit to talk about an issue or a nominee for days, weeks, months, and there was no way to resolve it. There were many occasions during the 20th century when this was exactly the case. That evolved, of course, with the implementation of cloture and the use of cloture over the course of the last 100 years. So now we have a rule of the Senate that says on those issues that are controversial, a supermajority is required.

I think for the Senator from Idaho to make the point that there is no vote is just wrong. The vote occurs at 2:15. If the supermajority will move to proceed on this very controversial nominee, you go to the second phase of consideration. But that is what the Senate rules require. I must say that is a far better approach than what we faced during the Clinton administration, when more than 60 nominees never got a committee vote. We go back to the old days of the 20th century during the Clinton years when you didn't even have an opportunity for cloture because the Judiciary Committee refused to act on over 60 nominees. So this is an improvement, to say the least, over that.

As to the qualifications of Bill Myers, I will simply say the ABA does not share the view of the Senator from Idaho with regard to his qualifications. It is very rare for the ABA not to categorize a nominee as qualified—extremely rare. They have not done so in

the case of Bill Myers. "Partially qualified," but do we really want a "partially qualified" nominee to serve on the circuit court of our land?

It is rare—in fact, it is unprecedented—for the Native-American community in the United States to take a position on a judge. They have never done so. The Native-American community in South Dakota and North Dakota, in all Western States around the country, has come together with one voice to say this man ought not be a circuit court judge—unheard of. We have never seen that before.

We have never seen the National Wildlife Foundation take a position on a judge, but they, too, have said please do not confirm this nominee. Why? Because of what limited record he had with regard to judicial issues. He virtually has none as Solicitor. There is no real court experience, with a couple of exceptions. So you have somebody with at least, arguably, some ethical questions that have not been addressed; you have major communities such as the Native-American community in our country in an unprecedented statement in opposition; you have the ABA that has said they are reluctant to support this nominee because he is only "partially qualified."

So, Mr. President, clearly it is those and many other factors that led every single Democrat, in a rare demonstration of opposition in the committee, to oppose this nomination. We have now approved, I believe it is 196 nominations—198 nominations. That is a record that surpasses Bill Clinton, the first President Bush, and Ronald Reagan. This President's three predecessors have not had a record of confirmation equal to his.

I must say it is interesting, and I would note, that my colleague from Idaho, who just abhorred this current circumstance regarding cloture on a nominee, voted against cloture, voted to sustain the extended debate, ironically, in the circumstances involving another Ninth Circuit nominee, Richard Paez. They voted to continue the debate, not to vote for cloture, not to terminate the debate, not to move to that second phase. So I would certainly ask the distinguished Senator at some point for his explanation as to why it was appropriate to extend debate in that case but not in this case.

THE WORKING POOR

Mr. DASCHLE. Mr. President, 60 years ago Franklin Roosevelt gave one of the most memorable State of the Union speeches in our history.

As he spoke, Germany occupied all of Europe. Americans were dying in battle abroad and sacrificing for the war effort at home.

Total victory was uncertain. But that did not diminish President Roosevelt's optimism and vision.

In his address, he said the Nation had accepted a Second Bill of Rights that, he said, would create "a new basis of security" for all.

In this Second Bill of Rights, President Roosevelt cited the right to a decent home, a good education, and dependable health care; the right to fair prices for farmers and free competition for business; and the right to be free of the fears of hardship caused by old age. But first, and most fundamental, he called for the right to work for a fair wage.

Our country should be proud of the extraordinary progress we have made in many of these areas. Together we have made our country better, stronger, and more secure. There is, though, more work to be done, and today I want to focus on President Roosevelt's call for a fair wage.

No value is more fundamental to the American character than the value of work. No ideal is shared so widely or cherished so deeply.

No principle binds us more closely to the generations of Americans who built up our country, and the millions of new Americans who came to our shores to join in the effort. And no conviction so unites the conservative and liberal traditions of our Nation.

Ronald Reagan once said that:

People in America value family, work, and neighborhood. These are the things we have in common socially and politically. When it comes to the bottom line, all of us are striving for the same thing—a strong and healthy America and a fair shake for working people.

There is a fundamental American truth in those words—working people deserve a fair shake. It has always been the promise of our country, and as we debate legislation here in the Senate, we should do all we can to give life to that promise.

We should make certain that no American who works full-time lives in poverty. Unfortunately, the gap between promise and reality is widening. Among full-time, year-round workers, poverty has doubled since the late 1970's to 2.6 million workers. All told, the working poor are raising 9 million American children.

Moreover, as recent work by the Family Economic Self-Sufficiency project shows, the level of income it now takes just to pay the basic bills is far above what we consider to be the poverty line. No working American wants a handout. These families are playing by the rules. But as hard as they work, they cannot escape the grip of poverty.

A few weeks ago a Sioux Falls family sent me a letter. The father works 56 hours a week as a skilled welder. His wife is a substitute teacher who only works part-time so she can care for her son, who suffers from autism and diabetes. They live in a 20-year-old mobile home that has sinking floors and a leaking ceiling. They wrote:

We are facing possible foreclosure. Lights, heat, phone, etc. are all 60 plus days past due and on the verge of disconnection. . . . Medical bills have been turned over to a collection agency.

Their final question was: "Now what?"

They feel trapped. Since they can't afford insurance, their son's medical bills have erased their savings and destroyed their credit. Without good credit, interest payments eat up much of their income. And without affordable child care, the family's mom can't shift to full-time work, which could help lift them out of poverty.

They are working as hard as they can and want to work even harder. But that doesn't seem to be enough. They are farther away from President Roosevelt's vision today than when they first wrote to me. It's in our national interest not to look away from this difficult problem, but to face it squarely and honestly.

If the people who work hard don't get a fair shake, then our Nation risks losing an essential value that has contributed to America's excellence and ongoing success. We cannot let that happen. We should not kid ourselves and pretend this is an easy problem. It is not. It is enormously complicated. But there are things we can and must do.

First, it is important that American business leaders live up to their responsibility as good corporate citizens and share the benefits of increased productivity with their workers, not just their shareholders. The Chief Economist at Merrill Lynch recently noted that there's been a notable "redistribution of income to the corporate sector." While salaries have remained flat over the past 4 years, corporate profits now occupy a greater share of our GDP than at any point since tracking began nearly 60 years ago. We are moving in the wrong direction, and leaders in the private sector have a responsibility to help us move back in the right direction.

Here in Congress, we also have a responsibility to address the problems confronting the working poor, and we should start by requiring a long overdue increase in the minimum wage. Today, the minimum wage of \$5.15 per hour is worth \$3 less than it was in 1968. Americans who work at the minimum wage for 40 hours a week, 52 weeks a year, still fall \$5,000 short of the poverty line. That means, as the Sioux Falls family knows, that adequate housing, enough food to eat, health insurance, and college funds are the stuff of fantasy, not reality. In the time we have left this year, we should increase the minimum wage to \$7. That won't solve all our problems, but it is a beginning.

We should also revisit the Earned Income Tax Credit. It was created 20 years ago as an incentive to help working families lift themselves out of poverty through hard work. President Reagan called it the "best anti-poverty, the best pro-family, the best job creation measure to come out of Congress." I agree. Now we need to expand it, so that every American child grows up seeing that work is rewarded and respected.

We should also make sure all families receive their fair share of the child tax

credit. Extending the credit to all working families would restore a basic level of fairness and offer millions of working families the same child tax credit given to those higher up the income ladder.

We must also acknowledge that despite the many benefits of globalization, it has placed downward pressure on low income wages. We won't make progress if our wages fall faster than the prices for the products we need.

"What do the American people want more than anything else?" President Roosevelt asked in 1944.

This was his answer:

To my mind, they want two things: work, with all the moral and spiritual values that go with it; and with work, a reasonable measure of security. . . . Work and security. These are more than words. They are more than facts. They are the spiritual values, the true goal toward which our efforts should lead.

That was the challenge 60 years ago, and it remains a central challenge today. It is, as President Roosevelt said, "our duty."

I hope we can all join together to make that vision a reality for millions of hard-working and honest Americans.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, how much of our morning business time has elapsed?

The ACTING PRESIDENT pro tempore. There are 22 minutes remaining; 8 minutes has elapsed.

THREE YEARS OF PROGRESS

Mrs. HUTCHISON. Mr. President, I want to talk today about the 9/11 Commission report, the war on terror, and the progress we have made since we were attacked 3 years ago in this country.

For years, terrorists have attacked the United States with little or no reaction from us. We have highlighted time and time again the trail of terror that led to September 11, 2001.

In 1993, terrorists bombed the World Trade Center, killing 6 people and wounding more than 1,000. It is still not fully solved.

In 1996, terrorists bombed the U.S. military living quarters at Khobar Towers, Saudi Arabia, killing 19 brave Americans and wounding scores more—never solved.

In 1998, followers of Osama bin Laden attacked U.S. Embassies in Kenya and Tanzania, killing and wounding hundreds—never solved.

In 2000, Osama bin Laden's followers attacked the U.S.S. *Cole* in a harbor in Yemen, killing 17 sailors and wounding 39 more—not solved.

Sadly, it took four hijacked airplanes being turned into weapons of mass destruction and the loss of nearly 3,000 innocent Americans and visitors to our country for us to resolve that we had been attacked, our way of life had been

attacked, and the United States of America is going to fight back. We are in a war on terrorism.

The 9/11 Commission is going to report on Thursday, and we know there will be blame for everybody about the failure of our intelligence capabilities. The administration of President Bush provided unprecedented access and cooperation to the Commission because the President said we want to know what went wrong so we can make it right. The President himself said:

The 9/11 commission will issue a report this week and will lay out recommendations for reform of the intelligence services of the United States. I look forward to seeing those recommendations. They share the same desire that I share which is to make sure that Presidents and Congress get the best possible intelligence. I have spoken about the reforms, and some of the reforms are necessary—more human intelligence, better ability to listen and see things and better coordination among the various intelligence gathering services.

This is what President Bush said about the 9/11 Commission. He went further to say:

Based on published accounts, we expect the commission report will show that government institutions failed to adapt to the threat of terrorism over more than a decade, enabling terrorists to exploit dangerous weaknesses in our defenses. We expect the commission to confirm that the blame for the 9/11 attacks lies squarely and exclusively with al-Qaida. It is clear as the threat of international terrorism evolved over more than a decade that our national security and counterterrorism institutions did not resolve to meet the threat under both Republican and Democratic administrations, Republican and Democratic Congresses. The kind of systematic changes and reform that might have made it more difficult for the terrorists to strike on 9/11 did not take place.

We have established that we can put the blame everywhere—in Congress, with Republicans, with Democrats, with administrations of the past and administrations of the present. We have taken some steps already as the Commission hearings have resolved.

We have taken the steps of implementing a new policy on terrorism by holding to account terrorist groups and the states that sponsor them and not allowing dangerous threats to gather overseas unchecked. We have cut off their money supply in many instances where we could with cooperation from allies.

We have transformed the FBI into an agency focused on preventing terrorist attacks through intelligence collection and other efforts while also trying to help it perform its traditional role as a world-class law enforcement agency for investigating terrorism and other crimes.

We conducted the largest reorganization of the Federal Government since 1947 by creating the Department of Homeland Security, bringing unparalleled focus and resources to homeland security efforts.

We have dramatically increased security on airplanes and other transportation systems on our borders and in our ports, providing significantly in-

creased support for America's first responders.

We have broken down the unnecessary "wall" between law enforcement and intelligence gathering with the USA PATRIOT Act and with internal procedures and guidelines that are reformed so that our intelligence agencies and our law enforcement agencies can do their job without artificial restrictions that would keep them from doing something as simple as tracing through cell phones potential terrorists who are planning some kind of action against innocent law-abiding Americans.

We are going to challenge these security issues. We are not going to ignore them. We are not going to wait for a future tragedy.

Recently, President Bush articulated three commitments in our strategy for peace.

First, we are defending the peace by taking the fight to the enemy. We are not sitting here waiting for the enemy to come back to America; we are taking the fight where the enemy is. We are taking the fight to the Taliban resurgents in Afghanistan. We are taking the fight to Iraq where, Heaven knows, we have seen the brutality of Saddam Hussein in his support for terrorists by giving \$25,000 rewards to suicide bombers in Israel.

Second, we are protecting the peace by working with friends and allies and international institutions to isolate and confront terrorists and outlaw regimes. We are laser-beam focused in the war on terrorism.

We are working with the United Nations, the International Atomic Energy Agency, and other international organizations to take action for our common security. We are not facing a security threat just in the United States; we are facing a security threat to every freedom-loving country. Every country that lives in freedom is a target. We have seen it in bombings throughout the world, and recently in Spain.

Third, we are extending the peace by supporting the rise of democracy.

It is absolutely proven that in democratic and successful societies, men and women will not allow the malcontent and zealots and murderers to stay among them. They turn their labor to rebuilding and to better lives.

Is there one person in the world who has children who doesn't want the best for them? Is there a person in the world who doesn't want an education for their children so their children will have a better life than they did? Is there one person in the world who doesn't want that? It is clear that the way to get education for every child and a quality of life that would be good for every child to grow up in is democracy and freedom. That is how you get it. That is what we are trying to provide. We are doing it in places such as Afghanistan and Iraq where they haven't known freedom for years. We have some successes.

Look at Afghanistan. Three years ago, Afghanistan was the home base of

al-Qaida, ruled by the Taliban, the most cruel of regimes imaginable. The things they did to women and children are unimaginable in our country. Today, Afghanistan is looking at a presidential election this fall. The terror camps are closed. The Afghan Government is helping us to hunt down the remnants of the Taliban. The American people are safer because Afghanistan is now stabilized with a great President, Hamid Karzai, who wants for his people the same thing that everybody wants—freedom, democracy, education, good health care, jobs, and an economy. He is trying to provide it, and we are helping him, and we are safer because of it.

Let us look at Pakistan. Three years ago, Pakistan was a country that openly recognized the Taliban. Al-Qaida was active. They were recruiting in Pakistan. The United States was not on really good terms with Pakistan at that time, but today, we see a great ally in Pakistan. President Musharraf is a friend to our country. He is making reforms in Pakistan and trying to root out the same Taliban/al-Qaida network in the remote regions that have terrorized Afghanistan and, in fact, have hurt the people of Pakistan as well. It was Pakistan that helped us capture Khalid Shaikh Mohammed, the planner of the 9/11 attack on America.

Who could say we are not safer today because we have an alliance with Pakistan and an alliance and a stake in the stability of Afghanistan?

Iraq, 3 years ago; where were the people of Iraq? The ruler of Iraq was an enemy of our country. He was a mass murderer. He had used weapons of mass destruction on his own people.

Today, we see pictures of him in a system of justice which he never allowed his own people. But he is going to have justice. It is going to be given justice by the people he treated so horribly. The people of Iraq are seeking justice.

The people of America are safer because Saddam Hussein is gone. He is not giving \$25,000 to the family of a suicide bomber to blow up a bus in Israel and kill children. We are safer because there will be elections in Iraq. By next January, we will see the people of Iraq speaking about their own government. In fact, U.N. Secretary Kofi Annan has named a career diplomat to the post that has been vacant since suicide bombers blew up the U.N. headquarters in Baghdad last August, killing the last U.N. representative there. America is safer because Saddam Hussein is behind bars and because his sons are no longer torturing and maiming hundreds of people in Iraq.

Saudi Arabia, 3 years ago; Saudi Arabia had terrorists within its midst and they were looking the other way. Today, Saudi Arabia says they are trying to find the attackers. They are finally realizing the growth of these terrorist regimes hurt their people, too. We are going to try to help Saudi Arabia in every way they ask us to help, to root out the terrorists who have fomented in their country.

If there is no place for the terrorists to hide in the Middle East, and if people are starting to see an economy, and if there are democracies emerging in places such as Iraq, it will change the course of the whole Middle East.

Libya, 3 years ago; Libya, a longtime supporter of terror, was spending millions of dollars to acquire chemical and nuclear weapons. Today, thousands of Libya's chemical munitions have been destroyed. The Libyan Government finally saw that the civilized world was not going to sit back any longer and let it continue to proliferate weapons of mass destruction. Muammar Qadhafi, in Libya, said: We are going to abandon any chance for nuclear weapons to be produced in our country.

We are seeing the breakdown of the terrorist regimes, one by one, in the Middle East. Why are we seeing the regimes go away and the beginnings of democracy come forward? Because our President has been focused. He has not relented in the war on terrorism. He has not relented in his responsibility to protect the people of America. Everything he has done has been with one goal in mind and that is to protect the people of America. That is the President's focus and that is why we are as far along as we are.

Let me read from an AP story about the success of the newly emerging Iraq stock exchange. From the AP on Sunday, July 18:

The miniature Liberty Bell clanged. Elbows flew. Sweat poured down foreheads. Sales tickets were passed and, with the flick of the wrist, 10,000 shares of the Middle East Bank has more than doubled in value.

The frantic pace Sunday of those first 10 minutes of trading typified the enthusiasm behind the Iraq Stock Exchange—a new institution seen as a critical step in building a new Iraqi economy.

In just five sessions, trading volume has nearly quadrupled and the value of some stocks has surged more than 600 percent. . . .

The exchange's chief executive, as he eyed the activity on the trading floor, which is housed in a converted restaurant because looters had gutted the old exchange, looked out and said: How can I not be excited about this?

The unofficial figures of the day's trade tell the story. Over 10 million equivalent dollars in stocks changed hands, reflecting the movement of 1.43 million shares—although only 27 companies are listed on the exchange.

That is just one more step in the stabilization of Iraq. America is going to stay to help Iraq as they recover from the brutal regime of Saddam Hussein. As long as we are asked to stay to stabilize, we will be there. When we are no longer needed with the allies that are staying with us, we will happily leave that country in the hands of trained military personnel for security and in the hands of elected democratic leaders selected by the vote of the people.

Today, we see the emerging of the temporary government of Sunnis and Shiites and Kurds, working together to create a unified Iraq that will be able to hold elections for that country.

We have more to do. We all know we have more work to do. Our President

has done so much in 3 years, rebuilding the areas of New York that were hit by terrorists, building up our security network, spending billions for homeland security, focusing on airline, airplane, and airport security, port security.

We live in a big country. We live in a free country. It is hard to get control in a free country of every potential site that a terrorist might attack. But because we are free, the people of our country are stepping up to the plate, too; they are helping. They are being vigilant. They are looking for things that are strange and reporting them. We believe attacks have been averted because of the vigilance of the President and Congress and the people of the United States.

We must remain a united country. When I hear some of the debates in the political arena, it is as if people are saying, we are two different countries; we are a divided country.

We are not a divided country. We need leaders who recognize we are not a divided country. We are a unified country. We need leaders who will unify America and talk to the people about what we can do together that will make us stronger, standing up and celebrating our diversity, showing how it can work in a free and democratic society. That is what we are proving by leading as unifiers.

We have a President of the United States who is leading for security and unification of our country. We must work with the President as a united Congress to combat terrorism for the security of our people.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 15 minutes.

THE 9/11 COMMISSION REPORT

Mr. SCHUMER. Mr. President, I rise today to discuss the imminent release of the final report of the 9/11 Commission. The Commission's report will be the final product of a long and comprehensive process that has at times deeply touched the families of those who were lost on 9/11 and has questioned the ability of our Government to defend against a new terrorist threat.

As the Commission issues its report, the state of the Union on homeland security is not good enough. Are we better off than we were on 9/11, as my colleague from Texas has mentioned? Yes, we are. Are we doing everything we can to protect ourselves? Absolutely not. Are we putting the same energy in the homeland to defend ourselves that we are putting into the war overseas? No, unfortunately not.

Time and time again, on homeland security, we are not doing enough. And the view of the White House is that it takes a back seat to fighting the war on terror overseas. Dollars that are needed for so many projects are not

forthcoming in this administration's budget or from the Congress, for that matter. That is a bad thing and a sad thing for America.

That is why this report that the Commission is issuing is so important. It is my hope, it is my prayer, that it importunes us to do more so that another 9/11 will never happen.

First, I would like to address the Commission itself. They have done a remarkable job. This Commission, as we know, was created with a mandate of exploring how the United States became vulnerable to a terrorist attack as large and as complex as that attack which so hurt us on 9/11. The Commission was resisted by the White House and by some in this body. But it was the families that forced it to happen: the four brave widows from New Jersey who said they would not rest until there was a commission. Those families and many other families of the victims in New York, my State, were relentless in not only forcing a commission to occur, but in forcing it to be a bipartisan commission, a nonpolitical commission that had full power to get to the bottom of what happened.

I can tell you, having spoken to many of the family members, they only had one mission. They are Republicans and Democrats; they are conservatives, moderates, and liberals. Their mission was a simple one. Walking with holes in their hearts because their loved ones had been taken from us in such a cruel event, their mission was a generous one, I might say a noble one: that this never happen again. Their view, which I think America has accepted, is that the only way we can prevent a future 9/11 is to learn of the mistakes that were made before 9/11.

The Commission was led by two remarkably nonpartisan figures: Governor Thomas Kean, Republican of New Jersey; Congressman Lee Hamilton, Democrat of Indiana. They steered the Commission away from finger-pointing, away from blame, away from partisanship but, rather, toward "just the facts, ma'am," as Jack Webb said on "Dragnet." Just the facts is what they wanted to find out so we could then learn of the mistakes that were made—not to excoriate, not to blame, but, rather, to correct and make sure it does not happen again.

The Commission dutifully pursued this task, despite resistance from many quarters in Washington. It did not shirk from even the most troubling aspects of its investigation.

The final report is about to be released this week. It is important that every one of us, that every American, learn of its findings, and we make sure our Government, without delay, examines those recommendations and then acts to make us safer still.

There are a couple of things that have come out already about what the Commission wants. They have recommended there be a Cabinet level appointee of the President to be in charge of all intelligence. It makes eminent

sense, in my judgment. We cannot even count the number of intelligence agencies there are. And so many of them are too interested in turf. One agency finds out something and does not tell another so they might gain a leg up. There is a lack of coordination, even the fact that their computers do not talk to one another. It all hurts every one of us in terms of our desire to be secure and make sure another terrorist attack does not occur.

By having one Cabinet officer in charge of all intelligence, with budgetary authority, that Cabinet officer can enforce a regime which will require all of the agencies to cooperate with one another.

There will also be some structural changes within the agencies. In the FBI, an agency I have been very interested in, I am hopeful the Commission will recommend something I know they considered, and I think may well recommend, which is there be a separate part of the FBI dealing with counterterrorism.

The FBI's mission in the past has always been to find out who did crimes and prosecute them. The FBI does a very good job of that. But counterterrorism is different. We have to prevent crimes. It requires a different mentality. It is my hope we will rearrange the FBI. Some have recommended a separate agency for counterintelligence. I think that may go too far. But to have a reorganization within the FBI makes a great deal of sense.

Now, these are a few of the recommendations that will come out. There are going to be many more. Let me just say, the tendency of some here in Washington, some in the White House, when they hear news they disagree with or that points to an error that was made, instead of responding on the merits and saying, Here is why you are wrong, or here is why we want to do it differently, they disparage the messenger. They call them not patriotic. They call them political. They call them partisan.

This Commission, if ever, is not partisan and is not political. We should listen to their recommendations, and I hope there is not delay. Some are going to say: Let's wait until next year on their clear-cut recommendations. If the rumors are correct, the Commission will be unanimous. All the Democrats and all the Republicans will have one set of recommendations. So, again, it is not partisan, and there is an equal number of each party on the Commission. We should not wait. To wait until next year—a new Congress, maybe a new President—will delay us. These recommendations should not be put in a political context and should not be looked at in light of the political calendar that is upon us. We should immediately move, in September, when we return, to enact these recommendations. We may choose to modify them. Perhaps the body will reject them.

There is a lot of talk that the Defense Department and the CIA will op-

pose having an overseer above them. We will have to debate that. I hope we listen to the Commission. But to delay would be delaying our safety.

So I hope and pray we will move quickly and move forward and not either kneecap the Commission—because already I saw some column by a very conservative gentleman who said: The Commission, forget about it. All this writer was interested in was saying the President did everything right.

Whether you are a Democrat or Republican, whether you are a liberal or a conservative, we know that neither this President nor prior Presidents of both parties did everything right or we would not have had a 9/11.

So, again, let us not put our defensive shields up and hunker down for a fight. Let us make this one of those rare moments of bipartisanship, as the Commission itself has, and adopt their recommendations.

Now, let me say, as somebody who cares a great deal about homeland security, there are a number of areas where we are not doing enough. I don't know if the Commission will address these, but I hope so. We have done a pretty good job on air security. Flying is a lot safer and less prone to terrorism today than before 9/11. But we have not done everything there. One big problem is shoulder-held missiles. We know terrorists have them. God forbid, they smuggle some of those into the United States and shoot down 5 or 10 planes at once in Boston, or New York, or Houston, or Seattle, or Denver, or Chicago. We are not doing enough there.

We are doing far too little on port security. The percentage of the big containers that come into our Pacific ports, Atlantic ports, and gulf coast ports that are inspected is too few. The technology has not been implemented as quickly as it might be.

On truck security and rail security, Madrid was a wake-up call. We are far behind what we should be doing.

The unfortunate problem is that the terrorists have access to the Internet just as we all do. They are on it diligently looking for where we are weak. If we strengthen air security, they will look to the ports. If we strengthen the ports, they will look to the rails. So we have to have a multifront war. We are not doing enough.

On so many of these issues, as somebody who comes from New York and still lives with the grief that so many of my constituents feel, I can tell you we are not doing close to enough. Oftentimes, it is not that we don't have the technology and not that we don't have the ability; it is that we don't put in the money that is needed. I think if you ask most Americans what their priorities are, homeland security would be at the top of the list. Unfortunately, we get a lot of talk and not much action.

Another place where we are way behind is how we give out our homeland security funds. To its credit, the first

year, the administration really allocated the money on the basis of need. My State of New York got about a third of the funds, which is probably right. But then they abandoned ship. Once Mitch Daniels left, who was head of OMB, a true conservative who didn't want to spend money, these homeland security funds became pork battle and they are spread thin.

I say to the Chair, I know everybody has some needs, but to have his State get, on a per capita basis, far more dollars than mine in terms of homeland security, I don't think seems right, much as I want to protect both. Over and over again, on homeland security funds, we have not allocated it to the places of greatest crisis. That, too, is a problem.

So the bottom line is this: I hope this report will be what it should be, a wake-up call—a wake-up call that, on intelligence, our agencies are too disparate, they don't talk to one another or coordinate with one another. They are not doing the job they should and we have to correct that. I hope it is a wake-up call that here at home on homeland security we are not doing enough. It is common knowledge that, as so many say, to win a basketball or a football game you need both a good offense and a good defense. We have an offense out there all right. I have been largely supportive of that offense. But we are not doing enough on the defense. You cannot win a game without a good defense. I hope it is a wake-up call on defense as well. I hope it is a wake-up call.

I hope the report will be comprehensive, and that it will talk about so many things—immigration, rail, port, truck security, and air security. It will talk about all of the things that we did wrong before 9/11. Again, instead of finger-pointing, instead of seeking blame, instead of ducking, let's hope this report importunes the Congress, importunes the White House to one of its finest hours in that we spend some time in September, after having had plenty of time to analyze the report, to implementing its recommendations—at least the ones the Congress sees fit. It would be unacceptable for us to just look at the report for a day and then do nothing. That would be a dereliction of our duty to our citizens to do what we are required to do, that which the Constitution requires us to do—protect the security of Americans.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, how much time do I have under the order?

The ACTING PRESIDENT pro tempore. Ten minutes.

LEAK INVESTIGATION

Mr. HARKIN. Mr. President, I am here on the Senate floor again today to remind my colleagues, and those who may be watching on C-SPAN, that it

has now been 1 year and 6 days since two high-ranking White House officials leaked the name of agent Valerie Plame, a CIA agent, to a columnist by the name of Robert Novak, who then published it in his column. Two high-ranking White House officials leaked this name to more than one reporter. It is interesting that no other reporters reported it except Robert Novak.

Here we are 372 days—1 year and 6 days after this crime was committed. We still have no answers about who in the White House was responsible for this leak. We still have no assurance from the President or the Vice President that those who are responsible do not still remain in high-ranking decision making roles in the White House. They are probably still there.

This administration has failed to find and punish the officials responsible for this criminal action. Ms. Plame's identity was leaked by senior White House officials only 8 days after her husband questioned in print one of the key administration justifications for the war in Iraq; that is, that Iraq had sought to buy uranium ore from the country of Niger.

This blatant defiance of public accountability weakens our country. It damages our international credibility and undercuts our human intelligence efforts at a time when they are needed more than ever. It is just one example of the way this administration has weakened America's standing in the world.

I will speak further to this issue during the remainder of the week. Again, I will continue to point out how this has weakened America. Last month, for example, a group of 26 former senior diplomats and military officials who worked for Presidents of both parties, Republican and Democrat, issued a compelling statement about the damage the administration has done to our security. Their statement said:

Our security has been weakened.

It said further:

[The] Bush administration has shown that it does not grasp the circumstances of the new era and is not able to rise to the responsibility of world leadership in either style or substance.

When a former Ambassador, Joseph Wilson, raised issues that questioned part of President Bush's rationale for the war in Iraq, this administration attacked him politically, and then went after his wife. And the smear campaign continues, as we have seen in recent columns and four statements this week.

I am not here to criticize or defend former Ambassador Joseph Wilson. I am here to make the point that when he dared to question whether one of the President's justifications for the war in Iraq was correct, the White House was so intent on discrediting him that they were willing to expose the identity of an undercover CIA agent in an act of vicious political retribution. They were willing to break the law, and to damage the relationship between the White

House and the intelligence community. This administration purposefully stretched intelligence data they knew to be questionable to justify the war to the American people and to Congress.

According to the Senate Intelligence Committee report, in February of 2002, the CIA sent former Ambassador Wilson to Niger to investigate claims that Iraq had sought to purchase Nigerian uranium ore. His trip and subsequent debriefing neither verified the claim, nor disproved it. Following his trip, the intelligence community continued efforts to verify the claim.

In October of 2002, the White House sought to include that claim—that Iraq had tried to buy uranium ore from Niger—in a policy speech by the President that was to be given in Cincinnati. But the CIA had such serious concerns about this being in his speech that they sent a memo to the White House seeking changes. The CIA did not think these concerns were being taken seriously, so the following day, they sent a second memo that urged the information be deleted from the President's speech.

So now we have two memos to the White House on subsequent days asking that this be taken out of his speech because "the evidence was weak" and that the CIA had told Congress that "the Africa story was overblown." That same day, CIA Director Tenet personally called Deputy National Security Adviser Stephen Hadley to express his concerns about using this information in the speech. And guess what. It was taken out of the President's speech by Stephen Hadley, the Deputy National Security Adviser.

That is how concerned the CIA was about this information and about the credibility of the information: two memos and a personal call from the Director of the CIA to Deputy National Security Adviser Hadley. It was taken out of the President's speech. This is October.

Between October and January, both the State Department and the CIA obtained copies of documents that purported to be a uranium ore purchase agreement between Iraq and Niger. As I heard, these documents came from someplace in Italy. But the State Department determined the documents were probably a hoax.

So between October and January, there was even more reason to doubt the credibility of these uranium ore claims. Nonetheless, when the President took the floor in the House Chamber to give his State of the Union Message, what happened? Those claims were included in his speech.

Who was the person responsible for vetting, for clearing these kinds of statements in the President's State of the Union Message? Guess what, it was Stephen Hadley, the Deputy National Security Adviser. He was in charge of vetting the national security issues for the President's State of the Union speech. This was the same person who just a couple of months before had received two memos and a personal

phone call from Mr. Tenet, the head of the CIA, telling him these claims were highly suspect. But these words made it into the President's State of the Union Message. Thus, the White House, in its determination to wage war, included information they knew to be questionable to justify the war in Iraq.

Six months later, when Joseph Wilson questioned that information, two senior White House officials undertook a campaign to destroy the career of his wife. Who would have known that Valerie Plame was married to Joseph Wilson? Maybe some in the CIA knew it. I don't know who else knew it. They had different names. She was deep undercover. She was not given diplomatic immunity. She was very deep undercover in the CIA.

In the process of blowing Ms. Plame's cover, these White House officials cost the people of this country a 20-year investment in Valerie Plame. They placed into jeopardy her entire network of contacts and CIA operatives. They caused the entire intelligence community to question whether they might be next and be exposed. Thus, they weakened the reputation of this country at home and abroad.

Don't take my word for it; take the words of three former CIA high-ranking officials. Vincent Cannistrano, former chief of operations and analysis at the CIA counterterrorism center, said of the Plame disclosure:

The consequences are much greater than Valerie Plame's job as a clandestine CIA employee. They include damage to the lives and livelihoods of many foreign nationals with whom she was connected, and it has destroyed a clandestine cover mechanism that may have been used to protect other CIA non-official covered officers.

Or the words of James Marcinkowski, a former CIA operations officer, he said:

The deliberate exposure and identification of Ambassador Wilson's wife by our own Government was unprecedented, unnecessary, harmful, and dangerous.

Larry Johnson, a former CIA analyst, said:

For this administration to run on a security platform and to allow people in this administration to compromise the security of intelligence assets I think is unconscionable.

No one listening to these three men could have any doubts about the damage this act has done to our intelligence community and the extent to which this has weakened America.

We have seen that this administration has put relentless pressure on the intelligence community to justify the war. I have been informed that Vice President CHENEY personally went to the CIA headquarters—personally went across the river in Virginia to the CIA headquarters—at least eight times in the months when this intelligence data was under review. The Los Angeles Times reported last week that the Vice President's office even prepared its own dossier of all the information they thought should be used by the Secretary of State to justify the war,

much of which the State Department rejected.

My question is, what was Vice President CHENEY doing visiting the CIA over eight times? This is unprecedented—unprecedented.

And my final question is this: Where is the same drive and determination by the President or the Vice President when it comes to finding those responsible for the breach of national security this leak caused?

The people who exposed Valerie Plame broke the law. Title 50 U.S.C., section 421. It is very clear on this: Any person who has access to classified information that identifies a covert agent shall be fined or imprisoned not more than 10 years or both.

I ask unanimous consent that the exact words of 50 U.S.C., section 421, be printed in the RECORD.

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

TITLE 50.—WAR AND NATIONAL DEFENSE
CHAPTER 15.—NATIONAL SECURITY, PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION, 50 USC § 421 (2004)

§ 421. Protection of identities of certain United States undercover intelligence officers, agents, informants, and sources.

(a) Disclosure of information by persons having or having had access to classified information that identifies covert agent. Whoever, having or having had authorized access to classified information that identifies a covert agent, intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined under title 18, United States Code, or imprisoned not more than ten years, or both.

(b) Disclosure of information by persons who learn identity of covert agent as result of having access to classified information. Whoever, as a result of having authorized access to classified information, learns the identity of a covert agent and intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

(c) Disclosure of information by persons in course of pattern of activities intended to identify and expose covert agents. Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined under title 18, United States Code, or imprisoned not more than three years, or both.

(d) Imposition of consecutive sentences. A term of imprisonment imposed under this

section shall be consecutive to any other sentence of imprisonment.

Mr. HARKIN. Mr. President, this law does not make any exceptions. It does not say, you can be fined or put in prison unless your spouse has gone against the administration's policy. It does not have that in here. No one is excused, not even, in my opinion, Mr. Novak.

One year and 6 days later we are still waiting for some action to be taken against those who broke the law. I have said repeatedly, if the President wanted to know the identity of these high-ranking officials, he could have done so within 24 hours. Clearly, Mr. Bush does not want to know the identity of the leakers, and when he was asked about it, he just dismissed it out of hand, smiled about it, said: There are a lot of leakers, who knows, a lot of people in the administration, and he just brushed it off. Where is Mr. Bush's sense of outrage that two people would do this and so weaken America's national security?

I think getting these answers means only one thing: The President of the United States, Mr. Bush, the Vice President of the United States, Mr. CHENEY, should be put under oath and filmed at the same time and deposed and asked these questions. One might say: Senator, that is an awful drastic step to be taken to put the President and Vice President under oath. I remind my colleagues that just a very few years ago a former President was put under oath and questioned under oath and filmed, and we sat in this Chamber and watched on television sets the deposition of former President Clinton when he was put under oath.

Regardless of how one may have felt about the impeachment one way or the other, I think the fact that the President was put under oath and questioned sent a signal very loudly and clearly to the people of this country: No one is above the law, not even the President of the United States. If it was good enough for a former President, it is good enough for this President.

The ACTING PRESIDENT pro tempore. The Senator has consumed the 5 minutes allocated to Senator REID as well.

All time has expired on the Democratic side.

Mr. LEAHY. Mr. President, am I correct that we will now go to the Myers nomination?

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF WILLIAM GERRY MYERS III TO BE A UNITED STATES CIRCUIT JUDGE FOR THE NINTH CIRCUIT

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senate will proceed to executive session and resume consideration of Calendar No. 603, which the clerk will report.

The legislative clerk read the nomination of William Gerry Myers III of Idaho to be United States circuit judge for the Ninth Circuit.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12:30 p.m. shall be equally divided for debate only between the chairman and the ranking member or their designees.

The Senator from Vermont.

Mr. LEAHY. Mr. President, on this side I have how much time?

The ACTING PRESIDENT pro tempore. There is 34½ minutes.

Mr. LEAHY. Mr. President, not long ago the Democratic leadership reached an agreement with the White House that both sides believed was reasonable and fair. Actually, it was the Democratic leadership, the Republican leadership, and the White House. We agreed to hold votes for 25 of the President's judicial nominees, including one that was so controversial that he received what might have been the highest number of "no" votes ever from both Republicans and Democrats for a confirmed judge.

Now in return for those good-faith votes, the White House agreed not to make any more recess appointments of judges for the remainder of the President's term. So we fulfilled our end of the deal. When we were in the majority during 17 months, we moved 100 of President Bush's nominees. In about 27 or 28 months, the Republican majority has moved another 98 or 99. Of course, we brought up for consideration and agreed to consideration of all 25 of the judicial nominees we had agreed on with the President.

Probably on the basis that no good deed goes unpunished, especially with the most political, poll-driven administration I have seen in the time I have been here, the day after the debate and this extremely closely divided vote on the last of the group of those 25 judicial nominees, one many Republicans voted against, President Bush flew to North Carolina and then on to Michigan in an effort to politicize this issue anew. It appears that nominating and appointing his most ideological, partisan slate of judicial nominees is not enough for this President.

Besting the confirmation record of Ronald Reagan, former President Bush, and President Clinton does not satisfy him. The President continues to insist that every nominee, every nomination he makes to a lifetime, well-paying position, must be confirmed by the Senate because he is President, making the nominations. This ignores the fact that that has never been the case. Even President George Washington, the most popular President in this Nation's history, saw the Senate reject his nominees. President Franklin Roosevelt, who carried all but two States in the country in his reelection bid,

with a heavily Democratic Senate, saw them reject his court-packing plan.

Like the recent abuse of the Constitution for partisan political purposes, I believe the President is trying to turn the independent Federal judiciary into an arm of the Republican Party. He has politicized the filling of judicial vacancies beyond anyone who preceded him and now we see he is exploiting this important Presidential authority as a campaign issue.

The independent Federal judiciary should not be an arm of the Democrat party or the Republican Party, and the American people should not fall for it. Facts are stubborn things. No amount of demagoguery overcomes the facts. The Senate has now confirmed 198 judges.

We have objected to a small handful of the most extreme or unqualified nominees. The President uses sharp rhetoric about "activist judges," yet he nominates activist candidates from the far right wing of his party. When we have felt it necessary to draw the line at some of these candidates, we have done so to protect the rights of the American people from being undercut by partisan and ideological activists. We have tried to ensure the independence of the federal courts so that this Administration and its enablers in the Senate would not successfully turn our courts into an arm of the Republican Party.

We have cut vacancies on the federal judiciary to one quarter of what Republicans maintained during the Clinton Administration. Let me repeat that: Today, vacancies are one fourth what they were when Republicans were blocking dozens of President Clinton's judicial nominees. We have even reduced circuit court vacancies by more than 60 percent. By contrast, under Republican Senate leadership during the Clinton Administration, circuit court vacancies more than doubled from 16 to 33. From the high of 110 vacancies in the federal system that Republicans maintained during the Clinton Presidency, the federal courts are now down to 27 vacancies. There are more active judges serving on the federal courts today than at any time in our nation's history.

Not that the facts will deter the President and Republican partisans during this election year. This is another area on which this President has been a divider and not a uniter, in spite of the promises he made during his last campaign. Instead of working with us and uniting all Americans and strengthening their confidence in our courts, he and his supporters criticize the courts and attack the Senate for fulfilling its constitutional responsibilities and standing up to the most extreme of his nominees. The Senate has withheld consent only from the worst of his nominees, but he insists on sending more nominees who divide the Senate and the American people.

The nomination before us on which the Republican leadership insists the

Senate devote three days is perhaps the most anti-environmental judicial nominee sent to the Senate. The nomination of William Myers to the United States Court of Appeals for the Ninth Circuit is an example of how this President has misused his power of appointment to the federal bench. Mr. Myers is neither qualified nor independent enough to receive confirmation for a lifetime appointment to this federal circuit court. His nomination is the epitome of the anti-environmental tilt of so many of President Bush's nominees.

Mr. Myers' hometown newspaper warned that as Solicitor at the Department of the Interior: "Myers sounds less like an attorney, and more like an apologist for his old friends in the cattle industry." He has a record of extremism when it comes to his opposition to environmental protections, having gone as far as comparing the federal government's management of public lands to "the tyrannical actions of King George" over the American colonies and arguing that the government is fueling "a modern-day revolution" in the American West.

Well, I come from a part of the country that fought a revolution to overturn the tyrannical power of King George, and even though I may disagree with this administration, I do not liken this or any other administration to the tyrannical rule of King George.

I have carefully reviewed the record Mr. Myers has logged in private practice and in the Bush administration. I asked him a series of questions at his hearing in February and later in writing after that hearing. We gave Mr. Myers every opportunity to be heard and to make his case that he would be a fair and impartial adjudicator if he is confirmed to the Federal bench. Unfortunately, the only conclusion I have been able to arrive at is that if he is confirmed he would be an anti-environmental activist on the bench. He has a consistent record of using whatever position and authority he has had to fight for corporate interests at the expense of the environment and at the expense of the interests of the American people in environmental protections.

For 22 years, Mr. Myers has been an outspoken antagonist of long-established environmental protections, usually wearing the hat of a paid lobbyist for industry. At his hearing, he attempted to defend his anti-environmental statements and actions by saying he was just acting as an attorney, "on behalf of his clients." This is not a case of a representation of a defendant in a single case. He has chosen this career for which he has been amply rewarded both monetarily and by positions in the Bush administration.

An attorney also has a duty to follow the law and, on more than one occasion, Mr. Myers' advocacy has pushed the limits of the law. As The New York Times editorialized, Mr. Myers "regularly took positions that, though legally insupportable, would have had a

devastating impact on the environment."

As the chief lawyer at the Department of the Interior, Mr. Myers disregarded the law in order to make it easier for companies to mine on public lands—a position consistent with his prior role lobbying for mining interests while he was in private practice. He interpreted the mining law in a way that would have allowed the reversal of Secretary Babbitt's rejection of a permit for Glamis Mining Co. on land in the Southeastern California desert. Fortunately, an independent review by a federal court concluded that Mr. Myers' interpretation was wrong. The court called into question his ability to interpret a statute as he violated "three well-established canons of statutory construction." In addition, he acted without government-to-government consultation with the Quechan Indian Nation, a federally-recognized tribe, or other Colorado River Tribes, before taking action to imperil their sacred places.

As Solicitor General at the Interior Department, Mr. Myers encouraged two Northern California congressmen to sponsor legislation that would have given a private firm eight acres of valuable federal land in Yuba County, CA. Recognizing that the government did not have the right to turn over the land without compensation, he told the landowners that the "department would support private relief legislation" to accomplish that goal. The Department has since withdrawn its support for the private relief bill after its own agents produced readily available documents that conclusively proved that the government owned the land.

Mr. Myers' record on the environment would raise serious concerns no matter where he would be sitting as a judge. However, it is especially disturbing given the court to which he has been nominated. William Myers has been nominated to a circuit court with jurisdiction over an area of the country which contains hundreds of millions of acres of national parks, national forests and other public lands, tribal lands, and sacred sites. Judges on the Ninth Circuit decide legal disputes concerning the use and conservation of many of the most spectacular and sacred lands in America and often make the final decision on critical mining, grazing, logging, recreation, endangered species, coastal, wilderness, and other issues affecting the nation's natural heritage. These judges are also the arbiters on treaty, statutory, trust relationship, and other issues affecting American Indian tribal governments, Native Americans, and Alaska Native groups. The Ninth Circuit plays an enormous and pivotal role in interpreting and applying a broad range of environmental rules and protections that are important to millions of Americans, and to future generations of Americans.

At Mr. Myers's hearing, I raised concerns over what might be at stake if he

were to be confirmed. At stake is the longstanding acceptance of the Constitution's commerce clause as the source of congressional authority to enact safeguards to protect our air, water, and land. In *Solid Waste Agency of Northern Cook County v. U.S. Army Corps of Engineers*, Mr. Myers submitted an amicus brief arguing that the Commerce Clause does not support the United States Army Corps of Engineers' jurisdiction over isolated, intrastate waters on the basis that they are or have the potential to be migratory bird habitat. Mr. Myers' position raises concerns whether his extremely narrow view of the scope of the Constitution's commerce clause would undermine our nation's environmental, health, safety, labor, disability and civil rights laws.

At stake are environmental protections which can be struck down if taxpayers do not pay polluters, according to the extreme expansion of the takings clause that some judges have begun to adopt. Mr. Myers has taken this extreme view by arguing that property rights should receive the same level of constitutional scrutiny as free speech. His position raises concerns that he will interpret as "takings" the very laws implemented by Congress to protect our lands and our environment.

At stake is the true meaning of the Constitution's Eleventh Amendment and the right of citizens to sue to enforce environmental protections. In an era of ballooning government deficits and cuts in environmental enforcement budgets, there is much at stake if courts eliminate or minimize the critical role of "private attorneys general" who are needed to ensure that polluters are complying with federal mandates. Mr. Myers has even argued that judges should take a more active role in reducing lawsuits brought by environmentalists by requiring non-profit environmental organizations to post a bond for payment of costs and damages that could be suffered by any opposing party. He wrote: "Environmentalists are mountain biking to the courthouse as never before, bent on stopping human activity wherever it may promote health, safety and welfare." These positions raise concerns that plaintiffs in his courtroom who are members of environmental organizations will not be treated fairly.

For the last four years, the Bush administration has systematically, and often stealthily, set out to undermine the basic safeguards that have been used by administrations of both parties to protect the environment. One way the Bush administration has demonstrated its contempt for our nation's environmental laws is in the court system. A *Defenders of Wildlife* study covering the Administration's first 2 years noted how its agencies argued in court. Amazingly, in cases where the Administration had a chance to defend the National Environmental Protection Act (NEPA), more than 50 percent of the time it presented arguments in

court which would weaken NEPA. Similarly, the Administration argued to weaken the Endangered Species Act (ESA) more than 60 percent of the time.

Despite the Administration's arguments against the environmental laws it is entrusted with protecting, and despite the deference customarily paid to Executive agencies in federal court, the independent federal judiciary, thus far, has generally upheld our longstanding environmental laws. The courts ruled against the Administration's arguments to weaken NEPA 78 percent of the time, and ruled against the Administration's arguments to weaken the ESA an astounding 89 percent of the time. Further illustrating how important the judiciary has become for environmental protection, especially in the absence of a commitment to environmental protection by Executive agencies, the League of Conservation Voters for the first time included a vote on a judicial nominee on its 2003 scorecard of Senate votes. In the past year, our federal courts resisted efforts to weaken the Clean Water Act, the Clean Air Act, and the Endangered Species Act. The courts protected our National Monuments from challenges by extremist groups trying to strip them of their status, upheld air conditioning standards which save energy and money for consumers, and stopped Administration rollbacks that benefited industry at the expense of our forests. The result of these court decisions is that our vital wetlands and rivers are not decimated, diverse species are protected from extinction, and the standards for air quality are brought into compliance with the law.

There are, however, dark clouds on the horizon. There are cases pending where the outcomes could affect whether our air is threatened by toxic chemicals and whether our water and health are threatened by pollution and pesticides. There are cases pending whether to allow snowmobiles in our National Parks, whether to allow the Administration to open up 8.8 million acres of important wildlife habitat and hunting and fishing grounds in Alaska for oil and gas leasing, whether pumping dirty water into the Everglades violates the Clean Water Act, and whether the Administration can open our nation's largest National Forest to logging.

How will these cases be decided? Will the federal courts continue to stand as a bulwark against the administration's assault on environmental protection? Consider that in two recent cases, judges appointed by President Bush dissented, arguing against environmental protections. In one case, a Bush-appointed judge indicated that he might find the Endangered Species Act unconstitutional, and, in the other case, a Bush judge would have ruled to make it harder for public interest groups to prevent irreparable environmental harm through injunctive relief

while claims are pending. What if President Bush succeeds in appointing more like-minded judges and these Bush judges become the majority next time, positioned to strike down vital environmental protections? This is the type of judicial activism against established precedent that President Bush says he deplores, but he nominates and appoints judges who engage in wholesale judicial activism.

The Bush administration has already proposed more rollbacks to our environmental safeguards, aiming to benefit industry at the expense of the public's interest in clean air and water, our public lands, and some of our most fragile wildlife populations. While today we have a Federal judiciary which has in many instances prevented this administration's attempts to roll back important environmental laws and protections, in the future we may not be so fortunate. Today, the appellate courts in this country have tilted out of balance with Republican appointees already in control of 10 of the 13 circuit courts. The American people expect good stewardship of the nation's air, water and public lands, and the American people deserve that. Judges have a duty to enforce the protections imposed by environmental laws. The Senate has a duty to make sure that we do not put judges on the bench whose activism and personal ideology would prevent fair and impartial adjudication and would circumvent environmental protections that Congress intended to benefit the American people and generations to come.

An editorial in *The Boston Globe* recognized: "When the White House is in the clutches of the oil, coal, mining, and timber companies, as it is now, the best defenders of laws to protect the environment are often federal judges." The editorial concludes that if the Senate confirms William Myers, "the judicial check in this administration's unbalanced policies will be weakened."

For almost his entire 22-year legal career, Mr. Myers has worked in Washington—in political positions for Republican Administrations and as a lobbyist. He received a partial "Not Qualified" rating from the American Bar Association—the ABA's lowest passing grade. He has minimal courtroom experience—having never tried a jury case and having never served as counsel in any criminal litigation. It seems clear that William Myers was nominated not for his fitness to serve as a lifetime member of the federal judiciary but rather as a reward for serving the political aims of the administration.

When Mr. Myers was appointed to his legal post at the Department of the Interior, some described it as putting a fox in charge of the henhouse. Another metaphor that comes to mind is the revolving door that is emblematic of so many of this administration's appointments, especially to sensitive environmental posts. Mr. Myers' Interior appointment was the first "swoosh" of the revolving door. His nomination by

President Bush to one of the highest courts in the land completes the cycle. Mr. Myers is one of several nominees who have come before us because they are being awarded lifetime appointments to the federal courts based not primarily on their qualifications for the office, but as part of a spoils system for those who are well connected and have served the political aims of the Bush administration.

So many of President Clinton's judicial nominees upon whom the Senate took no action seemed to have been penalized for their government service or for having supported the President. Elena Kagan, James Lyons, Kent Markus and so many others never received hearings, and their nominations were defeated through Republican inaction and obstruction, without explanation. With a Republican President, Senate Republicans have reversed their field and position. We have already confirmed to lifetime appointments a number of Administration and Republican-connected candidates, including Judge Prost, Judge McConnell, Judge Cassell, Judge Shedd, Judge Wooten, Judge Chertoff, Judge Hudson, Judge Clark, and Judge Bybee. At this point in a presidential election year, in accordance with the Thurmond Rule, only consensus nominees being taken up with the approval of the majority and minority leaders and the chairman and ranking members of the Judiciary Committee should be considered. Mr. Myers is no such nominee. In 1996, the last time a President was seeking reelection, the Senate Republican majority refused to confirm any judges to the circuit courts. Not one was considered and confirmed that entire session. In contrast, this year we have already proceeded to confirm five additional circuit judges.

The list of those who are deeply concerned about, and who have felt compelled to oppose this nomination has been long and it continues to lengthen. More than 175 environmental, Native American, labor, civil rights, disability rights, women's rights and other organizations have signed a letter opposing Mr. Myers' confirmation to the Ninth Circuit Court of Appeals. The National Congress of American Indians, a coalition of more than 250 tribal governments, unanimously approved a resolution opposing Mr. Myers' nomination. The National Wildlife Federation, which has never opposed a judicial nomination by any President in its 68-year history, wrote:

Mr. Myers has so firmly established a public record of open hostility to environmental protections as to undermine any contention that he could bring an impartial perspective to the issues of wildlife and natural resource conservation that come before the court. Indeed, Mr. Myers is distinguished precisely by the ideological rigidity that marks his positions on these issues.

A letter from the California Legislature, signed by the Senate President Pro Tem, the Chair of the Senate Natural Resources Committee, and the Chair of the Senate Environmental

Quality Committee, strongly opposing Mr. Myers' nomination, told the Judiciary Committee:

Mr. Myers' record as Interior Solicitor of favoring the interests of the grazing and mining industries over the rights of Native Americans and the environment, coupled with his long history as an extreme advocate for those industries, cause serious doubts on his willingness or ability to put aside his personal views in performing his official duties.

I have great regard for the Senators from Idaho. I have affection for the former Senator from Wyoming who was my colleague on the Judiciary Committee for many years and who I consider a friend. In deference to them, I have examined Mr. Myers' record and asked myself whether I could support this nomination. Regrettably, I cannot.

If you watch what the Bush administration does, instead of just listening to what it says, there is much evidence of this administration's outright contempt for high environmental standards. This nomination, in itself, says something about that.

I hope that the Senate's vote today will say something about the higher priority that the Senate makes of environmental quality.

I must oppose Mr. Myers' confirmation.

Also, we know under the Thurmond rule he can't even be confirmed without the agreement of the Republican leader, the Democratic leader, the chairman, and myself.

We have come to a time when we can't get our budget done. We can't pass veterans appropriations or homeland security. We can't do these things because we don't have time, and yet we are wasting time on something everyone knows will go nowhere.

I must oppose Mr. Myers' nomination.

I yield 5 minutes to the distinguished Senator from Illinois.

Mr. DURBIN. Before yielding to me, would the Senator yield for a question?

Mr. LEAHY. Of course.

Mr. DURBIN. Would the Senator from Vermont inform me and the Senate the number of nominees of the Bush administration to date who have been approved by the Senate and the number of those who have been disapproved?

Mr. LEAHY. Mr. President, I would note that we have approved, first, 100 in the 17 months that we, the Democrats, were in charge of the Senate.

In the next 21, 22, 23 months, however long it was that the Republicans were in charge, another 98 were confirmed.

I don't think a single one was defeated on the Senate floor. A small number had been held back—I think about one-tenth of what the Republican majority held back during the Clinton Presidency.

Actually, I might say to my friend from Illinois, we have confirmed more than we did during President Reagan's first term when, of course, you had a Republican Senate throughout his term. For that matter, we confirmed

more than President George H.W. Bush.

Mr. DURBIN. If the Senator will further yield, if I am not mistaken, we have approved 198 nominees from the Bush administration, and only 6 have not been approved to date?

Mr. LEAHY. That is right.

Mr. DURBIN. Does that number meet the Senator's recollection?

Mr. LEAHY. Yes, and one highly contentious one went through. He had the most negative votes, of both Democrats and Republicans, of any nominee in history because of the extreme positions he had taken.

I yield 5 minutes.

Mr. DURBIN. Mr. President, I rise in opposition to the nomination of William Myers to the U.S. Court of Appeals for the Ninth Circuit.

William Myers is a successful lawyer and a passionate advocate. If I owned a mining company or a ranch and I needed a lobbyist, Mr. Myers would be the first person I would call. But I have concerns about whether Mr. Myers can walk away from a lifetime of lobbying for these special interests and be fair as a judge on the Nation's second highest court.

His loyalty to the grazing and mining industries and to ranchers has been undivided and passionate. He has advanced their agenda, whether on a private payroll or working for the Government.

For example, in a case from my home state of Illinois, Solid Waste Agency of Northern Cook County v. United States Corps of Engineers, Mr. Myers argued on behalf of the National Cattlemen's Beef Association that Federal regulation of certain land use was beyond the commerce clause power of Congress because that area is traditionally regulated by State and local governments. Mr. Myers' narrow reading of the commerce clause, if followed through, could jeopardize essential health, safety, environmental, and antidiscrimination laws.

In another Supreme Court case, *Babbitt v. Sweet Home Chapter of Communities for a Great Oregon*, Mr. Myers argued, on behalf of the National Cattlemen again, that:

... the constitutional right of a rancher to put his property to beneficial use is as fundamental as his right to freedom of speech or freedom from unreasonable search and seizure.

He argued that the freedom claimed by a rancher to use his property was equivalent to our freedom of speech under the Constitution. This is an argument that would make any cowboy blush. Mr. Myers should have known better. He should have known that the Supreme Court has held that only a very limited number of rights are so fundamental, such as freedom of speech and the right to privacy. Mr. Myers' celebration of property rights is reminiscent of the *Lochner* decision, an era of court law when property and economic rights trumped almost all others. All but the most radical thinkers

have rejected this ancient, discredited view. Mr. Myers lovingly embraces it.

The Ninth Circuit is a crucial battleground circuit. It hears a great many cases pitting property rights against environmental regulation. I have searched in vain for any evidence—any evidence—that Mr. Myers could rule on such cases with an open mind. I can't find it.

In a 1998 article entitled "Litigation Happy," Mr. Myers expressed concerns about environmental litigation. These are his words:

Environmentalists are mountain biking to the courthouse as never before, bent on stopping human activity wherever it may promote health, safety and welfare.

End of quote from nominee Myers.

He wrote another article in which he compared the Federal Government's management of public lands to King George's tyrannical rule of the American colonies, and he claimed that public land safeguards are fueling "a modern-day revolution" in the West.

Mr. Myers has stated that many environmental laws have "the unintended consequence of actually harming the environment."

He has denounced the California Desert Protection Act, a significant environmental law that was passed in 1994, thanks to the leadership of our colleague, Senator DIANNE FEINSTEIN. Mr. Myers calls that particular law "an example of legislative hubris." In his hearing he acknowledged his remark was a "poor choice of words," and we all appreciated his honesty. But as the *San Francisco Chronicle* put it:

Poor choices of words seem to be the rule, not the exception, in Myers' career.

President Bush rewarded Mr. Myers for his track record of advocacy by appointing him to be the top lawyer at the Department of Interior in 2001. While there, he formulated several important policy changes that favored the industries that he traditionally represented in public life. He issued a controversial legal opinion that prevented the voluntary retirement of Federal grazing permits. These voluntary retirements had enjoyed bipartisan political support, but they were opposed by the grazing industry. He also wrote a legal opinion overturning the policy of the Clinton administration and allowed for mining of the 1,600-acre Glamis open-pit gold mine.

This decision was strongly opposed by the Quechan Indian Nation because the mining violates their sacred lands.

Because of his role in the Glamis project, Mr. Myers' nomination has been opposed by the National Congress of American Indians, the first time this organization of 500 tribes has ever opposed a judicial nominee.

In addition, he has been opposed by virtually every major environmental group, including the National Wildlife Federation, which has never opposed a judicial nominee in its history.

The final concern I have about Mr. Myers is his minimal courtroom experience. He is seeking a spot on the sec-

ond highest court of the land and comes to this nomination with extremely limited experience in a courtroom. Mr. Myers' exposure to the courtroom has apparently been limited to watching the second half of "Law and Order."

He has never handled a case that went before a jury in 23 years of legal practice. He has participated in only three trials and he has no criminal litigation experience whatsoever. His lack of legal experience may explain why Mr. Myers received the ABA's lowest passing grade: "majority qualified" and "minority not qualified."

I believe President Bush can do better by this circuit. I don't think Mr. Myers should receive a lifetime appointment to the second highest court in the Nation.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Mr. President, I ask unanimous consent that I be yielded 5 minutes from the time of the minority.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHUMER. Thank you, Mr. President. I thank my colleagues here today.

I rise in strong opposition to the confirmation of William Myers. When the nine Democratic members of the Judiciary Committee unanimously vote against a nominee, you can be sure that there are real questions about the nominee that must be answered. We rarely do it.

Once again to reiterate, 198 judges approved, 6 opposed. Why are we trying to make Mr. Myers the seventh? Is it some lobbying group? Not at all. Is it the fact we just do not agree with his views? Clearly not.

The bottom line is that Mr. Myers is extreme on environmental issues and on land issues. And these issues are important where the Ninth Circuit probably has much more to say than any other circuit in the land, given the vast territory out west that it covers.

Mr. Myers is one sided and extreme. There has been no balance. There has been no attempt to see the other side. There has been no attempt to be judicious in the true sense of the word. That is why so many of us feel constrained to rise against him.

Nominating William Myers is like sticking a thumb in the eye of all Senators who believe extremists, right or left, should not be on the Federal bench.

The bottom line is very simple; that is, Mr. Myers has not shown a single iota of moderation as he has moved through his career. He has not been a judge or somebody who has had judicial experience. But that doesn't bother me. It bothers some. It doesn't bother me.

The problem is Mr. Myers' record screams "passionate activist." It doesn't so much as whisper "impartial judge."

Let us go over some of the things my colleague, Mr. DURBIN, mentioned. I

will elaborate on some of those. It is not just that Mr. Myers has spent almost every day of his career as a professional lobbyist advocating for mining and ranching interests to the detriment of environmental concerns. It is how he has done it. There is never an understanding that the other side has any merit.

The bottom line here is what he said: "Environmentalists are mountain biking"—that was snide—"to the courthouses, never before done, stopping human activity wherever it may promote health, safety, and welfare."

Human activity that pollutes the air or water? This man comes from such a narrow mindset that it is clear he doesn't belong on the bench.

The cases he was discussing when he said that included suits to halt the discriminatory placement of waste treatment facilities, protection of irrigation canals from toxic chemicals, and to stop logging in protected national forests.

Again, he shows such little tolerance for the other viewpoint that one doesn't have much faith that he can be an impartial judge.

When it comes to the environment, it seems like confirming William Myers would be like putting the fox in charge of the environmental hen house.

If one remark were an isolated incident, you could say, well, one remark shouldn't stop someone from being a judge. But he said the Clean Water Act has the unintended consequence of actually harming the environment. Who in America believes that? Some people—very few—may say it goes too far. But that it harms the environment?

He argues that it is fallacious to believe the central government can promote environmentalists.

Let me tell Mr. Myers something. In New York City where I live my lungs are cleaner because the Federal Government has a Clean Air Act. Maybe he doesn't need one in Idaho, but they sure need one in Los Angeles which is in the Ninth Circuit.

And the intolerance to say that the central government can never promote environmentalism—he has compared the Government's management of public lands to King George's tyrannical rule over the American Colonies.

I guess that kind of selfish freedom—you own the land and you can do whatever you want with it—is Mr. Myers' view. It is not America's view. This man has continued to have that view.

He said that professional environmentalists are primarily interested in fundraising and the selling of magazine subscriptions. Do we want to say the Cattlemen's Association is only interested in making money no matter what happens? What would the Cattlemen's Association or a rancher who is trying to do a good job think of that?

Mr. Myers' comments are hardly reflective of the moderation and temperament we look for from judicial nominees. His lack of understanding and intolerance come across over and over and over again.

When it comes to comments about the environment, Mr. Myers is like the Energizer bunny: He just keeps on going and going.

Earlier this year, the Buffalo News ran an editorial against his nomination, saying in part:

The Bush administration is showing an Oz-like talent for turning over protect-the-environment posts to former lobbyists who once sought to overturn the rules they are now being charged with keeping.

I couldn't agree more.

This is just another example of the Bush Administration saying one thing and doing another. They say they care more about the environment and then they nominate anti-environmentalists to defend it.

With Mr. Myers' nomination, we are not just through the looking glass; we are all the way down the rabbit hole.

I wish we didn't have rise today and vote no but I think we are compelled to. I urge my colleagues to reject this nomination.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HATCH. Mr. President, I yield such time as he needs to the distinguished Senator from Idaho.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. CRAPO. Thank you very much, Mr. President, I thank the chairman of the Judiciary Committee, Senator HATCH, for yielding me this time.

It is my honor to stand here in strong support of the nomination of William G. Myers to the U.S. Court of Appeals for the Ninth Circuit.

Contrary to the remarks we have just heard, former Solicitor of the Interior, William G. Myers is a highly respected attorney who has had extensive experience in the field of natural resources, public lands, and environmental law. His nomination enjoys widespread support from across the ideological and political spectrum.

Mr. Myers has been nominated to the Ninth Circuit Court of Appeals which covers the States of Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington, as well as Guam and the Northern Mariana Islands. He has a distinguished career serving on the issues that are critical to these States.

From July 2001 to October of 2003, Mr. Myers served as Solicitor of the Interior, the chief legal officer and third ranking official of the Department of the Interior. In that capacity, he was supervisor over 300 attorneys in 19 offices across the country and managed a \$47 million annual budget, and provided advice and counsel to the Secretary of the Interior, as well as to the Department's offices and bureaus.

He was confirmed by the Senate as Solicitor of the Interior by unanimous consent. At that time, these arguments that are now being brought forward simply were absent from the floor.

The reason is because Mr. Myers' strong service is respected across the political spectrum.

Before coming to the Department of Interior, Mr. Myers practiced at one of the most respectable law firms in the Rocky Mountain region, where he participated in an extensive array of Federal litigation involving public lands and natural resource issues. Some of the attacks on him are attacks made against him because of positions he took on behalf of clients, something which Members across the board in this Senate have said is not the appropriate way to judge whether a person will, as a judge, take a balanced view.

An advocate in the courtroom is different than a judge. One should not be judged in their professional qualifications when they are serving as an advocate, as is being done to Mr. Myers today.

From 1992 to 1993, Mr. Myers served in the Energy Department as the Deputy General Counsel for Programs, where he was the Department's principal legal adviser on matters pertaining to international energy, Government contracting, civilian nuclear programs, power marketing, and intervention and State regulatory proceedings.

He served as Assistant to the Attorney General of the United States from 1989 to 1992. In this capacity, he prepared the Attorney General for his responsibilities as Chairman of the President's Domestic Policy Council.

Before entering the Justice Department, Mr. Myers served over 4 years as legislative counsel for one of our former colleagues, Senator Alan Simpson of Wyoming, where he was Senator's Simpson principal adviser on public lands issues. Mr. Myers is a nationally recognized expert in natural resource law and public lands law. He served as vice chairman of the Public Lands and Land Use Committee of the American Bar Association, the section on environmental and energy and resources. In his home State of Idaho, Mr. Myers chaired Idaho State Board of Land Commissioners, Federal Lands Task Force Working Group, and the Boise Metro Chamber of Commerce State Affairs and Natural Resources Subcommittee.

He is an avid outdoorsman and committed conservationist. For the past 15 years, he served as a volunteer for the National Park Service and over that span has logged at least 180 days of volunteer service in numerous parks, performing trail work, campsite cleaning, visitor assistance, and park patrols.

He has widespread support, as I indicated, from across the political spectrum. Again, contrary to the comments made in the Senate today, Mr. Myers has the balanced demeanor to be an excellent Federal judge.

Former Democratic Idaho Governor Cecil Andrus, who also served as Secretary of the Interior in the Carter administration, supports Mr. Myers. He stated that Mr. Myers possesses "the necessary personal integrity, judicial temperament and legal experience, as

well as the ability to act fairly on matters of law that will come before him on the court."

In addition, former Democratic Governor of Wyoming, Mike Sullivan, who also served as a U.S. Ambassador to Ireland under the Clinton administration, endorses Mr. Myers. He calls Mr. Myers a thoughtful, well-grounded attorney who has reflected, by his career achievements, a commitment to excellence, and states that Mr. Myers would provide serious responsible and intellectual consideration to each matter before him as an appellate judge and would not be prone to extreme or ideological positions unattached to legal precedence or the merits of a given matter.

Mr. Myers is backed by every member of the Idaho congressional delegation and 15 State attorneys general, including three Democratic attorneys general—Ken Salazar from Colorado, Drew Edmondson from Oklahoma, and Patrick Crank from Wyoming—who strongly support Mr. Myers. These chief law enforcement officers from their States say Mr. Myers would bring to the Ninth Circuit strong intellectual skills combined with a strong sense of civility, decency, and respect for all.

Two former Attorneys General of the United States support Mr. Myers, one Republican and one Democrat. Former Attorney General William P. Barr states that Mr. Myers represents the epitome of judicial temperament and would do a great job, while former Attorney General Dick Thornburgh calls Mr. Myers exceptionally well-qualified to serve as a member of the Federal judiciary.

There have been some attacks made against Mr. Myers today to which I will briefly respond. As I said earlier, many of the attacks made against him are for positions he took advocating on behalf of clients or on behalf of an employer when he was working in the Department of the Interior or in other capacities.

Some groups claim that Mr. Myers did not adequately protect the environment as the Solicitor of the Interior. The record simply belies this argument. As Solicitor of the Interior, Mr. Myers vigorously fought to safeguard the environment and conserve natural resources. Mr. Myers sought to protect this country's lands and national parks and monuments. The list I have in front of me is extensive, listing actions he has taken as the Solicitor of the Department of the Interior to preserve and protect the incredible environmental resources which we have in this Nation.

He is also recognized for protecting indigenous animals as well as the environment and supported an agreement removing dams from the Penobscot River, in what conservationists called the biggest restoration project north of the Everglades. His involvement in working on wolf issues and on issues regarding nesting sites of endangered birds to protect them from harassment

of bird watchers has been significantly noted. He has a very pro-conservationist leaning.

Mr. Myers fought to protect our Nation's waters and to ensure the Nation was adequately compensated for the private use of natural resources. Again, he has been attacked in the Senate today for his defense of private property rights by those who do not want to see a balance brought back to the Ninth Circuit Court of Appeals. Mr. Myers has defended reasonable interpretations of the Outercontinental Water Royalty Relief Act to ensure that oil and gas companies did not enjoy unjustified windfalls through royalty-free activity and supported record royalty recoupment against Shell Oil Company regarding natural gas in the Gulf of Mexico.

This shows when there are actions taken by those who would harm the environment, he is prepared and ready to step forward. Yes, he does protect private property rights. He has a belief that private property protection means something in this country. He recognizes the value of private property in our Constitution and in our system of government in America. For that, he is being criticized in the Senate today.

We should be glad to have a nominee to the Ninth Circuit Court of Appeals who will help us bring some sense of balance back to that court. Our colleague from New York, Senator SCHUMER, who just debated, stated last year on the nomination of Jay Bybee that the Ninth Circuit is by far the most liberal of any court in our country. Most of the nominees are Democrats and from Democratic Presidents. It is the Ninth Circuit that gave us the Pledge of Allegiance case, which is way out of the mainstream on the left side. Mr. Myers would bring some conservative balance back to that Ninth Circuit court, it is true. Frankly, I personally believe one of the reasons he is being so strongly objected to in the Senate today is because there are many who do not want to see that balance brought back to the Ninth Circuit Court of Appeals.

Finally, I conclude by discussing a little bit more the qualifications of Bill Myers. I know him personally. As has been stated, he is from Idaho. He has shown throughout his legal career that he can be a fierce, strong, eloquent advocate for those who were his clients and for those who were his employers. His effectiveness in advocating on behalf of his clients and his employers is now being utilized against him. If that were done to other nominees, very few who were eloquent, strong advocates as attorneys or who were strong public servants serving as attorneys in the public service of our country would be able to pass through this Senate. We could find quotations in their briefs, quotations in their statements and in their advocacy which we could use in an isolated way to say they were taking too strong a stand.

The reality is, those who know him—Idaho Democratic Governor Cecil Andrus, Wyoming Democratic Governor, the Democratic Attorneys General who have worked with him—have given the true picture of Bill Myers. He is a man who with passion fights for that in which he believes but who has the ability, the skill, and the demeanor as a judge to stand in judgment with balanced reference to the precedent that comes before him. He would be an outstanding addition to the Ninth Circuit Court of Appeals. I encourage all Members in the Senate to vote to give him a chance to have his nomination considered.

In conclusion, let's remember what the vote is that we are having today. The vote we are having today is not on the nomination of Mr. Myers; it is on the effort to get cloture on the filibuster of his nomination.

We are voting today to answer the question of whether he is entitled to a vote on his nomination—something that, until this Congress, has always been allowed on someone who was put out of the Judiciary Committee and brought to the floor of the Senate. Never, before this Congress, has a nominee sent from the Judiciary Committee to the floor of the Senate been denied a vote on their nomination. Yet today we see, for the seventh time in this Congress, an honorable person who is nominated, and has made it all the way to the floor of this Senate, being threatened with the denial of even a vote on their nomination.

I encourage all of my colleagues to afford Mr. Myers the kind of opportunity that all persons before him—until this Congress—have been allowed to have; and that is, a vote on his nomination to the Ninth Circuit Court of Appeals.

Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent that the distinguished Senator from Wyoming be granted up to 5 minutes, and immediately following him, the distinguished Senator from Idaho be granted up to 5 minutes of our time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wyoming is recognized for up to 5 minutes.

Mr. THOMAS. Mr. President, I thank the chairman.

I come to the floor to speak on behalf of Bill Myers because of his activity in Wyoming and his work in Washington, working with a former Senator from Wyoming. But after hearing what was said on the other side of the aisle, I am particularly inclined to share a little bit about Bill Myers and the fact that he would bring some balance to the Ninth Circuit.

Fortunately, Wyoming is not in the Ninth Circuit, but I am concerned there would be someone there who has

dealt with public lands issues, who has dealt with the kinds of issues we deal with in the West, and who has done so very successfully.

So I support Bill Myers' nomination to the Ninth Circuit Court of Appeals. He has had a distinguished career in public service and as a practicing attorney, as well as being Solicitor of the Interior Department. He was confirmed by the Senate unanimously to that job as Solicitor, which is a very difficult task, of course.

He is nationally recognized as an expert on natural resources and the use of natural resources and issues that are of particular importance to the West and the Ninth Circuit area. So I am not going to continue with his credentials. Our friends from Idaho know more about that than I, and they have talked about his qualifications.

But, unfortunately, western issues disqualify him for Idaho's only seat on the Ninth Circuit Court. That is a shame because there is nothing more important overall than natural resource kinds of issues. So I guess the court will not have a person with that kind of experience, but, rather, this floor will keep the citizens of Idaho from having someone there to represent them in those areas that are so important. I certainly feel badly about that kind of position.

There has been discussion that he is not supported by any Democrats. That is not the case. I have a statement from the Honorable Michael Sullivan, former Democratic Governor of Wyoming:

Mr. Myers has a wealth of legal experience in the private practice, in Washington, and in the areas of public lands and the environment. Those are areas of extreme importance to the country and those of us in the West, and it is my view that Bill's experience would serve the Court and the Circuit well. . . . He is, in my view, an individual who would provide serious, responsible, and intellectual consideration to each matter before him as an appellate judge and would not be prone to extreme or ideological positions unattached to legal precedent or the merits of a given matter.

So I rise to say we have observed the activities of Bill Myers in the West. Certainly, from all the activities he has been involved in, he has done so well. It is my belief he should go on to this court. But, more importantly, in terms of process, he certainly ought to have an opportunity to have a vote on the floor of the Senate. So I urge that be the case this afternoon.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague from Wyoming for visiting with us about Bill Myers and his qualifications.

I was on the Senate floor yesterday and made my full statement on behalf of Bill Myers. I spoke this morning in opening remarks, but I did want to make a few additional comments before the chairman of the committee, once again, revisits the nomination of Bill Myers.

On the Senate floor this morning, I said I believed there was a selective, concerted effort on the part of our colleagues on the other side of the aisle to pick nominees and block a vote against them for the purpose of the filibuster and ultimately knowing they can kill these nominees because we cannot get to the 60-vote requirement or threshold they have provided us.

I made that statement this morning. I was told, very frankly, by a member of the Judiciary Committee on the other side, that when Mr. Myers was voted out, he would not be confirmed. Why? Because they were going to use him to demonstrate before their environmental constituencies that he was their token, and they would bring him down.

Bill Myers does not deserve that kind of treatment for a variety of reasons. My colleague from Idaho has expressed them very clearly, as have I, that in his private life he was a good attorney and an advocate for his clients.

But here is what Bill Myers said in the committee hearing that I chaired in his behalf when we were considering his nomination. He said:

[W]hen a person takes on those robes— Meaning the robes of a judge of the Ninth Circuit—

takes the oath of office, swears to uphold the Constitution, that means they will follow the law and the facts, wherever the law and the facts take them, without regard to personal opinion, public opinion, friends or foes.

To me, that sounds like a gentleman of judicial temperament who understands the appropriate role of a judge, as some who have come to the floor who are Senators, and were attorneys in other lives, also understand the appropriate role of an advocate, an attorney for a client. Yet Mr. Myers is criticized today because he was a good attorney for a client. It was because he was a good attorney that the President of the United States said: This man will make a good judge in the Ninth Circuit. And now he is criticized for it.

The minority leader, after I had spoken this morning, said: Well, Senator CRAIG voted to not allow cloture on a judge of the Ninth Circuit before. I did. I did exactly what the minority leader said I had done. And the man's name was Richard Paez. That was in 2000. He was a nominee for the Ninth Circuit by President Clinton. I voted against cloture, and I lost. And why I lost is that it was not an organized "party" effort of the kind we now see demonstrated on the floor of the Senate today, that has openly and directly refused the right of seven people to have a vote on the floor.

I voted against Mr. Paez because I am a constituent of the Ninth Circuit, and I thought he would be a liberal, activist judge. I did something else. I voted to delay indefinitely a vote on Richard Paez. I lost. Why did I lose? Because it was not an organized "party" effort on this side of the aisle, as is the vote we will see at 2:15 this afternoon. I voted against confirming Richard Paez and I lost.

But the point here is clear: Richard Paez got his vote on the floor of the Senate. He was not denied a vote, as now the Democrat leader and his colleagues have decided to deny Bill Myers a vote. That is a fact. And the minority leader needs to know it. He needs to know that Richard Paez was not organized against. Up-or-down votes: I lost; Richard Paez won.

Now, I was not wrong in my vote. Richard Paez has now been on the Ninth Circuit bench for at least 3 years. He is an activist, liberal judge. And I was right about reviewing him.

He still got his vote. He still got his judgeship because a majority of the Senate said Richard Paez should serve in our advise and consent role under the Constitution. We advised the President of the United States on behalf of his nominee and he was confirmed.

I will talk about one other item I think is important. We are all entitled to our own opinions, but not to our own facts. We can all look at facts differently. I want to talk for a few moments about ABA ratings. I remember the American Bar Association ratings of nominees used to be called the "gold standard." If you didn't get a top rating, my goodness, you were not, nor should be, considered. Let me talk about those briefly.

The other side was saying Mr. Myers doesn't have the right rating. Well, they also riled and railed against Miguel Estrada and Priscilla Owen and, by the way, they had top ABA ratings. Have they already forgotten the very principles they applied to somebody else? You cannot reverse them in a 48-hour period and apply them in a different way to somebody else. I am sorry, you can be entitled to your own opinions, but you ought not to be entitled to your own facts.

As we each consider the weight of ABA ratings and what they should carry, let me remind this body that Mr. Myers' rating places him among an impressive group of individuals. Among the names of those who received similar ABA ratings, we find judicial nominees like Judge Richard Posner, arguably one of this generation's most prolific and impressive court of appeals judges, who was described by Supreme Court Justice William Brennan as one of the two geniuses he had ever met. Well, Bill Myers is in that category. Not bad. Other nominees included Judge Frank Easterbrook, Stephen Williams, James Buckley, Jerry Smith, and Laurence Silberman. No one familiar with their impressive experience, credentials, and legal acumen can honestly question these judges' fitness for the Federal bench. Yet Mr. Myers' ratings and theirs are the same.

Isn't it interesting how it can be so arbitrary and one can choose and pick based on one's opinions? I cannot criticize my colleagues on the other side. They are entitled to their own opinions. But they are not entitled to their own facts.

Finally, let me remind you that during the Clinton administration this

committee voted out and the Senate confirmed 3 circuit court and 15 district court nominees who had ABA ratings identical to Mr. Myers' "majority qualified; minority not qualified" ratings. In August, September, and October of 1994, this committee even voted out three district court nominees who had "majority not qualified" ABA ratings, and all three judges were confirmed. These nominees include Roger Gregory, confirmed on a 93-1 vote, who now serves in the Fourth Circuit; Julio Fuentes, confirmed by a 93-0 vote. The reason that happened is because, at that time in the history of the Senate, we recognized the importance of the debate and we also recognized an up-or-down vote. What we did not see was a concerted party effort on selectively picked nominees for political purposes and denying them their right to a vote on the floor of the Senate.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. There is 8 minutes 15 seconds.

Mr. HATCH. Mr. President, I want to briefly make a point in rebuttal to the statement by the Senator from South Dakota, Mr. DASCHLE, this morning.

The minority leader seems to be trying to justify his obstruction of an up or down vote on Bill Myers by pointing to some in our caucus who voted against cloture on two very liberal Ninth Circuit judges whom the Senate confirmed without a filibuster in election year 2000. Just stating the facts makes it clear that there is no justification for the Democrats' obstruction. But let me also point out. Unlike their leadership, Republican leadership made sure that those two liberal nominees, now committed leftist activists on the Ninth Circuit, were not filibustered. They got up or down votes because the vast majority of us thought that filibusters of judicial nominees were completely out of order in the U.S. Senate.

These liberal activist judges, now issuing their often-reversed edicts from San Francisco, received up or down votes in this Senate in an election year. Bill Myers deserves no less.

I think it's important to get on record exactly what's happened here with Bill Myers' nomination. We originally asked for 5 or 6 hours of debate; Democrats objected. We settled on 4 hours of debate, equally divided, during yesterday's session, and not a single Democrat came to the Senate Floor to debate. It is puzzling to me why those who oppose him so vehemently did not come to the floor, stand up and defend their objections. It seems to me that if Senators can't defend their objections to a nominee, they certainly shouldn't object to an up or down vote. I appreciate that today we have at least heard some of their arguments, though I think they are not reflective of this

qualified nominee nor his outstanding record.

So I want to return to what this debate is about, or at least what it should be about. While this nomination has been hijacked by another unparalleled filibuster—the seventh nominee to be subjected to this unprecedented form of obstruction—it should have been about the qualifications of Bill Myers to be a Ninth Circuit judge. And in that respect, let me remind my colleagues, that Bill Myers' nomination to the Ninth Circuit Court of Appeals is supported by a wide, bipartisan range of individuals and organizations, particularly those who value expertise in Western land use issues.

Let me provide just a few examples from several support letters received by the Judiciary Committee:

The Farm Bureau Federations of California, Oregon, Idaho and Montana, the Oregon Cattlemen's Association, the Oregon Forest Industries Council, the Oregon Wheat Growers League, the Oregon Women for Agriculture, and eight additional county farm and stock grower bureaus in Oregon, among others, wrote on February 18, 2004:

Mr. Myers' background and legal career provide enormous experience that could only serve to benefit the citizens of the [Western United States]. His professional history shows clear leadership skills in resolving many complex issues. It is clear that Mr. Myers has an ability to analyze problems and make rational decisions that conserve our national heritage while at the same time move us forward in a responsible manner. Time and again he has shown a capacity to set aside the rhetoric and to objectively evaluate the respective interests of the parties involved. . . . Our organization and membership has found, whether through first hand experience or simply as interested observers, that Mr. Myers conducts himself with integrity, competence, professionalism and an unprecedented respect for the law.

The Tulalip Tribes of Washington State wrote on March 9, 2004:

The Tulalip Tribes [write] to support the nomination of [Bill Myers]. . . . We find that he has a balanced record [of defending] the interest of Native Americans. The [Ninth Circuit] is in need of an appointment by an individual experienced and knowledgeable in Federal Indian Law.

And the Attorney Generals of South Dakota, North Dakota, Delaware, Hawaii, Nevada, Alaska, Colorado, Idaho, Ohio, Oklahoma, Wyoming, Pennsylvania, Virginia, Utah, and Guam wrote on January 30, 2004:

As Attorneys General, we observed that Mr. Myers, while dutifully representing his client, the federal government, always maintained an objectivity and practical understanding of the conflicting demands relating to those interests. In our view, his thorough understanding of relevant legal precedents, decisions and key policy interests and his outstanding legal reasoning as Solicitor demonstrate his keen intellect, sound judgment and the skills suitable to the bench. . . . [W]e appear before the Circuit Courts of Appeal with considerable frequency. Clearly, we value judges who display a temperament that is even-handed, respectful and thoughtful—the temperament displayed by Mr. Myers. Mr. Myers would bring to the Ninth Circuit strong intellectual skills, combined

with a strong sense of civility, decency and respect for all.

Now, while such endorsements from these types of people—farming and ranching organizations, Indian tribes who do not have ideological axes to grind with the Department of the Interior, and 15 state Attorneys General—may not matter much to Senate Democrats, they do to me, and to most Westerners.

They matter to Senators CRAIG and CRAPO, whose state will effectively lose its representation on the Ninth Circuit by means of a stealth filibuster. This is grossly irresponsible and unworthy of the U.S. Senate. They matter to a majority of Senators who stand ready to vote and confirm Bill Myers to a Ninth Circuit that so badly needs qualified, non-activist judges who respect the law and the Constitution.

Let me just talk about the process here of confirming judges. We have confirmed 198 judges so far, which I might add, is fewer than President Clinton's first term. Yet some of my colleagues think that the constitutional duty to advise and consent has a time clock attached to it and that the time has run out for the Senate to do its duty. I reject this analysis, either that the previous agreement to allow the vote on the 25 judges was the sum total of our work in the Senate; or the notion that judicial nominations cannot be confirmed after some mythical deadline is announced.

There are plenty of examples of confirmations of judges in Presidential election years during the fall, some which occurred after the election was held. Stephen Breyer, confirmed to the First Circuit Court of Appeals, is just one example. I know, I was one who helped bring that about. Under the Senate Democrats theory, the remaining 25 judges pending before the Senate should be dismissed out of hand. This is not logical, nor is it the proper approach to take under the Constitution.

So it appears that the Democrats' newest tool of obstruction takes the form of a stealth filibuster. Sure, we object, my colleagues say, but we are not going to bother to explain to the American people why. To the Senator whose States are in the Ninth Circuit—Senators CRAIG and CRAPO, Senator SMITH, Senator ENSIGN, Senators STEVENS and MURKOWSKI, Senators KYL and MCCAIN, Senator BURNS—guess what? You are told by Senate Democrats that they are not going to allow you to vote on this nominee, that you need for the Ninth Circuit, and that the position papers of the extreme environmental groups that have distorted the record of and attacked Bill Myers for over a year should adequately explain their opposition and basis for refusing a vote.

Yesterday, I said that Senators should ask themselves, Is this vote on Bill Myers really about Bill Myers? It is clear that this cloture vote, this denial of an up-or-down vote, is not about Bill Myers. It is, in fact, nothing more

than a reflection of special interest group disdain for policies favored by farmers, ranchers, miners, the Bush Interior Department, or anyone else who advocates balanced uses of Federal lands. It is, as Senator SESSIONS put it so well yesterday afternoon, a demonstration of the conceit of the elite, that Senate Democrats refuse to allow an up-or-down vote.

Bill Myers has been nominated to the Ninth Circuit, but I want to emphasize that the impact of this vote—or the Democrat minority's obstruction of an up-or-down vote—will be felt not only in the States within the Ninth Circuit, but throughout the West, as Senator ENZI so eloquently emphasized yesterday afternoon.

And it is, quite simply, a slap in the face to those farmers, ranchers, miners, and others who make their livings off of the public and private lands of our Western States to say that because a nominee has represented their interests, he does not even deserve a fair vote in the Senate. And, almost silently now, he is filibustered because he is too extreme to sit on a Ninth Circuit with a demonstrated record of leftist judicial activism.

Such a position is untenable, objectively, and I predict it will play even more poorly in the West. Let me read a recent letter to the editor, which was sent by a representative of South Dakota farmers and ranchers to that State's largest newspapers:

RAPID CITY JOURNAL AND
ARGUS LEADER,
Belle Fourche, SD, July 9, 2004.
SUPPORT NOMINATION

Agriculture producers in South Dakota and throughout our great country need elected representatives who understand our needs and respond to them. An important issue is currently before the U.S. Senate and Sen[ator] Daschle, the nomination of Bill Myers to serve on the Ninth Circuit Court of Appeals. We urge Sen[ator] Daschle to support the interests of South Dakota agriculture producers by allowing an up or down vote on the merits of the nomination on the floor of the Senate.

The Ninth Circuit issues many important decisions on resource use and environmental matters. Much of the opposition to Mr. Myers has been by environmentalists who have not liked his representation of people who make their living from the land in the West, including ranching interests in particular.

South Dakota producers would be well-served by having someone with direct knowledge of their concerns sitting on the Ninth Circuit, helping to set environmental legal policy for the entire country.

We hope Sen[ator] Daschle will hear our call and allow the Myers nomination to come to a full vote in the Senate. We are constantly reminded how powerful the minority leader position is. Bill Myers deserves a vote by the full Senate.

CHANCE DAVIS,
*President, South Dakota
Public Lands Council.*

Indeed, I do hope that Senate Democrats hear this call. I hope they listened to Senators CRAIG, SESSIONS and ENZI yesterday, when they were too busy to even engage in a reasoned de-

bate about why they insist on obstructing a qualified nominee.

In closing, the Senate should show the Constitution some respect by voting up or down on Bill Myers' nomination. I urge my colleagues to reject the filibuster of judicial nominations now and in the future, reject the smears of the extremist special interest groups who have poisoned this process. I urge my colleagues to support the cloture motion and allow the Senate to do its duty and vote up or down on the nomination.

Mr. President, I see Senator BIDEN is in the Chamber. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. BIDEN. Mr. President, I understand I have roughly 8 minutes; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be granted 2 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BIDEN. I thank the Chair.

RESPONDING TO THE CRISIS IN DARFUR

Mr. BIDEN. Mr. President, Senator DEWINE and I have introduced a bill to address the atrocities and human rights abuses inflicted by the Government of Sudan upon its citizens living in the western region of Darfur.

By now you are aware of the terrible violence being perpetrated against civilians by the Government of Sudan and its allied militias in Darfur, Sudan. As many as 30,000 black Africans have been killed. Rape has routinely been used as a weapon of war by the Sudanese Government's janjaweed militia proxies. The Government of Sudan has obstructed the delivery of humanitarian assistance—as a result, over 300,000 people are expected to die of disease and malnutrition. Entire villages have been razed to the ground. Crimes against humanity have and are taking place with frightening regularity. Any reasonable person would agree that at the very least, we are witnessing ethnic cleansing. However, I believe that what we are actually seeing is genocide, and that the burden of proof should be on those who deny that such is the case.

Secretary of State Powell visited Darfur at the end of June. I applaud him for going. His visit as well as that of United Nations Secretary General Kofi Annan served to shine a much needed international spotlight on Khartoum's brutal actions.

However, I am disappointed in the actions taken by the administration in the wake of the Secretary's visit.

The administration is circulating a draft United Nations Security Council resolution which puts sanctions on the janjaweed. I do not think pursuing a resolution which would impose an arms and travel embargo on the janjaweed will improve the security situation in Darfur. I am sure there must be a

strategy behind this resolution, but on its face, it is hard to see. The janjaweed is not a state actor. It is not even an independent actor. It certainly is not accepting arms shipments from foreign governments. The janjaweed is armed and supplied by the Government of Sudan. And last I heard the only place the janjaweed has traveled is across the border into Chad to further harass its victims. I was not aware that militia members applied for visas to do so. So I would like to know what exactly the thought process behind pursuing such sanctions is.

I would also like to know just why the administration does not believe the Genocide Convention has been triggered. Article II of the Convention defines genocide as any of the following acts committed with the intent to destroy, in whole or substantial part, a national ethnic, racial or religious group: killing members of the group; causing serious bodily or mental harm to members of the group; deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; imposing measures intended to prevent births within the group; or forcibly transferring children of the group to another group.

Let's consider what we know to be the case in Darfur and compare it to the criteria set out in the Convention.

Is there an intent to destroy a national ethnic racial or religious group? A U.N. interagency fact finding team found in April that while villages populated by black Africans were destroyed, villages in the same area populated by Arabs were undisturbed. In some cases the villages that were left undisturbed were less than 500 meters away from those that were bombed and burned to the ground, its residents murdered, raped or tortured, its wells poisoned, its food stores and crops destroyed. This seems to me to be a pretty profound indicator that black Africans are being deliberately targeted. The scorched earth policy of the janjaweed makes it virtually impossible for those who live through the attacks to survive. One can reasonably assume that they were not meant to.

We know that the Government of Sudan, through its janjaweed proxies, has murdered an unknown number of people—perhaps 30,000—because of their ethnicity.

We also know that the militia has caused serious bodily and mental harm to black Africans in Darfur. According to the Convention only one or the other is necessary to qualify as genocide, but the janjaweed and the Sudanese military have done both. As a recent Washington Post article points out, the text of which I ask unanimous consent be printed in the RECORD, the janjaweed have engaged in widespread systematic rape in an effort to populate Darfur with Arab babies.

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

[From the Washington Post, June 30, 2004]
 'WE WANT TO MAKE A LIGHT BABY'; ARAB MILITIAMEN IN SUDAN SAID TO USE RAPE AS WEAPON OF ETHNIC CLEANSING

(By Emily Wax)

GENEINA, SUDAN, June 29.—At first light on Sunday, three young women walked into a scrubby field just outside their refugee camp in West Darfur. They had gone out to collect straw for their family's donkeys. They recalled thinking that the Arab militiamen who were attacking African tribes at night would still be asleep. But six men grabbed them, yelling Arabic slurs such as "zurga" and "abid," meaning "black" and "slave." Then the men raped them, beat them and left them on the ground, they said.

"They grabbed my donkey and my straw and said, 'Black girl, you are too dark. You are like a dog. We want to make a light baby,'" said Sawela Suliman, 22, showing slashes from where a whip had struck, her thighs as her father held up a police and health report with details of the attack. "They said, 'You get out of this area and leave the child when it's made.'"

Suliman's father, a tall, proud man dressed in a flowing white robe, cried as she described the rape. It was not an isolated incident, according to human rights officials and aid workers in this region of western Sudan, where 1.2 million Africans have been driven from their lands by government-backed Arab militias, tribal fighters known as Janjaweed.

Interviews with two dozen women at camps, schools and health centers in two provincial capitals in Darfur yielded consistent reports that the Janjaweed were carrying out waves of attacks targeting African women. The victims and others said the rapes seemed to be a systematic campaign to humiliate the women, their husbands and fathers, and to weaken tribal ethnic lines. In Sudan, as in many Arab cultures, a child's ethnicity is attached to the ethnicity of the father.

"The pattern is so clear because they are doing it in such a massive way and always saying the same thing," said an international aid worker who is involved in health care. She and other international aid officials spoke on condition of anonymity, saying they feared reprisals or delays of permits that might hamper their operations.

She showed a list of victims from Rokero, a town outside of Jebel Marra in central Darfur where 400 women said they were raped by the Janjaweed. "It's systematic," the aid worker said. "Everyone knows how the father carries the lineage in the culture. They want more Arab babies to take the land. The scary thing is that I don't think we realize the extent of how widespread this is yet."

Another international aid worker, a high-ranking official, said: "These rapes are built on tribal tensions and orchestrated to create a dynamic where the African tribal groups are destroyed. It's hard to believe that they tell them they want to make Arab babies, but it's true. It's systematic, and these cases are what made me believe that it is part of ethnic cleansing and that they are doing it in a massive way."

Secretary of State Colin L. Powell flew to the capital, Khartoum, on Tuesday to pressure the government to take steps to ease the humanitarian crisis in Darfur. U.S. officials said Powell may threaten to seek action by the United Nations if the Sudanese government blocks aid and continues supporting the Janjaweed. U.N. Secretary General Kofi Annan is due to arrive on Khartoum this week.

The crisis in Darfur is a result of long-simmering ethnic tensions between nomadic cattle and camel herders, who view them-

selves as Arabs, and the more sedentary farmers, who see their ancestry as African. In February 2003, activists from three of Darfur's African tribes started a rebellion against the government, which is dominated by an Arab elite.

Riding on horseback and camel, the Janjaweed, many of them teenagers or young adults, burned villages, stole and destroyed grain supplies and animals and raped women, according to refugees and U.N. and human rights investigators. The government used helicopter gunships and aging Russian planes to bomb the area, the U.N. and human rights representatives said. The U.S. government has said it is investigating the killings of an estimated 30,000 people in Darfur and the displacement of the more than 1 million people from their tribal lands to determine whether the violence should be classified as genocide.

The New York-based organization Human Rights Watch said in a June 22 report that it investigated "the use of rape by both Janjaweed and Sudanese soldiers against women from the three African ethnic groups targeted in the 'ethnic cleansing' campaign in Darfur." It added, "The rapes are often accompanied by dehumanizing epithets, stressing the ethnic nature of the joint government-Janjaweed campaign. The rapists use the terms 'slaves' and 'black slaves' to refer to the women, who are mostly from the Fur, Masalit and Zaghawa ethnic groups."

Despite a stigma among tribal groups in Sudan against talking about rape, Darfur elders have been allowing and even encouraging their daughters to speak out because of the frequency of the attacks. The women consented to be named in this article.

In El Fasher, the capital of North Darfur, about 200 miles east of Geneina, Aisha Arzak Mohammad Adam, 22, described a rape by militiamen. "They said, 'Dog, you have sex with me,'" she said. Adam, who was receiving medical treatment at the Abu Shouk camp, said through a female interpreter that she was raped 10 days ago and has been suffering from stomach cramps and bleeding. "They said, 'The government gave me permission to rape you. This is not your land anymore, abid, go.'"

Nearby, Ramadan Adam Ali, 18, a frail woman, was being examined at the health clinic. She was pregnant from a rape she said took place four months ago. She is a member of the Fur tribe and has African features.

"The man said, 'Give me your money, slave,'" she said, starting to cry. "Then I must tell you very frankly, he raped me. He had a gun to my head. He called me dirty abid. He said I was very ugly because my skin is so dark. What will I do now?"

In Tawilah, a village southeast of El Fasher, women and children are living in a musty school building. They said it was too dangerous to leave and plant food.

Fatima Aisha Mohammad, once a schoolteacher, stood in a dank classroom describing what happened to her three weeks ago, when she left the school to collect firewood.

"Very frankly, they selected us ladies and had what they wanted with us, like you would a wife," said Mohammad, 46, who has five children. "I am humiliated. Always they said, 'You are nothing. You are abid. You are too black.' It was disgusting."

During a recent visit, government minders warned people at the school to stop talking about the rapes or face beatings or death. Minders also were seen handing out bribes to keep women from speaking to foreign visitors. But those at the school spoke anyway. A group of people handed a journalist two letters in Arabic that listed 40 names of rape victims, and wanted the list to be sent to Sen. Sam Brownback of Kansas and Rep. Frank R. Wolf of Virginia, Republicans who were touring the region and pressing the government to disarm the Janjaweed.

"I was sad. I am now very angry. Now they are trying to silence us. And they can't," Mohammad said. "What will people think of all of us out here? That we did this to ourselves? People will know the truth about what is happening in Darfur."

Later that day in Tawilah's town center, Kalutum Kharm, a midwife, gathered a crowd under a tree to talk about the rapes. Everyone was concerned about the children who would be born as a result.

"What will happen? We don't know how to deal with this," Kharm lamented. "We are Muslims. Islam says to love children no matter what. The real problem is we need security. We don't trust the government. We need this raping to stop."

Aid workers and refugees in Geneina said that despite an announcement last week by Sudan's president, Lt. Gen. Omar Hassan Bashir, that the Janjaweed would be disarmed, security had not improved. Janjaweed dressed in military uniforms and clutching satellite phones roamed the markets and the fields, guns slung over their shoulders. Last week, the Janjaweed staged a jailbreak and freed 13 people, aid workers said. They also killed a watermelon salesman and his brother because they did not like their prices, family members of the men said.

A government official, speaking with a reporter, described the rapes as an inevitable part of war and dismissed accusations by human rights organizations that the attacks were ethnically based.

In Geneina, two women told their stories while sitting in front of their makeshift straw shelter. One of the women, a thin 19-year-old with dead eyes, moved forward.

"I am feeling so shy but I wanted to tell you, I was raped too that day," whispered Aisha Adam, the tears rushing out of her eyes as she covered her face with her head scarf. "They left me without my clothing by the dry riverbed. I had to walk back naked. They said, 'You slave. This is not your area. I will make an Arab baby who can have this land.' I am hurting now so much, because no one will marry me if they find out."

Sitting on mats outside the shelter, Sawela Suliman's father talked with village elders about what to do if his daughter became pregnant.

"If the color is like the mother, fine," he said as a crowd gathered to listen. "If it is like the father, then we will have problems. People will think the child is an Arab."

Then his daughter looked up.

"I will love the child," she said, as other women in the crowd agreed. "But I will always hate the father."

Then the rains came. They pounded onto the family's frail shelter, turning their roof into a soggy and dripping clump of straw. Suliman started to shiver as the weather shifted from steaming hot to a breezy rain. She will no longer leave the area of her hut to collect straw. She will stay here, hiding as if in prison, she said, and praying that she is not pregnant.

Mr. BIDEN. Mr. President, in the article, which appeared on the front page of the Post on Wednesday, June 30, a woman tells of how she and other women were gang raped by six Janjaweed militia men as they went out to gather fuel for fire. "They grabbed my donkey and my straw and said 'Black girl, you are too dark. You are like a dog. We want to make a light baby. . . .'" They said "You get out of this area and leave the child when it's made." If that isn't inflicting mental and bodily harm on a group, what is?

We know for a fact that the Government of Sudan has prevented the delivery of humanitarian aid such that, as I

mentioned before, over 300,000 people—black Africans—will probably die. I would say that qualifies as deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part.

I can not speak to the final two elements. I have not yet heard that the Government or janjaweed have imposed measures intended to prevent births within the group or forcibly transferred children of the group to another group. However, the Convention does not require that all five acts be committed. Any one of the acts qualify as genocide.

Let me make one thing perfectly clear. I completely agree with the Secretary Powell that we must urgently meet the needs of the people of Darfur regardless of whether what is happening is genocide. And the Genocide Convention makes clear that we are to prevent, suppress and punish the crime. So whether one believes what is happening is actual or potential genocide, we are obligated to act.

However, I also believe it is imperative that we acknowledge what is going on. Failure to call the crime what it is and respond fosters a sense of impunity, and emboldens the bad actors in other parts of the world to carry out these sorts of atrocities. I do not believe that the argument I and others are making about whether or not what is going on is genocide is academic, or misses the point about the necessity of helping those suffering in Sudan.

U.N. Secretary General Kofi Annan visited Darfur at the end of June as well. The United Nations and the Government of Sudan issued a joint communique in which the Government agreed to allow unfettered access of assistance and to disarm the janjaweed. The bill Senator DEWINE and I have introduced puts pressure on Khartoum to make good on the promises it has made.

The bill requires the President to certify 30 days from its enactment and every 90 days thereafter whether or not the Government of Sudan has made credible, sincere and genuine efforts to demobilize and disarm the janjaweed, and allowed truly free access to Darfur, without using red tape as a way to prevent aid delivery.

The Government is subject to three different types of sanctions 120 days after the bill becomes law unless that certification is made. First, senior members of the military and Government in Khartoum as well as their families will have any U.S. held assets frozen, and be denied entry into the United States. Second, prohibitions on assistance in this year's appropriations bill will remain in place beyond the end of the fiscal year.

Finally, unless the President issues this certification, the sanctions that are part of the original Sudan Peace Act are triggered: Our representatives to the multilateral development banks are directed to use their voice and vote to oppose any loans to Sudan. The

President is asked to consider downgrading our diplomatic representation to Sudan, and directed to seek a UN Security Council Resolution to impose an arms embargo on Sudan and to deny Khartoum oil revenue.

As a further means of pressuring the Government of Sudan, the bill takes the extra steps of prohibiting the normalization of relations between the Government of Sudan and the United States and the disbursement of any U.S. funds to support a comprehensive north-south agreement unless the President certifies in six months the Government of Sudan has stopped attacking civilians, demobilized and disarmed the janjaweed, ceased harassing aid workers, and cooperated with the deployment of the African Union ceasefire monitoring team. And for every 6 months the government of Sudan continues its reign of terror in Darfur, the amount that otherwise would have been available to support the north-south peace agreement—\$800 million—is reduced by \$50 million.

Perhaps the most important piece of this bill is an authorization for \$200 million to provide much needed relief for the people of Darfur. The money is offered with no strings attached. The needs on the ground in Darfur and Chad are urgent and we must respond quickly and robustly without conditions or caveats.

I hope my colleagues will support this bill, as it provides both help for Sudanese civilians affected by war in western Sudan and an incentive for Khartoum to stop the violence and allow the international community to assist the victims of what our own Government has called the world's worst humanitarian crisis.

I yield the floor.

Mr. WYDEN. Mr. President, the United States Senate has now confirmed more than 170 of President Bush's judicial nominees. The nomination the Senate is considering today—that of William G. Myers III for a lifetime seat on the United States Court of Appeals for the Ninth Circuit—is different from many because of both the background and experience of the nominee and the direct and lasting influence the nominee's decisions will have on Oregon and her citizens. This nominee's rulings will affect the fate of environmental and other safeguards in nine western States, including Oregon.

After a career as a grazing and mining industry lobbyist, Mr. Myers worked as Solicitor General for the Department of Interior, responsible for Indian Affairs and most Federal lands. In his position at the Department of Interior, Mr. Myers continued to advocate for his former clients, overturning precedent to allow mining on sacred Indian grounds and rendering a decision in direct response to a case he participated in as a lobbyist. Not only has Mr. Myers refused to recuse himself from cases where there may be a conflict of interest, he has limited judicial experience. He received a partial Not Quali-

fied rating from the American Bar Association and has minimal courtroom experience. He has never tried a jury case and never been involved as counsel in any criminal litigation. Unfortunately, Mr. Myers has demonstrated neither the experience nor judicial temperament to qualify him for this position.

As a result of his performance as Solicitor General, at least 180 groups have come out in opposition to his nomination. Among those opposing his nomination are every major tribe in this Nation—including the Confederated Tribes of Siletz Indians, the Cow Creek, Warm Springs, and Umatilla tribes all from Oregon, and the National Congress of American Indians, which represents over 250 tribes nationwide, as well as Oregon groups such as the Oregon Natural Resources Council. The Oregonian just published an editorial today, which may have said it best: "Myers' anti-environmental activism by itself shouldn't disqualify him. The problem—and this gets back to his lack of judicial experience—is that he has no track record whatsoever to show how he would separate his ideology from his interpretation of the law on the Nation's second-highest court."

Mr. President, I take very seriously the Senate's role to advise and consent to the President's nominations, and in this instance, the facts require that I withhold my consent on this nominee.

Mrs. FEINSTEIN. Mr. President, I rise to urge my colleagues to oppose the nomination of William Myers to serve on the U.S. Court of Appeals for the Ninth Circuit, and to vote no on the motion to close debate. I came to my decision after a careful review of Mr. Myers' professional record. That review has convinced me that he is not the proper person to serve on this highly influential Federal court of appeals, which oversees all Federal litigation in my home State of California.

I met with William Myers and I found him to be an extremely polite and personable man. But I have serious reservations about whether he has the professional qualifications to serve on the Ninth Circuit. I also have serious doubts about his ability to rule on cases, particularly environmental and land-use cases, in an impartial, even-handed way.

A position on the appellate court should be reserved for our Nation's best legal minds and most accomplished attorneys. But, the American Bar Association gave Mr. Myers a partial "not qualified" rating. A key factor was his lack of legal experience.

This nominee has little litigation experience in either State or Federal court. By his own account, he has taken only a dozen cases to verdict—and six of those occurred before 1985 when he was a newly minted lawyer. He has never served as a counsel in criminal litigation. Even as Solicitor of the Department of Interior, Myers had no role in writing legal briefs.

Mr. Myers has spent a large part of his legal career as a lobbyist for cattle

and grazing interests. Attorneys are obligated to zealously represent their clients and there is nothing wrong with this representation. But, I am troubled by a number of extreme comments that he made as an advocate.

For example, in a 1996 article, Myers equated Federal management of rangelands with the "tyrannical actions of King George" against the American colonists. According to Myers, these tyrannical practices included:

over-regulation and efforts to limit [ranchers'] access to federal rangelands, revoke their property rights, and generally eliminate their ability to make a living from the land.

Source: "Western Ranchers Fed Up with the Feds," Forum for Applied Research and Public Policy, winter 1996.

Equating Federal rangeland policy with the tyrannical policies that sparked the American revolution is strong language. But when asked by Senator LEAHY to back up his claim, Myers could not come up with any examples.

Similarly, after the California Desert Protection Act was passed, he described the law as "an example of legislative hubris." The source is a book chapter: "Farmers, Ranchers, and Environmental Law," 1995, at page 209. As the author of the California Desert Protection Act, I was quite struck by this statement. Myers himself has acknowledged his "poor choice" of words, but this is one more piece of evidence that Mr. Myers can be intemperate and extreme.

The California Desert Protection Act created the Joshua Tree National Park, the Death Valley National Park, and the Mojave National Preserve. These are among our Nation's environmental jewels.

In total, the act set aside 7.7 million acres of pristine California wilderness, 5.5 million acres as a national park preserve, and provided habitat for over 760 different wildlife species. It has provided recreation and tourism for over 2.5 million people, provided more than \$237 million in sales, more than \$21 million in tax revenue, and more than 6,000 new jobs. This is what Myers called "legislative hubris."

Similarly, in a 1994 article, entitled "Having Your Day in Court," Myers railed against "activist" judges. He wrote of environmental groups:

They have aggressively pursued their goals before friendly judges who have been willing to take activist positions and essentially legislate from the bench.

Source: National Cattlemen Magazine, November/December 1994, at page 34.

To illustrate his argument, he wrote:

No better example can be found than that of wetlands regulation. The word "wetlands" cannot be found in the Clean Water Act. Only through expansive interpretation from activist courts has it come to be such a drain on the productivity of American agriculture.

When I and other Senators pointed out that, 10 years prior to his article, the Supreme Court had unanimously

upheld the application of the Clean Water Act to protect wetlands, Myers backtracked and acknowledged Supreme Court precedent. He further acknowledged that he could not recall any specific cases that would justify the argument he made in his article.

Similarly, Myers, in another article, wrote that environmental groups are "mountain biking to the courthouse as never before, bent on stopping human activity wherever it may promote health, safety, and welfare." Source: ICA Line Rider, February, 1998. When queried about these statements, Myers again backtracked. And he has argued that he was merely the zealous lobbyist taking tough positions on behalf of his client.

There is one area of Myers' career where he can't attribute his words and actions solely to his role as a legal advocate. It is Myers' troubling body of work as Solicitor of the Department of Interior in the Bush administration. His record in this position provided for me the "tipping point" against his nomination.

As Solicitor of Interior, Myers' client was the American public. He had a duty to carry out his work in an impartial fashion just as he would if confirmed to be a Ninth Circuit judge. Nevertheless, on multiple occasions as Solicitor, Myers engaged in actions that raised questions about his impartiality and professional qualifications.

One of Myers' two formal opinions as Solicitor involved the proposed Glamis Gold Mine in California.

During the Clinton administration, then-Solicitor Leshy wrote an opinion that led to the denial of an industry proposal which would have carved an 880-foot deep, mile-wide, open-pit gold mine out of 1,600 acres of ancestral tribal land in Imperial County, CA.

The Leshy opinion came out of an exhaustive review process spanning 5 years, three environmental documents, as well as several formal Government-to-Government consultations with the affected tribe, the Quechan Tribe. Within months of becoming Solicitor, Myers reversed the Leshy opinion.

In coming to his decision, Myers met personally with industry representatives, but not with the affected tribe. This one-sided dealing cannot be justified or explained away—particularly because Myers was mandated by law to engage in Government-to-Government consultation with the tribes and to protect sacred Native American religious sites.

Given that Myers would not even meet with the tribes to hear their point of view, it was not surprising that when Myers subsequently issued an opinion in favor of the industry, the District judge determined that Myers "misconstrued the clear mandate" of the applicable environmental law.

In his only other major opinion as Solicitor, Myers reversed a Clinton administration regulation on grazing permits challenged by his former clients, the Public Lands Council.

The issue involved whether environmental groups such as the Grand Canyon Trust could buy grazing permits from willing sellers in order to retire them. Myers, contrary to his strong support for property rights and free-market principles in other areas of Government regulation, found such a practice illegal.

Further, as the Los Angeles Times has reported, Solicitor Myers recommended that California State Representatives HERGER and DOOLITTLE introduce a private relief bill giving \$1 million worth of public land in Marysville, CA, to a private firm. Source: "Interior Attorney Pushed Land Deal," Los Angeles Times, March 8, 2004, at B1.

The land, called locally the Yuba Goldfields, consists of 9,670 acres of gravel mounds and ponds created by hydraulic mining during the 19th century. According to the Bureau of Land Management, the land contains sand and rock that could be worth hundreds of millions of dollars for construction projects.

It turns out the companies seeking legislative relief did not have a valid claim to the land and had never even paid taxes on the property. And since 1993, the property had been carried on the county's tax records as public lands.

I am concerned that Myers committed the Department to support a bill without first doing the basic research needed to evaluate the issue, like consulting with local Bureau of Land Management officials.

I would like to comment briefly on one other area. Mr. Myers' nomination is to the Ninth Circuit. Some might argue that circuit could use some shaking up. But criticisms along those lines of the Ninth Circuit are not justified and do not do justice to the Ninth Circuit's judges.

This is not the time or the place for a long discussion of the Ninth Circuit generally. But I do want to cite just a few statistics to show that the Ninth Circuit's decisions are well within the mainstream of other circuit courts.

From 1994 to 2002, nationwide, the Supreme Court granted certiorari in only .23 percent of all Federal appellate cases. The Ninth Circuit had numbers that were a bit higher for that time period; the Supreme Court granted certiorari in .37 percent of all Ninth Circuit cases for those years. But while higher than average, this was entirely within the mainstream of other circuit courts. The range among circuits for that time period ranged from .13 percent of all Eleventh Circuit cases, to .5 percent for all DC Circuit cases. The Ninth Circuit is clearly in the mainstream of how its cases are treated by the Supreme Court.

Based on Myers' record, over 170 national groups have decided to oppose his nomination, including organizations that usually don't get involved in nominations. The National Congress of American Indians, NCAI, a coalition of

more than 250 tribal governments, is opposing the nomination and they previously have not weighed in on any Bush-nominated judges. The National Wildlife Federation, which has never in its 68-year history opposed a judicial nominee, opposes Myers.

In closing, I would offer the observations of Joseph Sax, a nationally renowned professor of environmental and natural resources law at the Boalt Hall, U.C. Berkeley, who is familiar with Myers' work.

Sax writes:

I do strongly believe that we are entitled to have persons of professional distinction appointed to important posts such as that of the U.S. Court of Appeals. Neither based on his experience as a practicing lawyer, nor while serving as Solicitor at Department of Interior has Myers distinguished himself, nor has he made any significant contributions to the law in his writings. . . . We can do much better.

Given Myers unremarkable record and the serious questions about his capability to judge cases impartially, I do not believe we should confirm him to the Ninth Circuit. So I will vote nay.

Mr. FEINGOLD. Mr. President, I oppose the nomination of William G. Myers to the Ninth Circuit Court of Appeals. After attending the hearing on his nomination, listening to his testimony, and reviewing his responses to my written questions, I am not persuaded that Mr. Myers can set aside his personal views and objectively evaluate cases that come before him. Many times during the nomination hearing, Mr. Myers simply evaded or refused to answer questions that were posed to him, claiming that he could not comment on an issue that could come before him if he is confirmed.

This was not the approach taken by at least some of President Bush's nominees. Then-Professor, now-Judge Michael McConnell, for example, was forthcoming in his testimony and answers to written questions. He convinced me in his hearing that he would put aside his personal views if he were confirmed to the bench. Mr. Myers did not.

Since Mr. Myers has never served as a judge, his published articles, his past legal work, his legal opinions at the Department of the Interior, and his testimony before the Judiciary Committee are all we have to assess his legal philosophy and views. This nominee did not simply make a stray comment that can be interpreted as indicating strong personal disagreement with our nation's environmental laws; he has a long record of extreme views on the topic.

Mr. Myers has called the Clean Water Act an example of "regulatory excess." He has stated that critics of the administration's policies are the "environmental conflict industry." He has stated that conservationists are "mountain biking to the courthouse as never before, bent on stopping human activity wherever it may promote health, safety, and welfare." He even compared the

management of public lands to King George's "tyrannical" rule over American colonies.

Over 175 environmental, Native American, labor, civil rights, women's rights, disability rights, and other organizations oppose the nomination of Mr. Myers. This opposition speaks volumes about the concern that many potential litigants have about his views on a diverse range of issues that would come before his court. Rather than explaining what his views were during the nomination hearing or in responses to follow-up questions, Mr. Myers repeatedly ducked questions posed by me and my colleagues.

For example, during the hearing Mr. Myers was asked to identify which regulations he considered to be "tyrannical." After pointing out that he wasn't criticizing Government employees, which obviously wasn't the question, Mr. Myers finally identified a previous Federal rangeland policy. Yet, when pressed, Mr. Myers would not say that he personally believed these regulations were unneeded, but that he was merely "advocating on behalf of my clients." This is what all nominees say, of course, when challenged about past statements made on behalf of clients, but since Mr. Myers has never been a judge or a law professor, we have no other record to evaluate. And since he was repeatedly unwilling to tell us about his personal views in his hearing, we certainly cannot ignore his previous published statements on important legal issues that he will be called upon to decide.

Mr. Myers's views on the jurisdiction of Federal environmental laws, which he has called "top down coercion," also concern me. Mr. Myers authored a Supreme Court amicus brief on behalf of the National Cattlemen's Beef Association and others in an important case dealing with the jurisdiction of the Clean Water Act, Solid Waste Agency of Northern Cook County (SWANCC) v. U.S. Army Corps of Engineers. The SWANCC case involved a challenge to the Federal Government's authority to prevent waste disposal facilities from harming waters and wetlands that serve as vital habitats for migratory birds. Mr. Myers argued in this brief that the commerce clause does not grant the Federal Government authority to prevent the destruction and pollution of isolated interstate waters and wetlands. The Department of Justice, on behalf of the Army Corps and EPA, has filed approximately 2 dozen briefs in Federal court since the SWANCC decision. DOJ has consistently argued that the Clean Water Act (CWA) does not limit coverage of the Clean Water Act to navigable-in-fact waters.

When I asked Mr. Myers about his view of the Clean Water Act, Mr. Myers would not say whether he agrees with this administration's consistent interpretation of the SWANCC case. He would not provide any information on how he reads the Supreme Court's SWANCC decision other than saying

that it is "binding precedent", nor would he state what waters, if any, should not receive Federal Clean Water Act protection post-SWANCC. His refusal to respond to these questions gives me pause because of a recent Ninth Circuit decision that ruled that the SWANCC decision should be read narrowly and that wetlands, streams and other small waters remain protected by the statute and implicitly that the rules protecting those waters are constitutional. While Mr. Myers indicated that he would follow this Ninth Circuit precedent, he refused to elaborate on his views on this crucial issue.

In follow-up questions, I also asked Mr. Myers about a 1994 article he wrote for the National Cattlemen Beef's Association, which he also represented in the SWANCC case. Myers wrote that environmental organizations have:

aggressively pursued their goals before friendly judges who have been willing to take activist positions and essentially legislate from the bench. No better example can be found than that of wetlands regulation.

Mr. Myers argued:

The word "wetlands" cannot be found in the Clean Water Act. Only through expansive interpretation from activist courts has it come to be such a drain on the productivity of American agriculture.

Mr. Myers' answers to my questions about this article were not forthcoming. Mr. Myers would not list any of the cases he was referring to in that article or any cases of which he had subsequently become aware in which there has been an "expansive interpretation from activist courts" of "wetlands regulation." Nor could he provide me with his analysis of United States v. Riverside Bayview Homes, Inc., the 1985 case in which the United States Supreme Court unanimously upheld the Reagan administration's application of the Clean Water Act to protect wetlands. Mr. Myers stated that he considered the case to be binding precedent, which of course it is, but that doesn't shed much light on his views on the Clean Water Act.

I am also deeply troubled by Mr. Myers's record as Solicitor General at the Department of the Interior. During his tenure as the chief lawyer for the Department, Mr. Myers authored a very controversial Solicitor's opinion, and approved an equally controversial settlement. That Solicitor's opinion overturned a previous ruling regarding the approval of mining projects and greatly limited the authority of the Interior Department to deny mining permits under the Federal Land Policy Management Act—FLPMA.

FLPMA amends the Mining Law of 1872 in part by requiring that:

in managing public land the Secretary shall, by regulation or otherwise take any action necessary to prevent the unnecessary or undue degradation of public lands.

In the Solicitor's opinion, Mr. Myers interpreted this law to mean that the Government could only deny a project to prevent unnecessary and undue degradation of public lands. Thus, if the

proposed mining activity is “necessary,” then Mr. Myers declared that the Government would have no authority to prevent a mine from going forward, even if it would harm sacred Native American grounds, historic sites, or environmentally sensitive areas. This legal opinion interpreting DOI regulations is one of the only guides we have to evaluate how a Judge Myers would interpret statutes.

Last year, a Federal court found that Mr. Myers’s opinion

misconstrued the clear mandate of FLPMA, which by its plain terms vests the Secretary of the Interior with the authority—indeed the obligation—to disapprove mines that “would unduly harm or degrade the public land.”

In response to questions posed about this opinion at the hearing, Mr. Myers could not adequately explain his statutory interpretation of “unnecessary or undue,” nor could he articulate his rationale for finding that the word “or” in the statute actually meant “and.”

After Myers’s opinion, Secretary Norton approved the mining permit for the 1600-acre cyanide heap-leaching Glamis gold mine located on sacred tribal lands. Tribal leaders have called the Myers’ legal opinion and the resulting decision to approve the Glamis mine “an affront to all American Indians.” The National Congress of American Indians, which includes more than 250 American Indian and Alaska Native tribal governments, formally opposes the Myers nomination.

I have discussed my concerns about this nominee at some length because I wanted to show that my opposition to Mr. Myers is not based on a single intemperate remark he has made as an advocate. I simply am not convinced that Mr. Myers will put aside his personal policy views and fairly interpret and apply the law as passed by Congress. He has shown a willingness to disregard clear statutory language as Solicitor General of the Department of the Interior.

It is not enough for Mr. Myers to pledge that he will follow Supreme Court precedent. As we all know, the Supreme Court has not answered every legal question. Circuit court judges are routinely in the position of having to address novel legal issues. Mr. Myers’s writings and speeches raise the question of whether he has prejudged many important legal questions. His answers to committee questions did not satisfy me that he has not. I will vote “No” on the nomination.

I yield the floor.

Mr. JEFFORDS. Mr. President, I rise today to express my opposition to the nomination of William G. Myers III to the Ninth Circuit Court of Appeals.

Looking over Mr. Myers’ record, it is clear that we do not see eye-to-eye on environmental policy. He once complained that the “federal government’s endless promulgation of statutes and regulations harm the very environment it purports to protect.” Mr. Myers believes that the Endangered Species Act

and the Clean Water Act’s wetlands protections are examples of “regulatory excesses.” He has also compared the Government’s management of public lands to King George’s rule over the American colonies.

But policy disagreements alone are not enough to disqualify an individual from serving on our Nation’s lower courts. I dare say that there has not been a judge confirmed during my almost 16 years in the Senate where the nominee and I have agreed on all issues. I believe the same could be said by any Senator who has ever served in the Senate.

For me to oppose a judicial nomination there needs to be more than just a disagreement on policy; there needs to be an issue concerning judicial temperament or competence. When reviewing the record compiled on Mr. Myers by the Judiciary Committee, I do believe there are serious deficiencies with this nomination, beyond a disagreement on policy, and I must oppose it.

First, Mr. Myers has very little litigation experience, a critical factor for serving on the circuit court level. In fact, he has never been a judge, nor has he participated in a jury trial, and only rarely has he participated in a nonjury trial. He has never been a law professor, and he has written only a few law review articles. Some candidates who I have supported in the past have lacked one kind of experience—being a judge, professor, or prolific writer—but have compensated for that gap with strength in other areas. Mr. Myers’ resume, however, does not show any other such compensatory experience.

I am also greatly concerned that Mr. Myers’ past actions bring into question his ability to separate his strong beliefs from his judicial duty to rule dispassionately on the law. This is a critical trait for any judge, at any level of the judiciary, and one that appears to be lacking in this nominee. For example, when he was the Interior Department Solicitor, which is the chief lawyer for the Department, he was sworn to defend the public interest and enforce Federal land regulations. However, in many actions taken by Mr. Myers, he used his position to weaken environmental regulations to the benefit of his former mining and grazing industry clients. This is a strong indication of his inability to separate his beliefs from his duty as a judge, and he must not be allowed to carry that to the Ninth Circuit Court of Appeals.

For those reasons I will oppose his nomination. In addition, as the ranking member of the Senate Environment and Public Works Committee, I am distressed that the majority leadership has decided to use valuable floor time to debate a nominee with horrible environmental perspectives and no chance at confirmation, while failing to take action on many important environmental issues.

We should be enacting comprehensive power plant antipollution legislation. We should be looking for new opportu-

nities to improve the efficiency of our cars, homes, and buildings to help curb air pollution and reduce global warming. We should pass standards to improve reliable delivery of electricity. We should agree to produce more renewable motor fuels that meet Federal Clean Air requirements. We should build a pipeline to bring needed natural gas from Alaska to the lower 48 States. We should end manipulative electricity marketing practices that gouge our consumers. Finally, we should expand our use of renewable energy. We could do all these things, which would provide more energy for our country, and do them with substantial Senate support rather than debate a nomination that does not have the support necessary to be confirmed.

We also have failed to ensure that the United States continues to exercise leadership in multilateral efforts to protect the global environment. Even though the United States led the way in negotiating and signing several important international environmental treaties, we are not yet a party to these treaties because of a failure to pass necessary implementing legislation. The Law of the Sea Treaty is a perfect example. The Stockholm Convention on Persistent Organic Pollutants is, unfortunately, another.

These are some of the important environmental issues the Senate should be spending its precious remaining time on, and not on divisive nominees who have no chance for confirmation.

Mr. LEAHY. Mr. President, earlier today I discussed my concerns about the nomination of William Myers to a lifetime job as a judge on the U.S. Court of Appeals for the Ninth Circuit. Before we vote on the motion of Republican Senators to invoke cloture on this nomination, I would like to highlight a few things.

This nomination was reported out of the Judiciary Committee on April Fool’s Day over the objections of every single Democratic member of the committee.

The Republican majority has failed to bring this nomination up for a vote during the past 4 months, knowing that Mr. Myers is strongly opposed by the widest coalition of citizen groups that have ever opposed a circuit court nominee in U.S. history. Suddenly last Friday, Republicans filed their cloture motion to end a debate that had not even begun about why President Bush nominated such an anti-environment activist for a judgeship. They set debate for a time they knew few were scheduled to be here on such short notice. It seems that they are afraid of a robust and thorough debate on the merits, or lack of merit, of this nomination but they are eager to try to create a political issue out of it.

I do not think it is too skeptical to suggest that Republicans are bringing this nomination up now only to try to politicize the judicial nominations issue further in advance of the Presidential nominating conventions. This

is the partisan game plan proposed by the rightwing editorial page of the Washington Times and White House and rightwing advocacy groups such as the Committee for Justice. The White House and its Republican friends in this body should stop playing politics with these lifetime jobs as judges. Stop playing politics with our courts. Stop proposing extremists for our Federal bench. Stop trying to remake the Federal judiciary from an independent branch of Government into just another wing of the Republican Party.

We have stopped only a handful of this President's most extreme judicial nominees, even though Republicans blocked more than 60 of President Clinton's judicial nominees from getting an up-or-down vote. Republicans blocked nearly 10 times as many of President Clinton's moderate and well-qualified judicial nominees. Democrats have been judicious and sought to check only the worst nominations President Bush has proposed. This nomination is one of the most controversial and divisive, and the worst choice in terms of environmental protections and policy. It is so obvious he was chosen with the hope that he will continue to help roll back protections for clean water, clean air, and endangered ecosystems from the judicial bench.

Mr. Myers was picked to be a lifetime-appointed judge because for most of his working life he has been a strident opponent of environmental laws. The nomination of this industry lobbyist who has barely been inside a courtroom exemplifies the revolving door between corporate interests and the Bush administration. It is no wonder that his confirmation is opposed by more than 180 environmental, tribal, labor, civil rights, disability rights, women's rights and other citizen groups. I ask unanimous consent to have a list of those opposing this nomination printed in the RECORD.

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

LETTERS OF OPPOSITION TO THE NOMINATION OF WILLIAM G. MYERS III—NOMINEE TO THE NINTH CIRCUIT COURT OF APPEALS

PUBLIC OFFICIALS

Senator James M. Jeffords, D-VT.
Members of Congress: George Miller, CA-7 (D); Peter A. DeFazio, OR- (D); Xavier Becerra, CA-31 (D); Luis V. Gutierrez, IL-4 (D); Jane Harman, CA-36 (D); Tom Lantos, CA-12 (D); Ed Pastor, AZ-4 (D); Nancy Pelosi, CA-8 (D); Raul Grijalva, AZ-7 (D); Earl Blumenauer, OR-3 (D); Grace F. Napolitano, CA-38 (D); Adam Smith, WA-9 (D); Anna G. Eshoo, CA-14 (D); Susan A. Davis, CA-53 (D); Dennis A. Cardoza, CA-18 (D); Jay Insee, WA-1 (D); Zoe Lofgren, CA-16 (D); Bob Filner, CA-51 (D); Henry A. Waxman, CA-30 (D); Joe Baca, CA-43 (D); Linda T. Sánchez, CA-39 (D); Lucille Roybal-Allard, CA-34 (D); Maxine Waters, CA-35 (D); Jim McDermott, WA-7 (D); Barbara Lee, CA-9 (D); Brad Sherman, CA-27 (D); Ellen O. Tauscher, CA-10 (D); Hilda L. Solis, CA-32 (D); Jose E. Serrano, NY-16 (D); Lois Capps, CA-23 (D); Lynn C. Woolsey, CA-6 (D); Michael M. Honda, CA-15 (D); Mike Thompson, CA-1 (D); Robert T. Matsui, CA-5 (D); Pete Stark, CA-

13 (D); Neil Abercrombie, HI-1 (D); Rick Larsen, WA-2 (D); Diane E. Watson, CA-33 (D); Sam Farr, CA-17 (D); Juanita Millender-McDonald, CA-37 (D); Adam B. Schiff, CA-29 (D); and Loretta Sanchez, CA-47 (D).

Members of the California State Senate: John Burton, President Pro Tempore (D-San Francisco); Shiela Kuehl, Chair, Senate Natural Resources Committee (D-Los Angeles); and Byron Sher, Chair, Senate Environmental Quality Committee (D-Stanford).

GROUPS

Affiliated Tribes of Northwest Indians; AFL-CIO; Ak-Chin Indian Community, Maricopa, AZ; Bear River Band of Rohnerville Rancheria Tribe, Loleta, CA; Big Sandy Rancheria, Auberry, CA; Cabazon Band of Mission Indians, Indio, CA; Cachil Dehe Band of Wintun Indians, Colusa, CA; California Nations Indian Gaming Association; California Rural Indian Health Board, Sacramento, CA; Circle Tribal Council, Circle, AK; Confederated Tribes of Siletz Indians, Siletz, OR; Delaware Tribe of Indians, Bartlesville, OK; Elko Band Council, Elko, NV (Te-Moak Tribe of Western Shoshone Indians of Nevada); Fallon Paiute-Shoshone Tribe, Fallon, NV; Friends of the Earth; Habematolel Pomo of Upper Lake, Upper Lake, CA; Ho-Chunk Nation, Black River Falls, WI; Hopland Band of Pomo Indians, Hopland, CA; Inaja Cosmit Band of Mission Indians; Inter Tribal Council of Arizona; Jamestown S'Klallam Tribe, Sequim, WA; Justice for All Project; Kalispel Tribe of Indians, Usk, WA; Kaw Nation, Kaw City, OK; Leadership Conference on Civil Rights; Mesa Grande Band of Mission Indians; Mooretown Rancheria (Concow-Maida Indians); NAACP; National Congress of American Indians; National Senior Citizens' Law Center; National Wildlife Federation; Nightmute Traditional Council, Nightmute, AK; Oglala Sioux Tribe, Pine Ridge, SD; Paskenta Band of Nomlaki Indians, Orlando, CA; Passamaquoddy Tribe, Perry, ME; Public Employees for Environmental Responsibility; Pueblo of Laguna, Laguna, NM; Quechan Indian Tribe, Ft. Yuma Reservation; Ramona Band of Cahuilla Mission Indians, Anza, CA; Redding Rancheria Tribe, Redding, CA; San Pasqual Band of Mission Indians, San Diego County, CA; Santa Ysabel Band of Diegueno Indians, Tracts 1, 2, and 3; Seminole Nation of Oklahoma; Timbisha Shoshone Tribe of the Western Shoshone Nation, Bishop, CA; U ta Uta Gwaita Paiute Tribe, Benton, CA; Viejas Band of Kumeyaay Indians, Alpine, CA; and Winnebago Tribe of Nebraska.

Coalition Letter from Civil, Women's and Human Rights Organizations: Advocates for the West; Alliance for Justice; American Rivers; Americans for Democratic Action; Clean Water Action; Committee for Judicial Independence; Defenders of Wildlife; EarthJustice; Endangered Species Coalition; Friends of the Earth; Leadership Conference on Civil Rights; Mineral Policy Center; NARAL Pro-Choice America; National Abortion Federation; National Environmental Trust; National Organization for Women; National Resources Defense Council; The Ocean Conservancy; Public Employees for Environmental Responsibility; Sierra Club; and The Wilderness Society.

Coalition Letter from Civil, Disability, Senior Citizens', Women's, Human rights, Native American, and Environmental Rights Organizations:

NATIONAL GROUPS

ADA Watch/National Coalition for Disability Rights; Alliance for Justice; American Lands Alliance; American Planning Association; American Rivers; Americans for Democratic Action; Association on American Indian Affairs; Campaign to Protect America's Lands; Citizens Coal Council;

Clean Water Action; Coast Alliance; Community Rights Counsel; Defenders of Wildlife; Disability Rights Education and Defense Fund; Earth Island Institute; Earthjustice; Endangered Species Coalition; Environmental Law Association; Environmental Working Group; First American Education Project; Forest Service Employees for Environmental Ethics; Friends of the Earth; Indigenous Environmental Network; Leadership Conference on Civil Rights; League of Conservation Voters; Mineral Policy Center/Earthworks; The Morning Star Institute; National Association of the Deaf; National Congress of American Indians; National Employment Lawyers Association; National Environmental Trust; National Forest Protection Alliance; National Organization for Women; National Partnership for Women and Families; National Senior Citizens Law Center; National Tribal Environmental Council; Natural Heritage Institute; Natural Resources Defense Council; New Leadership for Democratic Action; Legal Momentum, formerly NOW Legal Defense and Education Fund; The Ocean Conservancy; People For the American Way; Progressive Jewish Alliance; PEER (Public Employees for Environmental Responsibility); REP America (Republicans for Environmental Protection); Sierra Club; Society of American Law Teachers; U.S. Public Interest Research Group; The Wilderness Society.

REGIONAL, STATE AND LOCAL GROUPS

Action for Long Island; Advocates for the West; Alaska Center for the Environment; Alaska Coalition; Alaska Rainforest Campaign; Arizona Wilderness Coalition; As You Sow Foundation; Audubon Society of Portland; Buckeye Forest Council; Cabinet Resource Group; California Employment Lawyers Association; California Nations Indian Gaming Association; California Native Plant Society; Californians for Alternatives to Toxics; California Wilderness Coalition; Cascadia Wildlands Project; Center for Biological Diversity; Citizens for the Chuckwalla Valley; Citizens for Victor; Clean Water Action Council; Coast Range Association; Committee for Judicial Independence; Cook Inlet Keeper; Desert Survivors; Endangered Habitats League; Environmental Defense Center; Environmental Law Caucus, Lewis and Clark Law School; Environmental Law Foundation; Environmental Law Society, Vermont Law School; Environmental Protection Information Center; Environment in the Public Interest; Escalante Wilderness Project; Eugene Free Community Network; Florida Environmental Health Association; Forest Guardians; The Freedom Center; Friends of Arizona Rivers; Friends of the Columbia Gorge; Friends of the Inyo; Friends of the Panamints; Georgia Center for Law in the Public Interest; Gifford Pinchot Task Force; Grand Canyon Trust; Great Basin Mine Watch; Greater Yellowstone Coalition; Great Old Broads for Wilderness; Great Rivers Environmental Law Center; Headwaters; Heal the Bay; Hells Canyon Preservation Council; High Country Citizens' Alliance; Idaho Conservation League; Inter Tribal Council of Arizona; Jamestown S'Klallam Tribe; Kamakakuokalani Center for Hawaiian Studies; Kentucky Resources Council, Inc.; Kettle Range Conservation Group; Klamath Forest Alliance; Klamath Siskiyou Wildlands Center; Knob and Valley Audubon Society of Southern Indiana; Kootenai Environmental Alliance; Lake County Center for Independent Living; The Lands Council; Lawyers Committee for Civil Rights of the San Francisco Bay Area; Magic; Maine Women's Lobby; McKenzie Guardians; Mining Impact Coalition of Wisconsin; Mining Impacts Communication Alliance; Montana Environmental Information Center; Native Hawaiian

Leadership Project; Northern Regional Center for Independent Living; Northwest Ecosystem Alliance; Northwest Environmental Advocates; Northwest Environmental Defense Center; Northwest Indian Bar Association; Northwest Old-Growth Campaign; Oilfield Waste Policy Institute; Okanogan Highlands Alliance; Ola'a Community Center; Olympic Forest Coalition; Oregon Natural Desert Association; Oregon Natural Resources Council; Pacific Environmental Advocacy Center; Pacific Islands Community EcoSystems; Placer Independent Resource Services, Inc.; Quechan Indian Nation; Reno-Sparks Indian Colony; Resource Renewal Institute; Rock Creek Alliance; San Diego Baykeeper; San Juan Citizens Alliance; Santa Monica Baykeeper; Save the Valley, Inc.; Selkirk Conservation Alliance; Siskiyou Project; Sitka Conservation Society; Southern Utah Wilderness Alliance; Southwest Environmental Center; St. Lucie Audubon Society; Tennessee Clean Water Network; Umpqua Watersheds; Valley Watch, Inc.; Waipa Foundation; Washington Environmental Council; WashPIRG; Waterkeepers Northern California; West Virginia Rivers Coalition; Western Environmental Law Center; Western Land Exchange; Western San Bernardino County Landowner's Association; Western Watersheds Project; Wildlands CPR; Wild South; Wyoming Outdoor Council; and Yuba Goldfields Access Coalition.

ATTORNEYS AND LAW PROFESSORS

Michael Dennis, Round Hill, VA; and Joseph L. Sax, Boalt Hall, Berkeley, CA.

Joint letter from Attorneys and Law Professors in the 9th Circuit: Robert T. Anderson, Director of the Native American Law Center; Keith Aoki, Professor of Law, University of Oregon Law School; Annette R. Appell, Professor of Law, William S. Boyd School of Law, UNLV; Barbara Bader Aldave, Stewart Professor of Law, University of Oregon; Michael C. Blumm, Professor of Law, Lewis and Clark School of Law; Melinda Branscomb, Associate Professor of Law, Seattle University; Allan Brotsky, Professor of Law Emeritus, Golden Gate University School of Law; Robert K. Calhoun, Professor of Law, Golden Gate Law School; Erwin Chemerinsky, Professor of Law, University of Southern California; Marjorie Cohn, Professor of Law, Thomas Jefferson School of Law; Connie de la Vega, Professor of Law, University of San Francisco; Sharon Dolovich, Acting Professor of Law, University of California Los Angeles; Scott B. Ehrlich, Professor of Law, California Western School of Law; Roger W. Findley, Professor of Law, Loyola Law School; Catherine Fisk, Professor of Law, University of Southern California; Caroline Forell, Professor of Law, University of Oregon School of Law; Susan N. Gary, Associate Professor of Law, University of Oregon School of Law; Dale Goble, Professor of Law, University of Idaho; Carole Goldberg, Professor of Law, University of California Los Angeles; A. Thomas Golden, Professor of Law, Thomas Jefferson Law School; Betsy Hollingsworth, Clinical Professor of Law, Seattle University Law School; M. Casey Jarman, Professor of Law, University of Hawaii; Kevin Johnson, Professor of Law, University of California, Davis; Craig Johnston, Professor of Law, Lewis and Clark Law School; Arthur B. LaFrance, Professor of Law, Lewis and Clark Law School; Ronald B. Lansing, Professor of Law, Lewis and Clark Law School; David Levine, Professor of Law, University of California Hastings College of the Law; Susan F. Mandiberg, Professor of Law, Lewis and Clark Law School; Karl Manheim, Professor of Law, Loyola Law School; Robert J. Miller, Associate Professor of Law, Lewis and Clark

Law School; John T. Nockleby, Professor of Law, Loyola Law School; David B. Oppenheimer, Professor of Law, Golden Gate University School of Law; Laura Padilla, Professor of Law, California Western School of Law; Clifford Rechtschaffen, Professor of Law, Golden Gate University School of Law; Naomi Roht-Arriaza, Professor of Law, University of California Hastings College of Law; Michael M. Rooke-Kay, Professor of Law Emeritus, Seattle University School of Law; Susan Rutberg, Professor of Law, Golden Gate University School of Law; Robert M. Saltzman, Associate Dean, University of Southern California Law School; Sean Scott, Professor of Law, Loyola Law School; Julie Shapiro, Associate Professor of Law, Seattle University Law School; Katherine Sheehan, Professor of Law, Southwestern Law School; Paul J. Spiegelman, Adjunct Professor of Law, Thomas Jefferson School of Law; Ralph Spritzer, Professor of Law, Arizona State University; John A. Strait, Associate Professor of Law, Seattle University; Jon M. Van Dyke, Professor of Law, University of Hawaii at Manoa; Martin Wagner, Adjunct Professor of Law, Golden Gate University School of Law; James R. Wheaton, President, Environmental Law Foundation; Bryan H. Wildenthal, Professor of Law, Thomas Jefferson School of Law; Gary Williams, Professor of Law, Loyola Law School; Robert A. Williams, Jr., Professor of Law and American Indian Studies, and Faculty Chair of the Indigenous Peoples Law and Policy Program, University of Arizona; and Jonathan Zasloff, Professor of Law, University of California Los Angeles.

CITIZENS

Nora McDowell, President, Inter Tribal Council of Arizona (19 member tribes); and Dyrck Van Hying, Great Falls, MT.

GROUPS EXPRESSING CONCERN OVER THE MYERS NOMINATION

Coalition Letter from Women's, Reproductive, and Human Rights Organizations: Alliance for Justice; American Association of University Women; Catholics for a Free Choice; Feminist Majority; Human Rights Campaign; NARAL Pro-Choice America; National Abortion Federation; National Council of Jewish Women; National Family Planning and Reproductive Health Association; NOW Legal Defense and Education Fund; National Partnership for Women and Families; National Women's Law Center; Planned Parenthood Federation of America; Religious Coalition for Reproductive Choice; and Sexuality Information and Education Council of the United States.

Mr. LEAHY. He is opposed because he should not be trusted with a lifetime job as an appellate judge. His record is too extreme.

If you watch what the Bush administration does, instead of just listening to what it says, there is much evidence of this administration's outright contempt for high environmental standards. This nomination, in itself, says something about that. This nomination is emblematic of so many of this administration's appointments, especially to sensitive environmental posts. Mr. Myers' Interior appointment was the first "swoosh" of the revolving door. His nomination by President Bush to one of the highest courts in the land completes the cycle.

I must oppose cloture on this nomination, and I hope that the Senate's vote today will say something about the higher priority that the Senate makes of environmental quality.

Mr. CHAFEE. Mr. President, today I will vote in favor of invoking cloture on the nomination of William G. Myers III to serve on the U.S. Court of Appeals for the Ninth Circuit. During the 108th Congress, the Senate has failed to invoke cloture on the nominations of Mr. Myers and several other circuit court nominees. I have supported invoking cloture on these nominations because I am concerned about how such filibusters will affect the judicial confirmation process, including the nominees of future Presidents. The overwhelming majority of editorial pages across the Nation agree that district and circuit court nominees are entitled to an up-or-down vote.

However, a vote to invoke cloture is not an automatic vote for confirmation. In fact, I joined several other Republicans in voting against a district court nominee earlier this month. I have heard from a number of Rhode Islanders who have serious concerns about Mr. Myers, particularly his views on property rights and environmental protection, and I will carefully weigh their objections should the Senate invoke cloture on his nomination in the future.

Ms. CANTWELL. Mr. President, over the last 3½ years, the Senate has approved 198 of President Bush's judicial nominees: more than were confirmed during President Reagan's first term, more than confirmed during the first President Bush's term, and more than were confirmed during President Clinton's second term, when the other party controlled this body.

The reality is that the Senate has made remarkable progress approving this President's nominees. Today, there are fewer Federal judicial vacancies than at any time in the last 14 years.

This is true because both sides of the aisle have been able to work together to identify talented, qualified, experienced nominees—nominees who can put their own ideologies aside and uphold the law.

We have a bipartisan selection process that has worked very well for Washington state. Members of Washington State's legal community, the White House, and my colleague Senator PATTY MURRAY and I worked together to review a group of applicants. I am proud of our work. This cooperative approach has produced a number of highly qualified judicial nominees—including two who were confirmed just last month—and I believe it is a sound model for other States.

Unfortunately, the nomination before us today—that of William Myers to the Ninth Circuit Court of Appeals—represents a break with this spirit of cooperation and fairness. As a Senator who represents a State in the Ninth District, I feel that I must explain why I have concluded that I have no choice but to oppose this nomination.

Other Senators have spoken about Mr. Myers' inexperience. I agree that the nominee before us has limited experience. He has never been a judge, he

has never tried a jury case, he has never served as counsel in any criminal litigation, and he has tried just twelve cases to verdict or judgment.

I am troubled that this administration believes such a candidate is an appropriate choice to serve on the U.S. Court of Appeals, just one level below the U.S. Supreme Court. But I would like to spend my time discussing some other problematic aspects of this nomination.

The decision this body makes on the nomination before us will have a long-lasting impact on the States of the Ninth Circuit. For one thing, the person appointed to fill this seat on bench will receive a lifetime appointment. For another, the Ninth Circuit decides on many cases that can have dramatic impacts on land management policy and environmental protections. Decisions about how to use our natural resources and public lands can have irrevocable consequences.

With this in mind, I am concerned that this nominee has compared the federal government's management of public lands to "the tyrannical actions of King George" over the American colonies.

More troubling in his view of the Commerce Clause. In the face of decades of established law, Mr. Myers has argued for a more limited interpretation of this key portion of the Constitution, which underpins much of Federal environmental law. Rhetoric is one thing; radically re-interpreting the Constitution is another.

I am disappointed that the Senate has spent so much time debating a judicial nominee with such a poor record on protecting the environment, instead of taking up legislation that could actually improve the environment.

And in addition to public lands issues, the Ninth Circuit often considers cases regarding Native American issues. Yet here, too, Mr. Myers's record is troubling.

In one case, Myers reversed existing policy of the Department of the Interior, without seeking public opinion or input from affected Tribes. His decision, which relied on his interpretation of the Federal Land Policy and Management Act, FLPMA, allowed a mining company to contaminate a large area of land in California that was sacred to the Quechan tribe.

But when a Federal judge reviewed the case—the only time a Federal judge reviewed Myers' work—he concluded, "The Solicitor misconstrued the clear mandate of FLPMA."

It is for reasons like this that the National Congress of American Indians—which has never in its history opposed a Federal judicial nominee—opposes this nominee. Together, 560 tribes have spoken up and voiced their strong concerns with his nomination.

The Affiliated Tribes of Northwest Indians, which represents tribes in Washington, Oregon, Montana, and the nominee's home State of Idaho, has also never previously opposed a judi-

cial nominee. But they believed it was necessary to step forward and oppose Mr. Myers. As they noted in a letter to me and other Northwest Senators, "We do not take this step lightly—but when a nominee has acted with such blatant disregard for federal law and our sacred places, we must speak out."

I ask unanimous consent that the Affiliated Tribes' letter be printed in the RECORD.

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

AFFILIATED TRIBES
OF NORTHWEST INDIANS,
Portland, OR, March 19, 2004.

Re: Opposition to the Nomination of William G. Myers III to the 9th Circuit Court of Appeals.

SENATORS: STEVENS, MURKOWSKI, MCCAIN, KYL, FEINSTEIN, BOXER, INOUE, AKAKA, CRAIG, CRAPO, BAUCUS, BURNS, REID, ENSIGN, WYDEN, SMITH, MURRAY, CANTWELL,
*U.S. Senate,
Washington, DC.*

Dear SENATORS: We write to you today as leaders of tribes within the jurisdiction of the 9th Circuit Court of Appeals to express our strong opposition to the confirmation of William G. Myers III to the 9th Circuit Court of Appeals. As President of the Affiliated Tribes of Northwest Indians/Chairman of the Coeur d'Alene Tribe in Idaho, and as Treasurer of the National Congress of American Indians/Chairman of the Jamestown S'Klallam Tribe, respectively, we represent a broad base of tribes in the Northwest who would be directly impacted by this nomination.

We have never before stepped forward to oppose a judicial nominee. We believe that the President is entitled to receive the consent of the Senate for his judicial appointments unless there are serious concerns regarding judicial fitness. However, former Solicitor of Interior Myers' disregard for federal law affecting Native sacred places compels our view that he is unable to fairly and impartially apply the law and thus should not be confirmed.

The U.S. government, as steward for millions of acres of Western lands, has accepted responsibility for maintaining and protecting religious sites of significance to Native Americans. This responsibility is clearly recognized not only by treaty and custom but also in laws such as the Federal Land Policy and Management Act (FLPMA).

Unfortunately, the nominee, while serving two years in the Bush administration as solicitor of the Department of the Interior, trampled on law, religion, and dignity. In his official capacity he orchestrated a rollback of protections for sacred native sites on public lands, although such places have been central to the free exercise of religion for many American Indians for centuries.

Most notably, despite his stewardship responsibility, with the stroke of his pen Myers reversed a crucial departmental decision that had been arrived at over a period of years with substantial public input. His action cleared the way for a massive hardrock mining operation employing cyanide to extract gold from enormous heaps of rock. This mine, run by Canada's Glamis Imperial Gold Company, stands to contaminate thousands of acres and destroy a vast swath of land in the California desert that is sacred to the Quechan tribe.

In one of only three formal opinions in his two-year tenure at Interior, Myers argued that the agency's Bureau of Land Management did not have authority under the FLPMA law to prevent the undue degrada-

tion of public lands that sometimes accompanies such mining operations. But this is contrary to the specific wording of the legislation, which requires the Department of the Interior to protect against public land degradation that is "unnecessary or undue."

Myers simply concluded that any practice necessary for a mining operation was, by definition, not undue. Such reasoning stands contrary to common sense and turns legislative statute on its head. While specifically addressing only the Glamis project, Myers's opinion, if followed, would block the Bureau from preventing undue degradation across millions of acres of public land.

It's hard to imagine a more fundamental misreading of the language and intent of the law. As Federal district Judge Henry Kennedy Jr.—the only judge to have reviewed Myers's handiwork—declared, "The Solicitor misconstrued the clear mandate of FLPMA."

Furthermore, the court held: "FLPMA by its plain terms, vests the Secretary of Interior with the authority—and indeed the obligation—to disapprove of an otherwise permissible mining operation because the operation, though necessary for mining, would unduly harm or degrade the public land." No wonder the American Bar Association questions Myers's legal qualifications for a position on the Federal appellate bench.

Equally troubling to tribes in the 9th Circuit is the shameful exclusion of the Quechan Indian Nation from the decision to reconsider the Glamis project. Neither Myers nor Interior Secretary Gale Norton engaged in government-to-government consultation with the Quechan Indian Nation or other Colorado River tribes before reopening and reversing the Glamis debate.

The Ninth Circuit Court encompasses a huge area. It contains scores of reservations, more than one hundred Indian tribes, millions of Indian people, and millions of acres of public lands. Because so few legal cases ever reach the U.S. Supreme Court, the Ninth Circuit is often the court of last resort for deciding critically important federal and tribal land management issues.

Judges on this court must understand and respect tribal values and the unique political relationship between the federal government and tribal governments. Myers' actions and legal advice in the Glamis matter trample on tribal values, raise serious questions about his judgment, and demonstrate a clear lack of the impartiality necessary to decide cases affecting public lands.

We ask that you stand with us in opposing this nominee. We do not take this step lightly—but when a nominee has acted with such blatant disregard for Federal law and our sacred places, we must speak out.

ERNEST L. STENSGAR,
*President, Affiliated
Tribes of Northwest
Indians, Chairman,
Coeur d'Alene Tribe.*

W. RON ALLEN,
*Chairman, Jamestown
S'Klallam Tribe,
Former President,
National Congress of
American Indians.*

Ms. CANTWELL. Mr. President, for the 29 tribes in my home State of Washington, and the many tribes throughout the West, this is a troubling report.

To be clear, I am not opposing Mr. Myers's nomination simply because we disagree on issues. I have voted for many of this President's nominees whose views on a range of issues differ from my own.

I have had ideological differences with many of the nominees put forth

by this administration, yet I have voted to approve the overwhelming majority of those candidates. I do not believe that a difference in a nominee's views alone justifies voting against him or her.

But I cannot assent to a nominee who I do not believe will uphold the law when it conflicts with his ingrained political philosophy. Unfortunately, I believe Mr. Myers is such a nominee.

Mr. Myers has written, "Judge Bork's judicial philosophy was well within the parameters of acceptable constitutional theory, worthy of representation on the Supreme Court." More importantly, Mr. Myers indicated his support of "judicial activism" in his discussion of Bork's views: "Interpretivism does not require a timid approach to judging or protecting constitutionally guaranteed rights . . . interpretivism is not synonymous with judicial restraint and may require judicial activism if mandated by the constitution."

A Pacific Northwest newspaper, the Oregonian, summed up Mr. Myers's nomination this way: "Myers has overwhelmingly looked out for industry interests while antagonizing a vast array of conservation groups, tribes, labor unions and civil-rights organization." I ask unanimous consent that this editorial be printed in the RECORD.

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

[From the Oregonian, July 20 2004]

WRONG PICK FOR 9TH CIRCUIT; SURELY THE WHITE HOUSE CAN FIND A MORE QUALIFIED NOMINEE FOR THE APPELLATE COURT THAN WILLIAM MYERS

In conservative doctrine, no court in the land is more out of step than the 9th U.S. Circuit Court of Appeals. It's considered a nest of "activist" judges whose liberal leanings produce some truly wacky rulings.

That reputation reared its head again Monday at a hearing on the nomination of William G. Myers III to a 9th Circuit vacancy. One Republican senator after another testified that the Idaho lawyer is just what's needed to bring some "balance" to the court.

Wrong. The 28-seat appellate court may indeed harbor some ideology-driven activists. But the solution isn't to add another ideology-driven activist.

Myers didn't get this nomination because of superior judicial fitness. He got it because of his political views and friendly relationships with industries besieged by environmental lawsuits.

He lacks any judicial experience, but that isn't the real problem. Many outstanding judges, such as Portland's Diarmuid O'Scannlain, were appointed to the 9th Circuit without coming up through the judicial ranks.

But unlike Scannlain, Myers wasn't hailed by his peers as a brilliant legal mind. He received only a tepid "qualified" rating by the American Bar Association's judicial review panel. Not one member rated him "well-qualified," and several voted "unqualified."

No distinguished career in law won Myers the attention of the Bush administration. He toiled for years as a lobbyist for the mining industry and cattle interests before the White House appointed him to be the Interior Department's top lawyer in 2001.

In that role, Myers has overwhelmingly looked out for industry interests while an-

tagonizing a vast array of conservation groups, tribes, labor unions and civil-rights organizations.

Myers' anti-environmental activism by itself shouldn't disqualify him. The problem—and this gets back to his lack of judicial experience—is that he has no track record whatsoever to show how he would separate his ideology from his interpretation of the law on the nation's second-highest court.

The Senate is scheduled to vote today on Myers' confirmation. According to their aides, Sen. Gordon Smith, R-Ore., probably will support the appointment, which is unfortunate, and Sen. Ron Wyden, D-Ore., will vote against it.

The Senate has confirmed more than 170 of Bush's judicial nominees, while blocking only seven. William Myers should be the eighth.

Ms. CANTWELL. Mr. President, Mr. Myers's embrace of judicial activism, combined with his anti-environmental record and a poor history of recognizing tribal rights, prevent me from offering my consent on this nomination.

I yield the floor.

Mr. HATCH. Mr. President, I rise today to rebut my colleagues' statements regarding our nominee William Myers. Some of these statements we have heard today are inaccurate and I would like to set the record straight.

Despite some accusations to the contrary, Myers has a proven record of defending Native American tribal interests in this country. For example, he defended the constitutionality of a provision of the California Constitution giving Indian tribes the exclusive right to conduct casino gaming in that State.

He also fought to uphold the Secretary of the Interior's decision to put a parcel of land located in Placer County, CA into trust for the United Auburn Indian Community. In addition, Myers supported legislation that vindicated the property rights of the Pueblo of Sandia, a federally recognized Indian tribe in central New Mexico, by creating the T'uf Shur Bien Preservation Trust Area within New Mexico's Cibola National Forest.

He also helped negotiate an agreement removing two dams from the Penobscot River in an effort to clear the way for the Penobscot Indian Nation to exercise its tribal fishing rights. Conservation groups and the Penobscot Indian Nation supported these efforts, and the agreement is now being implemented by the DOI's Boston field office.

And finally, with respect to tribal interests, Myers worked to implement an Indian Education Initiative that provided increased budget support to the Bureau of Indian Affairs schools, including over \$200 million annually for school construction. This initiative emphasizes the teaching of tribal languages and cultures in addition to improving reading, math, and science education.

Some have also alleged that Myers demonstrated his hostility to environmental safeguards when he submitted a brief, on behalf of the North Dakota

Farm Bureau, the American Farm Bureau and a similar group of clients, which challenged the Army Corps of Engineers' authority to regulate solid waste disposal into isolated wetlands. However, the U.S. Supreme Court agreed with his argument—pretty good evidence that the argument was both mainstream and stood on solid legal ground.

In fact, the U.S. Supreme Court agreed with Myers' clients that as a matter of statutory interpretation, the Clean Water Act did not authorize the Army Corps of Engineers to regulate the habitat of migratory birds in isolated, intrastate waters.

Myers' brief never contended that Congress lacks the ability to regulate wetlands under other statutes or provisions of the Constitution, e.g., under its spending clause powers. It simply argued that the Clean Water Act, as it existed in 1999, did not properly delegate such regulatory authority to the Army Corps of Engineers.

In his responses to Senator FEINSTEIN's written questions, Mr. Myers affirmed that Congressional intent in passing the Clean Water Act was to "restore and maintain the chemical, physical and biological integrity of the Nation's waters," and that "the health of our Nation's waters is often inextricably connected to the health of adjacent wetlands."

As Myers stated at his hearing, the Clean Water Act is clearly constitutional, and there's no question that he understands its importance. And there's also no question that advocacy of a position accepted by a Supreme Court majority should be viewed as a positive point for a nominee, not a negative due to someone's personal disagreement with the decision in question.

I would also like to set the record straight regarding our nominee and an amicus brief he submitted on behalf of the National Cattlemen's Association to the U.S. Supreme Court in the 1995 Sweet Home v Babbitt case. Despite what my colleagues allege, this brief did not argue that the Endangered Species Act itself was unconstitutional.

The brief simply relied on the then-recent precedent of Dolan v City of Tigard, in which the Supreme Court stated:

We see no reason why the Takings Clause of the Fifth Amendment, as much a part of the Bill of Rights as the First Amendment or the Fourth Amendment, should be relegated to the status of a poor relation in these comparable circumstances.

The problem that Mr. Myers' clients had with the Endangered Species Act was that Babbitt Interior Department regulations defined the term "harm" in the statute in a way that essentially precluded any private landowner's use of property on which an endangered species might find habitat, and, importantly, that the Government had no intention of compensating affected landowners.

In fact, the Endangered Species Act contains provisions that enable the

Secretary of the Interior to pay landowners to protect endangered species on their properties, while also preserving viable economic uses of the land. It's no surprise that the Babbitt Interior Department had no intention of enforcing those provisions of the law, but you can hardly blame ranchers and farmers adversely affected by Endangered Species Act regulations for hiring lawyers to ask the Supreme Court to remind the Interior Department of its obligations.

These provisions of the statute are, of course, in addition to the takings clause of the Fifth Amendment. Now, I understand that the Supreme Court ruled against Mr. Myers' clients' position in this case, but it seems to me that arguments well grounded in the plain language of the Constitution and the statute at issue, that acknowledged the basic validity of the statute, cannot credibly be tarred as "extreme."

By contrast, here is a situation that I think most people would agree is extreme. Last month, the Associated Press published an article entitled "So Endangered It Didn't Exist," in, among other newspapers, the Daily Southtown of Illinois. The article reports that the LeSatz family of Chugwater, WY:

wants to be able to teach their clients the finer points of riding and roping without having to trailer their animals 25 miles to the nearest public indoor arena whenever the weather turns miserable. But the LeSatzes aren't able to build their own riding arena. The only decent site on their property in southeastern Wyoming lies within 300 feet of Chugwater Creek, and building there is far too expensive because of Endangered Species Act restrictions intended to protect the Preble's meadow jumping mouse.

The article then breaks it to the reader that the mouse doesn't exist:

After six years of regulations and restrictions that have cost builders, local governments and landowners on the western fringe of the Great Plains as much as \$100 million . . . new research suggests the Preble's mouse in fact never existed. It instead seems to be genetically identical to one of its cousins, the Bear Lodge meadow jumping mouse, which is considered common enough not to need protection.

Now, the U.S. Fish and Wildlife Service is in the process of deciding whether or not these two species of mice are identical; if they are, then neither needs protection from the Endangered Species Act. And the consequences would positively affect many Western communities, in Montana, Wyoming, Colorado, and perhaps several other Western States. As a spokesman for the Colorado Contractors Association put it:

If we've shown that the mouse doesn't exist, what happens to all that has been set aside? Because that's been a huge economic burden.

Indeed it has. As the article reports, "nearly 31,000 acres along streams in Colorado and Wyoming have been designated critical mouse habitat." The mouse "also has blocked the construction of reservoirs amid a five year drought in the Rocky Mountains."

Naturally, environmental groups have begun their usual attacks in

hopes of preserving the potentially bogus classification of this mouse as endangered. But the quote from one of those groups' spokesmen in the AP article is instructive. Does it attack the science? Does it say, well, let's get to the bottom of this? No. It personally attacks the biologist who raised this issue with the U.S. Fish and Wildlife Service, as having "a clear anti-Endangered Species Act agenda," and mocks him for "testifying in Washington, D.C. in front of committees headed by members of Congress who would like nothing better than having the Endangered Species Act thrown away." I guess that, by this individual's logic, any time someone who doesn't share his policy agenda is chairing a Congressional committee, testimony before that committee is illegitimate. An interesting standard—I wonder if Bill Myers' liberal environmentalist opponents would like it applied to their detriment.

Now, the biologist referenced in this AP article may or may not prove to be right about this mouse; it's the Fish and Wildlife Service's job to figure that out. But here's the point: anyone who suggests that sound science ought to inform Endangered Species Act classifications—as Bill Myers did when he was representing folks like the LeSatzes, trying to make a living off the land, in this case, their own land—is attacked by the liberal activists as trying to throw the entire law into the garbage can. Sound familiar? It should. It sounds exactly like the kinds of personal attacks we're hearing on Bill Myers today, and it sounds like the attacks on any member of Congress who has the gall to suggest that the Endangered Species Act must be reformed. While now is not the time to debate the ESA, now should also not be the time to personally attack a qualified judicial nominee for having represented Westerners who have suffered because of its draconian applications.

Let me also remind my colleagues of Mr. Myers' acknowledgement at his hearing, that:

the Supreme Court, in interpreting the Takings Clause and the Fifth Amendment, has never interpreted it as an absolute. . . . [P]roperty rights are subject to reasonable regulation by government entities.

We all know this is the case—not only with the Takings Clause, by the way—and Mr. Myers has never suggested otherwise, despite the misrepresentations of his opponents.

I might note that I find it very unfortunate that the various Indian tribes that oppose Bill Myers have bought into the same false accusations about the Glamis Gold Mine issue.

The truth is Bill Myers was not involved in the permitting process for the proposed Glamis gold mine in southern California. He simply issued a Solicitor Opinion regarding the proper scope of the Interior Department's authority under the Federal Land Policy and Management Act, which allowed Glamis Gold, the owner of several min-

ing claims in the area, to proceed with a pre-existing mining proposal. My colleagues should understand that the Babbitt Interior Department approved the same Glamis proposal—supported by two draft environmental impact statements in 1996 and 1997, and two separate Native American tribal cultural resource studies in 1991 and 1995—up until the last week of the Clinton Administration in January 2001.

At his hearing, Mr. Myers stated that:

my role in that matter was looking at a fairly narrow [legal] point and determining whether the Department had the congressional authority that it needed to make certain interpretations [of the FLPMA].

And his legal conclusion was that the Interior Department did not have the authority to do what former Secretary Babbitt's Solicitor said it did, regardless of the policy merits.

In response to Senator LEAHY's written questions, Mr. Myers explained that prior to his tenure as Solicitor.

Interior had suspended the 2000 regulations affecting hard rock mining. Those regulations were based in part on one of my predecessor's opinions. Multiple lawsuits regarding the suspended regulations were also pending when I arrived. I therefore felt an obligation to review the opinion that was common to these controversies to determine if the Department's defense to the lawsuits was viable.

In fact, Myers reached the legal conclusion that the regulations based on that opinion could not be credibly defended in Federal court.

Additionally, as his written responses to several other Senators' questions make clear, he reached that conclusion before he met with any mining industry representatives, and with the full awareness of the legal positions taken by the affected Indian tribes. Mr. Myers emphasized that:

representatives of the mining company were disappointed by their meeting with me because I would not engage them in a discussion of their ideas or views on the [hardrock mining] matter.

Finally, last spring, a Department of the Interior Inspector General report, concluded:

the conduct of the DOI officials involved in this [Glamis] matter was appropriate, that their decisions are supported by objective documentation and that no undue influence or conflict of interest affected the decision-making process related to the Imperial Project.

While a Federal district court judge here in D.C. disagreed with Myers' Opinion regarding mining operations on Federal lands, the judge upheld the Interior Department's regulations that were based on Myers' Opinion. As Bill noted in his responses to Senator FEINSTEIN's written questions, his opinion was consistent with the Carter administration's interpretation of the relevant portions of the FLPMA, and the D.C. judge agreed with Bill's Opinion's ultimate conclusion that the Bush administration's mining regulations would protect public lands from unnecessary and undue degradation.

Just once I would like to come here to vote on a nominee that some Democrats have maligned and misrepresented in order to make him or her "controversial," and hear more than one Democrat say, well, we've actually reviewed the hearing transcript and the nominee's answers to written questions, and he or she really is a balanced, reasonable person who doesn't deserve the slander we've hurled at him or her. Maybe just once those Democrats prosecuting these filibusters will stray from the talking points and press releases of the inside-the-Beltway smear groups.

But I fear that day will be a long time in coming. Until then, and today in Bill Myers' case, all I can do is calmly point out facts and in particular, statements that the nominee has made to us that conclusively rebut the fevered allegations against him.

Mr. Myers' opponents have continually argued that since Bill Myers had publicly advocated his former clients' causes, which clash with their own policy preferences, he is presumptively disqualified from service on the Federal bench. But here is what he said in response to Senator SCHUMER's question regarding the Federal Government's role in environmental policy:

A centralized government, i.e., Congress, has an important role to play in environmental protection. And the Clean Water Act, the Clean Air Act—there are probably 70 environmental statutes that give evidence to that truth.

He further explained that much of his advocacy for ranchers against the Government was in response to the impact of environmental regulations on the generally good environmental stewardship of public lands by ranchers.

But, Mr. Myers explained in his responses to Senators' written questions that he has in fact represented "clients who actively opposed use of federal land for oil and gas exploration and ranching," in one case because "proposed oil and gas exploration conflicted with my client's use and enjoyment of . . . the land's aesthetic and ecosystem values." He also clarified that his lobbying on behalf of coal companies was limited to a piece of legislation supported by Bruce Babbitt's Interior Department.

In written questions, Mr. Myers was asked:

In private practice, have you ever represented an environmental organization or Indian tribe in litigation against the grazing or mining industry, or lobbied for environmental or Native American organizations on an issue or piece of legislation that was opposed by the mining or grazing industries?

And here's how he responded:

I have not represented environmental organizations in private practice. However, I have represented Native American tribal interests in pursuit of environmental matters unrelated to grazing or mining. In particular, I have represented tribal interests in securing water rights and damages for lost fishing rights. I have not lobbied for environmental or Native American organizations. While in private practice, I volunteered to

chair a review commissioned by the State of Idaho regarding management of federal lands in Idaho. Environmental interests participated in that effort. Specific environmental groups were invited to join the group as full members but they declined to do so.

Mr. Myers also clarified that as Solicitor, he:

supported litigation and non-litigation activities restricting commercial use of public land for gold mining, ranching, off-shore oil and gas development, trespass in National Parks, expansion of national monuments, and protection of Indian sacred sites.

The question is, Do Mr. Myers' opponents care about his statements and the facts of the particular matters they hold against him, or had they made up their minds, well before he ever had an opportunity to respond to their concerns, and regardless of what he's actually said in sworn testimony? I think I know the answer, and it is a profoundly unsettling one.

I would also like to respond briefly to a falsehood recently circulated by a reliably liberal environmental group about Mr. Myers' October 2002 Solicitor Opinion, which addressed the Bureau of Land Management's authority to permanently retire grazing permits on Federal lands. The Opinion concluded that BLM does have the authority to retire permits at the request of a permittee, but only after compliance with statutory requirements and a BLM determination that the public lands associated with the permit should be used for purposes other than grazing. And BLM's decision to retire grazing permits is subject to reconsideration, modification or reversal.

Some found this Opinion controversial; some saw it as a shot across the bow against environmental activist groups that try to buy up grazing permits and then seek to retire them permanently, in order to shut ranchers off from those permitted areas. But at least in the case of a dispute over a portion of Utah's Grand Staircase-Escalante National Monument, a spokesman for the environmental group that sought to buy and retire grazing permits had this reaction to your Opinion:

What [Myers'] memo sets up is an acknowledgement of what we've already known . . . Once an area is closed to grazing, someone could still come along later and say "we want to graze here" and the BLM could reopen the area to grazing. . . . What people consider new about the memo is that plan amendments are not permanent. But that was not new to us.

I guess the extreme environmentalists' opposition campaign didn't bother to read that quote, or Myers' Opinion.

In fact, the portion of the 1999 Tenth Circuit opinion in *Public Lands Council v Babbitt* that the U.S. Supreme Court did not review found that there is a presumption of grazing use within grazing districts, and that BLM could not unilaterally reverse this presumption. That finding supports the Opinion.

Let me also note that Myers' Opinion superseded a prior memorandum issued

by former Secretary Babbitt's Solicitor on January 19, 2001, during the final hours of the Clinton Administration. That memorandum failed to consider a critical factor in any analysis of grazing permits under the Federal Taylor Grazing Act, namely, that the Secretary of the Interior has deemed lands within existing grazing districts "chiefly valuable for grazing and the raising of forage crops."

Now, the environmental group that's propagating the misrepresentations about this Solicitor Opinion also speculates that, if Myers' "authority also extended to the national forests," then groups that try to buy up land to preclude all subsequent economic uses of it wouldn't be able to duplicate the "success story" of wolf and grizzly bear reintroduction in Wyoming and Montana. It is hard to know where to start dismantling this absurd statement. First, as the record will now show, the relevant Solicitor Opinion does not, in any way, stop willing buyers of land from buying land from a willing seller—but the Federal Taylor Act must be respected in the process. Second, as a Federal appellate judge, Bill Myers, at his most powerful, would be on a panel of three judges. Given the overwhelming number of liberals on the Ninth Circuit, the odds are that he would be routinely outvoted.

The third and perhaps most telling, only a liberal environmental group believes that grizzly bear and wolf reintroduction in the West has been a "success." The verdict of the many farmers and ranchers, inside and outside of the Ninth Circuit, who have lost their livestock and livelihoods to these federally subsidized and protected predators is quite different. And it is Bill Myers' understanding of both sides of these types of issues that makes it absolutely essential that he be confirmed as a Ninth Circuit judge.

I would like to point out that at the Judiciary Committee markup on April 1, 2004, Bill Myers was unfairly characterized by one of my colleagues as "a man who has contempt for the views, the well-believed and cherished views of others," based on a couple of quotes, lifted out of context, from several advocacy articles he wrote on behalf of his clients: ranchers and farmers.

I thought I might read you a few quotes, not lifted out of context, from some of the many activist groups who have fomented much of the baseless opposition to Myers' nomination. Judge for yourselves whether this rhetoric fits the Senator's definition of contempt for the views of others, but I think it's crystal clear that what Myers' opponents would like to do is demonize him as a way to silence the opposition to their own favorite purveyors of contempt.

Here are a few choice quotes from a document posted by a coalition of several liberal environmental groups, all of which have vilified Bill Myers as an "extremist," in April 2002:

One of the most nefarious strategies used by the Bush Administration and its industry

allies to undermine environmental protections is to set policy by failing to defend against industry lawsuits or by reaching "sweetheart" settlements with industry.

Among the top contributors to the 2000 Bush Presidential Campaign were the very industries oil—and gas, logging, ranching and large-scale real estate development—that stand to benefit most from the weakening of federal wildlife policy. The court cases discussed above [regarding the Endangered Species Act] were virtually all filed by developers, ranchers and loggers, so it is clear that these industries have already benefited from their generosity to the campaign and their otherwise close ties with the Bush Administration. The oil and gas industry similarly has enjoyed favored treatment, even when its activities would despoil some of the most important remaining habitats of imperiled species.

Unfortunately, in the current Administration, science is often shortchanged when it gets in the way of favored corporate interests. Secretary Norton's Interior Department has repeatedly suppressed, distorted or scuttled the science, even when it comes from biologists within the Department.

Let's see if I've got this straight. The entire Bush administration is nefarious, corrupt, and bribed by corporate interests. Secretary Norton distorts science to benefit the administration's corporate contributors. But it's Bill Myers who is contemptible and "extreme" because he dared suggest that frivolous environmental lawsuits are increasing?

I think everyone ought to be honest about what's going on here. Groups like this, which I'm sure many Democrats would defend as "mainstream," and whose bidding Senators will be doing by refusing to vote on Bill Myers, are the ones spewing contempt.

I would like to respond to some of the rhetoric about Bill Myers' record as Solicitor at the Department of the Interior, a position to which this Senate confirmed him without opposition in 2001.

I understand that Mr. Myers's opponents believe that association with the Bush/Norton Interior Department is a disqualifier for service on the Federal bench I wonder if they will mind when such a standard is applied to the detriment of officials from the Clinton/Babbitt Interior Department, or any future Democratic administration, who might be nominated to the Federal bench. Regardless, let me point out just one example of where the Bush Interior Department clearly got a policy issue right, an issue on which Bill Myers himself has been extensively criticized.

The issue was decided just last month in the case of *Southern Utah Wilderness Alliance* [124 S. Ct. 2373 (2004)]: The Bush Interior Department's position in this case, for which Bill Myers laid the legal foundation, was upheld by a unanimous Supreme Court. The Court rejected environmental activists' challenges to a land use plan that was duly issued under authority of the Federal Land Policy and Management Act. The Court endorsed the Interior Department's "multiple use management" concept, describing it as "a de-

ceptively simple term that describes the enormously complicated task of striking a balance among the many competing uses to which land can be put. . . ." The Court also held that while a ruling in favor of the environmental activists:

might please them in the present case, it would ultimately operate to the detriment of sound environmental management. Its predictable consequence would be much vaguer plans from BLM in the future—making coordination with other agencies more difficult, and depriving the public of important information concerning the agency's long range intentions.

The fact that Bill Myers defended such policies cannot, in a rational confirmation process, disqualify him from service on the Federal bench. In fact, the endorsement of multiple use management policies by a unanimous Supreme Court in this case is compelling evidence against the absurd allegations that Bill Myers is somehow "out of the mainstream" with respect to public lands and environmental law.

I would also like to address a point raised earlier about some statements that Bill Myers made in articles that he wrote on behalf of his clients—cattlemen, ranchers and farmers who opposed Federal Government mismanagement of public lands.

In a July 1, 2004 article entitled "Ronald Reagan, Sagebrush Rebel, Rest in Peace," William Pendley of the Mountain States Legal Foundation wrote: "I am, former Governor Ronald Reagan proclaimed in 1980, 'a Sagebrush Rebel.'"

Now, at his hearing, Bill Myers was attacked merely for having used this same term, in an advocacy piece he wrote for his farming and ranching clients. In fact, he was mocked at this hearing, and after it, for merely channeling the concerns of his clients, who, like Ronald Reagan, considered themselves "Sagebrush Rebels."

Mr. Pendley's article goes on:

When Ronald Reagan was sworn in, he became the first president since the birth of the modern environmental movement a decade before to have seen, first hand, the impact of excessive federal environmental regulation on the ability of state governments to perform their constitutional functions; of local governments to sustain healthy economies; and of private citizens to use their own property. . . . Reagan thought federal agencies in the West should be "good neighbors." Therefore, Reagan returned control of western water rights to the states, where they had been from the time gold was panned in California until Jimmy Carter took office. Reagan sought to ensure that Western states received the lands that they had been guaranteed when they entered the Union. Reagan responded to the desire of western governors that the people of their states be made a part of the environmental equation by being included in federal land use planning.

I would also like to note that Reagan criticized "excessive" regulation, not any regulation at all—neither Bill Myers nor anyone else thinks there is no role for the Federal Government in environmental regulation. And Bill Myers emphasized this at his hearing, in response to very hostile questioning by Democratic Senators:

A centralized government—i.e. Congress—has an important role to play in environmental protection. And the Clean Water Act, the Clean Air Act—there are probably 70 environmental statutes that give evidence to that truth.

But the Reagan approach, which is also the Bush Interior Department's approach, which Bill Myers did his best to defend, is inimical to the environmental activist groups that oppose Mr. Myers' nomination. Any attempt to give the people who actually make their living on and around Western lands a stake in how those lands are regulated is violently opposed by these groups. And then these groups label their enemies "enemies of the environment," or "friends of polluters." It is unfortunate that such labels are uncritically accepted by some Senators, and because these liberal groups have similarly labeled Bill Myers, he won't get the up or down vote he deserves.

RECESS

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:32 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. ALEXANDER).

EXECUTIVE SESSION

NOMINATION OF WILLIAM GERRY MYERS III TO BE A UNITED STATES CIRCUIT JUDGE FOR THE NINTH CIRCUIT—Continued

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Executive Calendar No. 603, William Gerry Myers III of Idaho, to be U.S. circuit judge for the Ninth Circuit.

Bill Frist, Orrin Hatch, Christopher Bond, Chuck Hagel, Ted Stevens, John Cornyn, Wayne Allard, Lindsey Graham, Sam Brownback, Gordon Smith, Lisa Murkowski, Lamar Alexander, Robert Bennett, Elizabeth Dole, Don Nickles, James Inhofe, and Conrad Burns.

The PRESIDING OFFICER. By unanimous consent the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of William Gerry Myers III to be U.S. circuit judge for the Ninth Circuit shall be brought to a close?

The yeas are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. EDWARDS), the Senator from Massachusetts (Mr. KERRY), and the Senator from Georgia (Mr. MILLER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 53, nays 44, as follows:

[Rollcall Vote No. 158 Ex.]

YEAS—53

Alexander	DeWine	McConnell
Allard	Dole	Murkowski
Allen	Domenici	Nelson (NE)
Bennett	Ensign	Nickles
Biden	Enzi	Roberts
Bond	Fitzgerald	Santorum
Brownback	Frist	Sessions
Bunning	Graham (SC)	Shelby
Burns	Grassley	Smith
Campbell	Gregg	Snowe
Chafee	Hagel	Specker
Chambliss	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Kyl	Thomas
Cornyn	Lott	Thomas
Craig	Lugar	Voivovich
Crapo	McCain	Warner

NAYS—44

Akaka	Dorgan	Levin
Baucus	Durbin	Lieberman
Bayh	Feingold	Lincoln
Bingaman	Feinstein	Mikulski
Boxer	Graham (FL)	Murray
Breaux	Harkin	Nelson (FL)
Byrd	Hollings	Pryor
Cantwell	Inouye	Reed
Carper	Jeffords	Reid
Clinton	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
Corzine	Kohl	Schumer
Daschle	Landrieu	Stabenow
Dayton	Lautenberg	Wyden
Dodd	Leahy	

NOT VOTING—3

Edwards	Kerry	Miller
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The PRESIDING OFFICER. On this question, the yeas are 53, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. McCONNELL. 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. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LEGISLATION SESSION

UNITED STATES-MOROCCO FREE TRADE AGREEMENT IMPLEMENTATION ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now resume legislative session and that the Senate proceed to the consideration of S. 2677, the Morocco free-trade legislation, as provided under the statute.

The PRESIDING OFFICER. The assistant Democratic leader.

Mr. REID. We, of course, have no objection to this request. Senator BAUCUS will be the manager on our side. At some subsequent time, we will make a decision as to how much of the 10 hours we will use. We will report that through our manager to the chairman of the committee at the earliest possible time.

The PRESIDING OFFICER. Without objection, the requests are agreed to.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2677) to implement the United States-Morocco Free Trade Agreement.

Mr. GRASSLEY. Mr. President, I thank the distinguished assistant minority leader for his approval of going ahead on this issue. I thank every Senator on the other side because any Senator on the other side or, for that matter, this side can object to any legislation coming up. Trade legislation is a little more controversial than it used to be. We have had great cooperation from the Democrats in the bipartisan manner it takes to get business done in the Senate on three very important trade agreements, including now this one, the United States-Morocco Free Trade Agreement. Last week we did the United States-Australia Free Trade Agreement, and prior to that the extension and reauthorization of the African Growth and Opportunity Act, which was passed just prior to our previous recess for the Fourth of July.

So often in this body the antagonism gets highlighted between Republican and Democrats. I wish to thank all the minority Members for allowing me to move ahead with this legislation.

Obviously, since I presented this legislation, I support this bill, S. 2677. It is legislation that implements the United States-Morocco Free Trade Agreement. I happen to believe this agreement marks a solid win for America, and when it comes to trade legislation, when we talk about a solid win, that is in economic terms and that creates jobs in America because America produces, in most instances, more than we can consume, particularly in agriculture but in other areas as well.

The United States is 5 percent of the world's population. So if anybody thinks we should not accept goods from overseas and then other countries not let us export, understand that 5 percent of the people of this world, the Americans, when we produce much more than we consume—and in agriculture that is 40 percent—what they would be saying is that we ought to shut down part of productive America. Obviously, if we shut down part of productive America, we lose jobs. So if we are going to keep enhancing our economy, to increase our standard of living—and that is related to increased productivity—then, obviously, we have to look to the 95 percent of the people of the world who are outside the United States as a market.

Other countries, obviously, look to the world for a market. So it is a very

competitive market. But the extent to which we reduce trade barriers—and this Morocco agreement is one example of reducing barriers to trade—then we let the marketplace make a decision on where goods go, what goods cost, and the quality of goods. For the most part, consumers of those respective countries, including America, make a determination as to what they want to pay and the quality of product they want. But the marketplace is going to be making that decision.

When we have barriers to trade that are set up by governments, then political leaders are making those decisions. Or if it is not political leaders, it is government employees making those decisions. Quite frankly, when government makes decisions, you do not reap the benefits of the efficiency of the marketplace and the efficiency of productivity of the respective workers of the respective countries that you do if the marketplace is making those decisions.

Willing buyer, willing seller, setting price, setting quality, setting time of transaction is better than 535 Members of Congress making that decision. All one has to do is look at Russia today. It is much more productive than it was when bureaucrats in Moscow were deciding how many acres of wheat to plant and when to combine those acres, the mature crop. A third of it was left in the field because when 5 o'clock came, they went home. When the American farmer goes out to harvest crops, he stays there until he gets it done, particularly something that is time sensitive, such as the maturing crop of wheat or soybeans. But not the Russian farmer under the Soviet system of command and control. Russia was not exporting grain. Today, Russia is exporting grain. We have to go back to the new economic program of the late 1920s for that to have happened, or you have to go back to the days of the czar for that to have happened in Russia.

So the marketplace is the best place to make these decisions, and agreements leveling the playing field, such as this Morocco agreement, are examples of the United States looking to the rest of the world to sell the surplus we manufacture, the surplus we produce, the excess—if you do not want to call it surplus, it is excess—of what we can consume here.

When this agreement is implemented, more than 95 percent of bilateral trade will become duty free immediately. According to the Office of the U.S. Trade Representative, this is the best market access package of any U.S. free-trade agreement with a developing country. This will bring important new opportunities for America's manufacturing sector. The agreement will also benefit our service providers with new market opportunities, particularly in key sectors such as engineering, telecommunications, banking, and insurance. U.S. intellectual property rights owners will obtain the benefits of

stronger protection for their trademarks, for their copyrights, and for their patents.

Any agreement will lead to a more open and transparent trading regime with the implementation of the new transparency procedures for customs administration, new commitments to combat bribery, and strong protections for U.S. investors in the region.

Perhaps most importantly for my home State of Iowa, the agreement brings substantial benefits to the U.S. agricultural community. I note firstly that the agreement is comprehensive. No sector is excluded. This is important for the future of our U.S. agriculture. The fact is, when we take a sector off the table during negotiations, our trading partners are bound to do the same. All too often the sector they want excluded is one of our most competitive agricultural products. That means lost sales for America's family farmers.

It is very important that we send a strong message to our future trading partners that our country, the United States of America, remains committed to negotiating broad and very comprehensive free-trade agreements. Passage of this agreement moves that ball closer to the goalpost and reaffirms our commitment to negotiating and not being on the sideline.

Second, this agreement is sure to advance our agricultural exports in an important and growing region of the market. The recent trend of Argentine and Brazilian corn displacing American corn in the Moroccan market will end. In fact, the International Trade Commission predicts that absent the current tariff, United States corn producers will supply nearly all of Morocco's corn imports in the coming years.

The International Trade Commission also estimates that United States exports of soybean meal to Morocco will likely increase substantially under this agreement. With Morocco presently imposing tariffs as high as, believe this, 275 percent on the import of United States beef, the United States is in effect literally shut out of the Moroccan beef market. This will change under this agreement, with the United States gaining new access for our beef going into Morocco.

United States exporters are currently at a competitive disadvantage when they try to sell wheat to Morocco. The fact is that competitors of the United States can sell their wheat cheaper. This agreement will change that. This agreement will level the playing field for America's wheat farmers. It is also going to do it for our beef ranchers.

An independent study by the American Farm Bureau Federation found that under this agreement—now, this is the American Farm Bureau—the United States agricultural trade surplus with Morocco could reach \$382 million by 2015 with Moroccan agricultural exports rising by only \$25 million. Thus, under this agreement, U.S. agriculture would see roughly a 10-to-1

gain. Those figures speak louder than words.

I have received testimony and letters in support of this agreement from across America's agricultural sector. I concentrate on what we have heard from one Iowa farmer, but also a person who is very much a leader in the Iowa Soybean Association, Ron Heck from Perry, IA. He testified before the Finance Committee, which I chair, that the agreement will not only benefit soybean farmers directly in increased exports to the country of Morocco but also indirectly as they sell their grain to America's beef and poultry farmers who will in turn export these products of beef and poultry to Morocco.

When one sells meat, one sells a value-added agricultural product that has created more jobs in America. It is better to sell the beef and the poultry, it brings more wealth to America than sending our raw grain and our raw soybeans overseas.

We have the National Corn Growers Association, the International Dairy Food Association, the National Milk Producers Federation, the National Cattlemen's Beef Association, the National Association of Wheat Growers, the National Chicken Council, the Corn Refiners, and the USA Rice Federation, to name a few, that have all written to me in favor of this agreement.

The Morocco free trade agreement also contains a preference clause that grants the United States market access provisions that will be at least as good as those granted by Morocco to other countries in any future free trade agreement they may enter into.

Finally, the agreement enabled us to tackle tough sanitary and phytosanitary issues which had been acting as a bar to many of our agricultural exports.

In my mind, the economic benefits are enough for any Senator to support this agreement. I think my colleagues ought to take into consideration other less tangible reasons to cast their vote as yea.

Morocco is a longstanding friend and ally of the United States. In fact, Morocco was the first country to extend diplomatic relations to the United States following our independence. Our two nations first signed a treaty of peace and friendship in 1786, making this the oldest unbroken treaty in the history of the United States foreign relations.

Today, Morocco is a valuable ally in the war against terrorism, working with our country to bring peace and stability throughout the Middle East. In short, Morocco has been and still remains a valued friend of our country. I am pleased we will be able to strengthen our friendship with the passage of this free trade agreement.

The Morocco free trade agreement marks our third free trade agreement in the Middle East. Although we enjoy strong free trade agreements with Israel and Jordan, the Congress may

soon have an opportunity to consider a fourth free trade agreement with Bahrain, another important Middle Eastern country and one that is very helpful to us in a military way.

While each free trade agreement is valued in and of itself, these free trade agreements are also steppingstones toward President Bush's broader vision of a Middle East free trade agreement by the year 2013. Today, far too many people in the Middle East are plagued by poverty and lack of education and opportunity. While trade itself will not alleviate every ill, it is a vital tool of development which has been lacking for far too long in that important region of the world. I am confident the passage of this free trade agreement, along with our continued efforts to build a Middle East free trade agreement, can help change that by ushering in a new era of hope and prosperity in that critical part of the world.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I rise in support of the legislation to implement the U.S.-Morocco free trade agreement. By voting to approve the Morocco implementing legislation, we can confirm our close and longstanding ties with Morocco.

In 1777, soon after a breakaway British colony calling itself the United States of America declared independence from Britain, Morocco was the first country in the world to recognize the new government.

In 1787, the two nations negotiated a Treaty of Peace and Friendship that is still in force, representing the longest unbroken treaty relationship in U.S. history.

Soon thereafter, Morocco's rule wrote to President Washington to ask for help in protecting Morocco's shipping fleet from marauding bandits.

Washington wrote back, apologizing that the United States was too poor and too weak from the recent American Revolution to help Morocco. But Washington said that perhaps someday, the United States would be strong enough to help its friends. For Morocco, that day has now come.

So there are strong foreign policy reasons to vote for the Morocco implementing legislation. But I have often said that foreign policy concerns alone should not control our trade policy. I have argued that we should negotiate free trade agreements with countries that offer real economic advantages for U.S. farmers, workers, and businesses.

I am happy to report that while Morocco has a relatively small economy, the agreement with Morocco is a

strong agreement that offers significant opportunities for American exporters. In many ways, it sets a new standard for U.S. free trade agreements with developing countries.

Take, for instance, the provisions regarding intellectual property. Morocco has agreed to a high level of protection for intellectual property rights. The agreement includes state-of-the-art protections for digital copyrights and trademarks, expands protection for patents, and mandates tough penalties for piracy and counterfeiting.

Morocco has also agreed to the best market access package to date of any U.S. free trade agreement with a developing country.

Over 95 percent of our trade with Morocco in consumer and industrial products will become duty-free immediately upon the entry into force of the agreement. All remaining tariffs will be eliminated within 9 years.

The agreement is also good for U.S. agricultural producers. Wheat was a sensitive issue for the Moroccan negotiators. They initially resisted attempts to increase access to U.S. wheat exports. Morocco purchased most of the wheat it needed to import from the European Union. They did not want to open it up to America, but I fought hard to ensure that U.S. wheat producers would not be left out of the agreement. I made it clear that I could not—and would not—support any agreement with Morocco that excluded wheat. Wheat is an important export crop for many U.S. States, including my home State of Montana.

In the end, Morocco agreed to open up its market to U.S. wheat. The agreement creates new tariff rate quotas for wheat that could lead to a 5-fold increase in U.S. exports to Morocco. Most importantly, it will allow U.S. wheat producers to compete in Morocco on a level playing field with their European competitors.

Beef was another sensitive issue for Moroccans. Again, I made clear how important beef exports were to me and to others in the Congress. In the end, the agreement gives U.S. beef producers new access to Morocco for their high-quality beef exports.

The agreement is good for the United States, but it is also good for Morocco. It will help update and modernize Morocco's economy and attract investment to Morocco.

Morocco has used the free trade agreement negotiations to consolidate significant domestic reforms. For example Morocco recently enacted a new labor law and a new law on child labor, both of which were drafted with the help of the International Labor Organization.

Also, during the course of the negotiations, Morocco agreed to accede to the World Trade Organization Agreement on the Expansion of Trade in Information Technology.

As a result, Morocco recently eliminated tariffs on a number of information technology products. That could

help increase Morocco's productivity as Moroccan businesspeople gain easier access to high-tech products.

By voting to approve Morocco implementing legislation, we can support reformers in Morocco who seek to modernize its economy. We can also send a signal to other developing countries with reform-minded governments that opening up their economies can lead to closer economic relations with the United States and new opportunities for their citizens.

I urge my colleagues to support this legislation.

Before I conclude, I would like to take a moment to thank my good friend, the chairman of the committee, Senator CHARLES GRASSLEY, for his leadership not only on this legislation but on every piece of legislation we have dealt with in this Congress. The chairman and I have worked with other members of the Finance Committee to address their concerns. I must say, there were several on this implementing legislation with Morocco. We worked with those Senators, with their concerns. I compliment the chairman for his leadership in working all that out, and I believe he has successfully addressed all those concerns.

I appreciate the willingness of the members of the committee to work cooperatively to get this legislation done in a timely manner.

I yield the floor, I suggest the absence of a quorum, and ask unanimous consent that time under the quorum call be charged equally against both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFFEE). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I yield myself such time as I may consume.

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

Mr. DORGAN. Mr. President, I was thinking about speaking about trade but I nearly wore out my welcome last week on that subject so I will only say that I would much prefer a trade bill be brought to the Senate floor that solves problems rather than creates new problems. I do not know that a trade agreement with Morocco is going to cause new problems but I do know that in trade agreement after trade agreement over a good many years, we have caused more problems, none of which ever get fixed. The problems of trade with Europe, with Japan, with Korea, with Mexico, with Canada never get fixed. Again, I do not know that this will cause problems with respect to Morocco. Morocco is one of those few countries with which we have a trade surplus.

But it has been the case that in every circumstance where we negotiated a

trade agreement the surpluses that existed soon turned into deficits. In fact, we have the largest trade deficit in human history right now and that trade deficit exists with China, well over \$130 billion a year; we have a trade deficit with Japan, Europe, Korea, and more. The NAFTA agreement was supposed to create a massive number of new jobs, hundreds of thousands of new jobs in this country, yet following the NAFTA agreement with Mexico and Canada we, in fact, turned a small trade surplus we had with Mexico into a very large deficit and we turned a modest deficit that we had with Canada into a very large trade balance deficit.

I do not intend to give a lengthy speech about trade today and repeat what I have talked about before, the outsourcing of American jobs, the movement of jobs from this country to other countries that is going on in a wholesale capacity. I will mention just a couple of issues, as examples of broken promises in trade. With respect to Mexico, we were told that we would see the products being imported into this country from Mexico, being the product of low-skill, low-wage labor. In fact, that is not the case at all.

The three largest imports into this country from Mexico are automobiles, automobile parts, and electronics, the products of high-skill, high-wage labor except they do not pay high wages in Mexico. That is why these jobs have moved to Mexico.

I was told, although I have not yet checked this, that we now perversely import more automobiles from Mexico into the United States than we export to all of the rest of the world. This is after we did a trade agreement with Mexico.

I could spend time talking about our trade agreements with China, Japan, Europe, and others, and it is the same result.

Now, especially during the Olympic trials, our negotiators really ought to be required to wear jerseys so they can look down and see, as the Olympic athletes do, "USA" so at least they know for whom they work.

It is not very easy, in my judgment, to see the result of their work and understand whose side they were on when they negotiated these agreements.

I mentioned last week the recent agreement that was negotiated with China. In the agreement between the United States and China, we agreed the Chinese could impose a 25-percent tariff on any automobiles the United States ships to China and that we would impose a 2.5-percent tariff on any Chinese automobiles they would aspire to sell in our marketplace. In other words, our negotiator agreed that, with a country with which we have a \$100-plus billion deficit, we would allow them to put a tariff on automobiles that would be 10 times higher than the tariff we would impose on Chinese automobiles to be sold in our country.

I say to you, that is incompetent. I have no idea how that happens; how someone rationalizes that this is fair.

What does it mean to average folks? It means jobs lost. It means jobs are created there rather than here. It means jobs leave here to go there. It means outsourcing. In most cases, it is why I do not support these trade agreements. Those who negotiated the agreements did not decide to stand up for the economic interests of our country. I am not talking about protectionism, I am talking about standing up for our economic interests and requiring and demanding fair trade.

It was one thing post the Second World War to be able to have concessionary trade policies, to say to other countries: Look, we will be glad to provide some concessions because we are bigger than you are, we are stronger, we are more capable, we have a thriving, growing economy and we can beat almost anyone in economic competition with one hand tied behind our back. That wasn't a big problem then. But things have changed. We now face stiff, shrewd, international competitors, yet most of our trade policy is still softheaded foreign policy, and those who negotiate it don't stand up for the economic interests of this country, in my judgment.

So much for trade.

I did want to mention a couple of other items, if I might.

TAX SHELTERS

The Washington Post did a story which described something most of us now have known is occurring. The U.S. Treasury Department has tapped a private company called KPMG, one of the largest accounting companies, perhaps the largest in our country, to audit the Treasury Department's consolidated financial statements. These are audits that were done previously by Government folks. These are internal audits by the Inspector General's office or others. But now they have tapped this company to audit the Treasury Department's financial statements.

Interestingly enough, the company they have hired to do that down at the Treasury Department is the subject of a Federal grand jury probe into its tax shelter abuses. By tax shelter abuses I mean this is a company that by all accounts now was aggressively marketing tax shelter abuses to clients and refuses to provide to the Treasury Department names of its clients so we can find out who avoided paying taxes by using the aggressive tax shelters proposed by this company. The Treasury Department says: On the one hand, we are investigating you with a grand jury probe. On the other hand, let's give you a big contract.

I don't understand that. I don't understand it at all. Why on Earth would the Treasury Department do this?

This aggressive marketing of tax dodges to those who want to avoid paying taxes is pretty difficult for the Treasury Department to get at. They have a difficult time trying to shut

these down, these aggressive tax shelters. Because of the marketing of aggressive and abusive tax shelters, more and more companies have decided I want to be an American company for purposes of doing business in America and calling myself American, but I don't want to be an American company when it comes to paying taxes. Then I want to call myself a citizen of the Bahamas, or the Cayman Islands, or the Dutch Antilles. I want to run my company through a mailbox. I want to rent a mailbox in one of these countries that sets themselves up as a tax haven, and I want to run my company through a mailbox. Why? Not because that is where the company is going to be run from. It is because they want to avoid paying U.S. taxes.

Some companies—not too many, but some—have gone the extra step of deciding to dump their U.S. citizenship, renounce their U.S. citizenship and become citizens of other countries.

These corporations are given life as an artificial person. A corporation isn't a real person, but we, in law in this country, have decided to create artificial persons. It is called a corporation. They can sue and be sued, contract and be contracted with. They, by a charter granted them in this country—in most cases by the State of Delaware but in other places as well—become an artificial citizen of the U.S. They do business. With a corporation, they limit liability and they are able to accumulate capital. It has been good for this system of ours, the capitalistic system, the free enterprise system. It has been good.

Except now this is what we are saying to companies such as KPMG, that are marketing aggressive tax shelters to these other companies, American companies who want to remain American companies and want to do everything but pay taxes to our country. We have the largest Federal budget deficit in history and we have companies trying to avoid paying taxes right and left and we have a big company that was advising them on how to avoid paying their taxes and in some cases creating abusive and aggressive tax shelters, and the Treasury Department says: Oh, by the way, I know we are investigating you in a grand jury probe, but on the other hand, let us help you out with a big, fat contract.

I don't understand who makes these decisions, but I don't think it is a decision that makes sense for the taxpayers of this country. I don't like the signal it sends. I don't know this company. I am not involved with the people involved in this company. It is not about this being personal. It seems to me, if a company, in order to curry favor with its clients, decides it wants to market aggressive and abusive tax shelters, it has to bear the responsibility for having done that. Part of the responsibility is not, in my judgment, bringing down a big, old contract on the positive side of the ledger, to now audit the Department of the Federal Treasury.

Let me say, while I am at this, Senator GRASSLEY and Senator BAUCUS have made statements about this which I think are very admirable. I could read some of them. I think the statements about this by both the chairman and the ranking member of the Finance Committee are right on target. Senator GRASSLEY says:

If we could just get Federal agencies not to work at cross purposes it would go a long way towards ensuring everybody pays their fair share of taxes.

Senator BAUCUS launched a probe into the Department of Interior's planned acquisition of mineral rights from a seller who wanted to claim a big charitable deduction. That is the same thing.

These companies marketing these strategies these days, they even have now in this country something a lot of people would find strange, subway systems and city hall being sold to the private sector in a leaseback. You actually sell it and then lease it back so the private company can get tax benefits from a building that was owned by the Federal Government or State government or local government—in most cases it is State or local government—and it is kind of a golden handshake where a building that would not be depreciated, because the government wouldn't depreciate it, sells the building to a private business and then leases it back so the private company can actually collect more in tax benefits than it lays out to the government in the first place. It is a big tax dodge. It doesn't make any sense at all.

At a time when we have a giant Federal budget deficit, trying to figure out how we make enterprises pay their fair share and people pay their fair share, the ordinary folks, the folks who go to work every day and try to do the best they can, at the end of the year file a tax return on April 15 and pay their fair share, they look at this and say I don't understand that. A company that makes \$500 million pays zero or next to zero, companies that make billions of dollars end up claiming these tax dodges.

Let me commend Senator GRASSLEY and Senator BAUCUS and encourage them and say, as one Member of the Senate, I hope you will be as aggressive as possible to try to shut this down because this makes no sense at all.

SECRET AIRPLANE FLIGHTS AFTER 9/11

Mr. DORGAN. Mr. President, I want to mention one other issue, one that I think very few people are paying as much attention to as they should, especially in the press.

I believe my colleague from New Jersey has discussed it on the Senate floor, it was discussed recently in a Commerce Committee hearing, and I have discussed it in many venues—the question of something that happened which was curious and very worrisome to me in the days following September 11, 2001. Let me describe what it was. We have all read snippets about it, and some of them are not accurate.

In the days following 9/11, there were six secret charter flights that were allowed to leave this country. They gathered up 142 Saudi nationals that were in the United States. They gathered up those Saudis, which included over two dozen members of the bin Laden family, and got them to a few gathering points, and on six secret charter flights they left this country. The public did not know they were leaving. The public did not know that these flights were occurring until after they left our country.

There have been a lot of questions about this issue. Let me describe some of what is in the public record.

Fifteen of the 19 terrorists who struck this country on September 11, 2001, were Saudi citizens. So who would have allowed the gathering up of 142 Saudi citizens to be put on 6 secret charter airplane flights to leave this country?

On September 3, 2003, Richard Clarke, head of counterterrorism in the White House at the National Security Council, said this before the Senate Judiciary Committee. He addressed this question:

It's true that members of the bin Laden family were among those who left.

That is part of the 142 Saudis who left on the 6 secret flights.

It is true that members of the bin Laden family were among those who left. We knew at the time—I can't say much more in open session—but it was a conscious decision with complete review at the highest levels of the State Department and the FBI and the White House.

That is Richard Clarke testifying before the Senate Judiciary Committee when asked about who allowed these secret flights. He said: Well, we knew about it. I can't tell you much more in open session, but it was a conscious decision with complete review at the highest levels of the State Department and the FBI and the White House.

Then Richard Clarke—the same Richard Clarke—appeared under oath in March 2004 at the 9/11 Commission. Here is what he said about who sought these secret charter flights:

I'd love to be able to tell you who did it, who brought this proposal to me, but I do not know. The two possibilities that are the most likely are either the Department of State or the White House Chief of Staff's office.

That is what he told the 9/11 Commission when asked who proposed these secret flights to be allowed to leave. He said: I do not know. The two possibilities are the Department of State or the White House Chief of Staff's office.

In the same testimony before the 9/11 Commission, Mr. Clark testified with respect to the secret flights, and the request that the flights be approved:

I suggested that it be routed to the FBI, and the FBI looked at the names of individuals who were going to be on the passenger manifest and that they approve it or not. I spoke with at the time the No. 2 person at the FBI, Dale Watson, and asked him to deal with this issue. The FBI then approved the flight.

That is Richard Clarke, a direct quote under oath to the 9/11 Commission.

The FBI spokesperson, speaking of these charter flights with the Saudis and the bin Laden family members, said:

We haven't had anything to do with arranging or clearing the flights.

Then the FBI said no one was allowed to depart "who the FBI wanted to interview in connection with the 9/11 attacks."

That is what the FBI said. No one was allowed to leave who the FBI wanted to interview in connection with the 9/11 attacks.

However, Dale Watson, the No. 2 person at the FBI, head of counterterrorism at the time of these flights, said that the FBI did not conduct in-depth checks on the Saudis being repatriated.

He said:

They were identified but they were not subject to serious interviews or interrogation.

What we now know, according to the 9/11 Commission, is that about 30 of the 142 Saudis who were allowed to leave were interviewed by the FBI. But the No. 2 person at the FBI said none of them were subject to interviews or interrogation.

Among those who were allowed to leave this country, the Saudis—and I will not use their names; though I may have used them before—was a cousin of Osama bin Laden who had run the U.S. operations of a charity that had been accused of financing terrorism by the Governments of India, Pakistan, the Philippines, and Bosnia. The FBI had investigated this person dating back to 1996. His case file was reopened on September 19, 2001, even as these flights were in progress.

Another individual was allowed to leave. He, it turns out, curiously, was in the same hotel as three of the hijackers the night before September 11, 2001. He was a former director of a Saudi charity that has been investigated for ties to terrorism. He was interviewed by the FBI shortly after 9/11, but the interview was cut short when he pretended to be ill. The FBI agent recommended that he should not be allowed to leave until a followup interview could occur. That recommendation was not complied with, and he was allowed to return to Saudi Arabia without a followup interview.

The interesting thing about the 9/11 Commission report is what they say about this flight and these citizens. The 9/11 Commission says that no one was allowed to depart who the FBI wanted to interview in connection with the 9/11 attacks. Incidentally, we can't get the manifest of the passenger list; I think Senator LAUTENBERG has gotten one of them, but the rest of them have not been made available—but at any rate, the 9/11 Commission says that no one was allowed to depart who the FBI wanted to interview in connection with the 9/11 attacks.

Just take that for a moment and understand what they are saying. No one was allowed to leave who the FBI wanted to interview in connection with the 9/11 attacks. What about someone who they should have interviewed in connection with financing terrorist activities? What about someone who they should have interviewed because of involvement with a charity that had been financing terrorist activities, perhaps not 9/11 but other terrorist activities?

They say no one was allowed to leave who the FBI wanted to interview in connection with these attacks, but I just described to you two people who left, one who an FBI agent did not want permitted to leave, and the other who had his case reopened on September 19, 2001.

This is really a little too cute, I think. The 9/11 Commission says no one was allowed to leave who might have had some issue dealing with 9/11. But what about other ties to terrorism? The issue is the gathering up of 142 Saudi citizens in the aftermath of 9/11—keeping in mind that 15 of the 19 terrorists on 9/11 were from Saudi Arabia—and putting these 142 people, including two dozen members of the bin Laden family, on 6 secret charter flights, disclosing those flights to no one until they left for Saudi Arabia.

The question for me is, Were any of those people involved in any way in the financing of terrorist activities anywhere any time in the world? That has not been answered. The 9/11 Commission has not answered that and may not answer it, apparently, and most people have stopped asking those questions.

My colleague from New Jersey, Senator LAUTENBERG, asked those questions. I asked those questions. The American people deserve to know answers to those questions.

I don't allege some elaborate cover-up. I allege gross incompetence. Somebody said that I was alleging a conspiracy at the White House. I am not alleging that at all. Richard Clarke says that the decision to allow these six secret flights was "at the highest levels" of the State Department, the FBI, and the White House. But I am not alleging there is some sort of conspiracy or connection. All I am alleging is gross incompetence, I think, because somebody allowed there to be gathered up a big group of people who should have been properly interrogated, and they allowed them, before those proper interrogations, to jump on six secret charter flights and were given opportunities no one else in this country was given. There are a lot of other Saudi citizens here. A lot of other people weren't given the opportunity to leave this country on secret flights. Why did that happen? How did it happen? Who asked for it and who approved it? Those questions have not yet been answered. I think the American people deserve those answers.

We are told now that there is threat of a substantial terrorist attack

against this country. Two weeks ago we were told that terrorists would attempt to strike this country between now and the election to disrupt the election, or disrupt the two political conventions. The ability of this country to detect and to stop a potential terrorist attack relies on our ability to use good intelligence and the coordination between the intelligence community and our law enforcement community. If that does not work, then we are in trouble.

I don't for the life of me understand how we could have allowed these secret flights to occur without learning everything there was to learn from these passengers. One might say: Well, maybe we would not have learned anything. Maybe not. I expect you would learn something from the two people I described, both of whom had previously been of interest to the FBI, but now, after 9/11, were not questioned thoroughly by the FBI. I don't know about the rest of them.

Someone made a grievous error, in my view. Someone did not exhibit the competence we should expect from those making decisions to protect this country.

I continue to ask these questions. I know my colleague, will, as well, and I hope at some point we will find out what the answers are. Who authorized these flights? Why were they authorized? What is on the passenger manifest list? Are there more Saudis who the FBI should have questioned further who were allowed to leave this country? I don't know the answer to that, but this country, in my judgment, deserves an answer.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from New Mexico is recognized.

Mr. BINGAMAN. I thank the Chair.

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 2694 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. DOLE. 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.

20TH ANNIVERSARY OF RULE 208—AGE 21
ENACTMENT

Mrs. DOLE. Mr. President, 20 years ago this month, as Transportation Secretary, raising the drinking age to 21

across our Nation was a measure I was confident in supporting. I was confident it would prevent crippling and disabling injuries and save thousands of lives.

Statistics of teens driving across State borders, "blood borders," into a neighboring State with a lower drinking age, then driving back under the influence of alcohol, convinced me of the dire need to eliminate the differences between State laws.

Senator FRANK LAUTENBERG, Senator RICHARD LUGAR, and former Senator Jack Danforth were instrumental in the passage of age 21 legislation.

On July 17, 1984, when President Reagan signed this law in a Rose Garden ceremony, he said:

We know that drinking, plus driving, spells death and disaster. . . . And I know there's one . . . simple measure that will save thousands of young lives . . . if we raise the drinking age.

And it has. Twenty thousand lives have been saved in 20 years. The numbers represent real people, tragedies averted, family members and friends who did not have to suffer the loss of a loved one in an alcohol-related automobile accident. My family had to suffer such a loss. My uncle, just out of college, just about to be married, was hit head on and killed by a drunk driver.

This month also marks the 20th anniversary of another revolution in highway safety. On July 11, 1984, the same week President Reagan signed the age 21 law, the Department of Transportation enacted rule 208 with the goal of saving as many lives as possible as quickly as possible. This successfully resolved the 17-year policy dispute that spanned four administrations. Rule 208 resulted in the production of airbags and the passage of State safety belt laws. It recognized the role of the States in automotive safety. No State, in July 1984, had passed a safety belt law, not a single State. Usage was only 13 percent. Airbags were virtually nonexistent. In fact, I had to look all over to find a car with an airbag to place on the White House lawn for President Reagan and the Cabinet to examine. Consumer acceptance was low. Many people thought airbags would go off just crossing the railroad tracks.

Most of us get into a car and automatically fasten our safety belts today. We barely notice that the vehicle has an airbag. Today, 49 States have belt laws. National belt usage is 79 percent and climbing. There are more than 149 million airbag-equipped vehicles on the road. As of this year, all cars, light trucks, and minivans come equipped with front seat airbags.

The National Safety Council reports that since 1984, 190,000 lives have been saved through this safety trifecta: the 21 drinking age, State safety belt laws, and airbags. They totally changed the climate of highway safety in America. My hat's off to the tremendous team I had at the Transportation Department—Jim Burnley, Diane Steed, Phil

Haseltine, Erika Jones, Jenna Dorn, Bob Davis—and many others, like Chuck Hurley of the National Safety Council and the Mothers Against Drunk Driving.

According to the National Safety Council, since 1984, 157,500 lives have been saved by safety belts. The National Highway Traffic Safety Administration estimates that safety belt use has resulted in savings to the U.S. economy of \$50 billion in medical care, lost productivity, and other injury-related costs. NHTSA also reports that more than 14,500 lives have been saved by airbags.

The record speaks for itself; however, work remains to be done. I am pleased the highway bill recently passed in the Senate contains numerous safety provisions. In particular, I commend my colleague, Senator JOHN WARNER, for introducing incentives for States to enact primary safety belt laws. Mothers Against Drunk Driving has voiced strong support for primary belt laws, allowing a law enforcement officer to write a citation when observing an unbelted driver or passenger. Secondary enforcement allows the citation only after stopping a vehicle for some other reason.

My home State of North Carolina was one of the first to enact primary belt laws in 1985. Our usage rate last year was 86 percent. But as of May 2004, only 20 States, Puerto Rico, and the District of Columbia have primary laws. According to NHTSA, safety belt usage is much higher on average in States with primary enforcement laws. Two decades after the safety trifecta, incentives for State safety belt laws, airbags, and 21 drinking age are reported by the National Safety Council to have saved 190,000 lives. This is just one example where we continue to strive for improvement, strive to prevent injuries, and strive to save lives.

UNITED STATES-MOROCCO FREE TRADE
AGREEMENT

Mr. HATCH. Mr. President, I express my support for the United States-Morocco Free Trade Agreement. Under the leadership of U.S. Trade Representative Robert Zoellick, the U.S. has once again negotiated a sound free trade agreement with a country that is energetic in their support of U.S. interests around the world.

I thank all of those involved in negotiating this agreement, especially the dedicated staff at the U.S. Trade Representative's Office and my colleagues on the Finance Committee, Chairman GRASSLEY and ranking minority member BAUCUS. Although bilateral trade agreements with relatively small countries are very time consuming and difficult, when taken in aggregate, they add up to a substantial amount of U.S. annual exports. In all, these smaller free-trade agreements end up saving U.S. businesses millions of dollars a year in tariffs and duties and, therefore, are worth all the effort exerted in getting them negotiated and enacted.

The United States-Morocco Free Trade Agreement will open up the Moroccan market to fair trade and will allow U.S. companies to compete effectively. In fact, with the signing of this agreement, more than 95 percent of bilateral trade in consumer and industrial products will become duty free immediately. Industries such as information technology, machinery, chemicals, and construction equipment will gain immediate duty-free access to Morocco. Agricultural markets in Morocco will continue to open up to U.S. imports at a rapid pace. Service industries that are so crucial to the economy of the State of Utah will have rapidly increasing access to Morocco, thereby, allowing banks, consulting companies, insurance companies, and telecommunications companies the ability to compete on a level playing field. Of particular note in this agreement is the inclusion of antibribery and transparency provisions. These provisions will help Morocco in cracking down on illegal activity which hurts U.S. exporters and leads to higher costs for consumers.

Utah companies have exported nearly \$1 million worth of goods and services to Morocco over the last 5 years. Although this amount seems relatively modest, I take comfort in the fact that those small businesses engaged in this trade will be saving money under this agreement and be better positioned to increase the amount they export. One million dollars in trade with Morocco may not seem like much when measured against overall Utah exports, but to those individuals whose jobs depend on trade with Morocco, \$1 million is a very big deal and I am proud to be able to help them. Much of the products exported by Utah companies are manufactured products and manufacturing jobs can be difficult to hold on to these days. Therefore, I am pleased to help lower barriers around the world and make it easier for Utah manufacturers and their employees to compete.

Utah workers, and American workers collectively, deserve to be treated fairly in the world-wide marketplace and this agreement accomplishes that goal. Fairness and transparency only help U.S. companies compete and that is why I support the swift approval of this implementing legislation.

THE SITUATION IN DARFUR AND SUDAN

Mr. DEWINE. Mr. President, I come to the floor today to discuss the situation in Darfur, Sudan. I have come to the floor many times before to discuss this horrible crisis. I do so again today.

My colleague Senator BIDEN and I have introduced a bill, which I will describe in detail in a few minutes. Significant, I think, within the past hour was a very graphic video and audio description of the situation in Darfur, as it appeared on CNN. I commend it to any colleagues who may have the opportunity to see it, or who can even get a transcript of that show. It is a 3- or 4-minute piece. It clearly demonstrated in the most stark terms that the trag-

edy of Darfur continues to unfold. We saw little children who were in danger of dying. Some may be dying. They described one man who had been injured—shot within the last week by the militias who came in. So despite the pledges of the Sudanese Government that they will stop the militias from carrying out this genocide, in fact, as we meet here today, it continues.

There has been a discussion about whether genocide is in fact occurring. Some have argued this is not genocide. So as I describe what is in the bill Senator BIDEN and I have introduced today, I want to describe for my colleagues what, under the law, it takes for genocide to occur, what the convention says, and what the facts are.

I am on the floor tonight to discuss whether what is happening in the Darfur region of Sudan is in fact genocide. I believe it is genocide, although for some reason there seems to be some confusion about what that term, in fact, means and what responsibilities come with that once it is determined that genocide is taking place.

I have been using the term “genocide” to describe what has been happening in the Darfur region of Sudan since May, and I think it is time, frankly, that this body, as a whole, and the world, more importantly, begins to do the same. That is why Senator BIDEN and I have introduced a bill that refers to what is happening, in fact, as genocide.

I thank my colleague, Senator BIDEN, for his leadership on this issue. He, too, has been calling this genocide since the beginning, and we hope our colleagues will join us and rightly identify the atrocities in Darfur as, in fact, genocide.

Our bill will also prevent any normalization of relations between the U.S. Government and the Sudanese Government unless and until the President of the United States can certify that the Government of Sudan is taking significant and demonstrable steps to stop the militias and allow humanitarian aid to flow.

The bill we have introduced today will allow us to place sanctions on Sudan contingent on improvements in Darfur. Simply put, this bill will use every weapon in our diplomatic arsenal to attack this problem, and, frankly, that is exactly what is needed.

Only when the Government of Sudan satisfies the requirements laid out in this bill—and we have set a high but, frankly, reasonable hurdle—would the Government of Sudan then be eligible for any U.S. assistance.

The bill will authorize \$800 million in support of the north-south peace process, but that money will not be available until and unless the Government of Sudan complies with the terms of the bill. But separate and apart from that money, the bill will authorize an additional \$200 million for humanitarian assistance for Darfur, obviously not going through the Government of Sudan.

Let me reiterate. The \$800 million that we would authorize in support of the north-south peace process would only be available if and when the genocide has stopped, the atrocities have stopped, the humanitarian situation has improved, and the President of the United States is confident and willing to certify to Congress that the Government of Sudan is protecting its people.

It is my hope that this bill will be passed before the summer recess so the pressure on the Government of Sudan begins immediately and does not stop until that Government complies.

I want to return to the larger issue of whether what is taking place in Sudan now is, in fact, genocide because there does seem to be a lot of confusion about this issue. There should not be any confusion about it because what is taking place in Sudan today clearly is genocide.

The definition of “genocide” can be found in the Convention on the Prevention and Punishment of the Crime of Genocide which entered into force originally in 1951. Specifically, article 2 states that genocide is any one of five acts which is committed with the intent to destroy, in whole or in part, a national, ethnic, racial, or religious group.

Let me repeat that. Specifically, article 2 states that genocide is any one of five acts committed with the intent to destroy, in whole or in part, a national, ethnic, racial, or religious group.

Here are the five acts, any one of which will qualify for genocide.

First is the act of killing members of the group. There is no doubt that the militias in Darfur, aided by the Government of Sudan, have been killing the Black Africans of Darfur. Their scorched Earth campaign has left 30,000 dead—men, women, children. These people were killed because they were Black, while their Arab neighbors went untouched. That is the fact. Even when the people fled, the militias chased them into Chad trying to finish the job. Under this qualification alone, what is happening should be classified as “genocide.”

The second group of actions that constitute genocide under the Convention is causing serious bodily or mental harm to members of the group. The militias have used rape as a weapon, killed children in front of the parents, killed parents in front of the children, made husbands stand by while their wives are raped and killed, and have done all of this because their victims are Black.

An Amnesty International report stated:

The long-term effects of these crimes can be seen in countries like Rwanda where many women and children remain traumatized.

In the same way, the people of Darfur will remain traumatized for years to come, and this is what the militias want. The militias want to make sure that the Black Africans they do not

kill are broken by the atrocities they have witnessed and suffered through.

Let me turn to the third measure. The third way to commit genocide is to deliberately inflict on a group conditions of life calculated to bring about a group's physical destruction in whole or in part. The numbers in Darfur are appalling and clearly makes a case that this provision is satisfied. Over 1 million people—1 million people—have been driven from their homes, over 400 villages have been destroyed, wells have been poisoned, crops have been destroyed, and granaries and herds have been looted. The militias and Government have done everything possible to ensure that the Black Africans of Darfur cannot survive even if they escape the initial killings. There is nothing left for them. Their herds are gone. Their crops are gone. What is worse is the Government militias are also now blocking humanitarian aid.

These tactics, in the face of the worst humanitarian crisis in the world, can be for no other purpose than to ensure that those who escape the killing now die along the way or die in camps.

The militias have turned the camps into prisons, killing those who leave in search of firewood and food. This campaign is, obviously, not just about driving these people off the land; it is about destroying the Black African groups, and that, I say to my colleagues, is what is genocide. That is genocide.

The final two acts that qualify as genocide are imposing measures intended to prevent births within a group and forcibly transferring children of the group to another group. We have reports that children have been abducted and that women are being raped by Arab men to "make a light baby."

In these societies, a child adopts the father's ethnic background, and by raping all of these women with the purpose of making lighter children, they are effectively meeting the fourth and fifth criteria for genocide in the Convention.

Specifically on the fifth criteria for genocide, forcibly transferring children from one group to another group, I want to share with my colleagues in the Senate the story of a woman named Mecca. She was killed by the militias when she tried to stop them from taking her 3-year-old son. I am sure there are countless others who were killed trying to save their children, as any parent would. For these parents, for the children who have been abducted, for the girls and women who have been raped, for the people dying right now, I ask this body, I plead with this body to support using the term "genocide" because that is what it is.

Although we can make a case that all five of these provisions have been met, the Convention is very specific. The Convention states that any one of these actions constitutes genocide. The fact that we have evidence to support all five qualifying categories only makes the decision to call this genocide that much easier.

The question remains, though, if we call it genocide, what does that mean? What is the significance? Maybe when we know the answer, that will tell us why sometimes some people in the international community may be a little reluctant to call it genocide. The answer to the question once again is right in the convention, both in its title and in its articles. The document is called the Convention on the Prevention and Punishment of the Crime of Genocide. It is called that for a good reason.

We need to make sure that the crimes being committed in Darfur are both prevented and punished. To prevent these crimes, the Government of Sudan and the militias need to be forced to end their reign of terror. We have tried to use diplomatic pressure to get them to start. The U.N. Secretary General and our own Secretary of State Colin Powell both went to the region to plead with the Government to stop the atrocities. The U.N. even submitted a draft U.N. Security Council resolution including targeted sanctions on the militias and an option for sanctions on the Sudanese Government if they did not keep their promises to rein in the militias. All of this, and yet, as Secretary Powell has said, the Government of Sudan is still not keeping their promises. The atrocities continue. That means to prevent genocide, we will need more than promises and high-level visits.

Quite frankly and bluntly, we need troops on the ground. The African Union is going to send 300 peacekeepers, but we all know that is not enough for a region that is the size of Texas. We need more countries to commit troops, and we, the U.S. Government, need to be prepared to fund and assist these troops in reaching the region and protecting the civilian population of Darfur.

The second major responsibility we have under the convention is to ensure that the crime of genocide is punished. The Government of Sudan must try those individuals suspected of committing these atrocities, and if they are found guilty, they must punish them. This includes vetting the ranks of the military to ensure that no further militia members find refuge there. It also means not just rounding up a few low-level members of the militias and punishing them. That is not enough.

In addition, the international community will not accept show trials and, if necessary, an international tribunal should be convened to ensure that justice is served in Darfur.

Justice also must be blind to the position held by those responsible for genocide. If any public officials in Sudan are guilty of genocide, conspiracy to commit genocide, direct and public incitement to commit genocide, an attempt to commit genocide, or complicity in genocide, they must be held just as accountable as the militia members themselves.

It does no one any good to wait until after the fact to call this genocide.

Let's not wait 6 months. Let's not wait a year. Let's not wait 5 years. That is what happened in Rwanda. We cannot afford to let that mistake happen again. That is why I have been calling this genocide, because it is. We must call this genocide.

I urge my colleagues to join Senator BIDEN and myself in calling this genocide. I urge my colleagues to speak out. My colleagues, Senator MCCAIN, Senator BROWNBACK, and others, have been on the floor of the Senate speaking about this issue. Senator BIDEN and I have a bill. I urge my colleagues to come forward and cosponsor and help us pass this bill. I also urge my colleagues to come forward and help us pass Senator BROWNBACK's resolution condemning this as well. This is something that needs to be done. This Senate needs to speak out. This country needs to take action. The international community needs to take action.

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I ask unanimous consent that tomorrow morning, immediately following morning business, the Senate resume consideration of S. 2677; provided further that the time until 11:30 be equally divided between the chairman or ranking member of the Finance Committee, and at 11:30 the Senate proceed to vote on passage of the bill with no intervening objection or debate, and all provisions of the governing statute remain in order; I further ask that when the Senate receives from the House the companion measure, the Senate proceed to its consideration, the bill will be read the third time and passed, with no intervening action or debate; provided further, once the Senate has passed the House companion, passage of S. 2677 be vitiated, and the bill be returned to the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE NOMINATIONS

Mr. FRIST. Mr. President, last month, the Judiciary Committee reported the nomination of Henry Saad to be a U.S. circuit judge for the Sixth Circuit. I understand the other side will not agree to a time agreement for an up-or-down vote on this nomination. In addition, the Judiciary Committee reported two more Sixth Circuit nominations today. I hope that we could have the Senate vote on each of these judicial nominations prior to the close of this week.

In addition to these circuit nominations, we have three district judges

that are available on the Executive Calendar. I will be talking to the Democratic leader about scheduling these for consideration as well.

EXECUTIVE SESSION

NOMINATION OF HENRY W. SAAD TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT

Mr. FRIST. Mr. President, I move to proceed to executive session for the consideration of Executive Calendar No. 705, Henry Saad.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the nomination.

The legislative clerk read the nomination of Henry W. Saad, of Michigan, to be United States Circuit Judge for the Sixth Circuit.

CLOTURE MOTION

Mr. FRIST. Mr. President, I send a cloture motion to the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Executive Calendar No. 705, Henry W. Saad, of Michigan, to be United States Circuit Judge for the Sixth Circuit, Vice James L. Ryan, Retired.

Bill Frist, Orrin Hatch, Lamar Alexander, Charles Grassley, Mike Crapo, Pete Domenici, Lincoln Chafee, Mitch McConnell, Ted Stevens, George Allen, Lindsey Graham, John Warner, Jeff Sessions, John Ensign, Trent Lott, Jim Talent, Pat Roberts.

Mr. FRIST. Mr. President, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. FRIST. Mr. President, I now ask unanimous consent that the Senate resume legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period for morning business, for debate only, with Senators speaking for up to 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

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.

The Nation's leading gay and lesbian news magazine, the Advocate, reported that in Baton Rouge, LA, Cedric Thomas was shot several times on May 18, 2004, and finally succumbed to death from complications related to those wounds several weeks later.

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.

SUBSTITUTE AMENDMENT TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT OF 2004

Mr. HOLLINGS. Mr. President, today, I submit an amendment to the National Aeronautics and Space Administration Authorization Act, S.2541, to offer a more pragmatic and sustainable approach to future space exploration, given the uncertainties that now confront the National Aeronautics and Space Administration (NASA).

Put simply, this substitute addresses three fundamental flaws with the approach contained in the underlying bill. Like the underlying bill, the substitute endorses human exploration of the Solar System but places it in context alongside other, equally important, elements of scientific discovery in space. Second, it states that a gap in U.S. human launch capability is unacceptable and requires NASA to accelerate the development of the next crewed launch vehicle. Finally, it authorizes the National Aeronautics and Space Administration, NASA, for one year, fiscal year 2005, and rejects the "go-as-you-pay" approach the Administration wants to employ in planning for human space exploration.

Allow me to discuss this final point first. The underlying bill authorizes NASA at the President's requested level for five years. I took a different approach—if the agency is embarking on a broad new program, it is unlikely that estimates made now will have any fidelity three, four, or five years from now. After all, we were told in this past week—2 months before the new fiscal year will begin—that it will now take at least \$450 million and possibly as much as \$760 million more than was requested to fix the Space Shuttle just in fiscal year 2005. If the administration cannot make accurate budget pre-

dictions from one year to the next in a 20-year old program, I am not confident that we have any idea what a new exploration program will take. The go-as-you-pay approach is reckless and allows us to avoid difficult questions regarding costs, timetables, and reaching a consensus on the future of human space exploration that will generate not only the support of the space and scientific communities, but of the Congress and the American people, too. It's a license to throw fiscal discipline out the window and drag out projects until they never finish.

Under the substitute I am introducing today, fiscal year 2005 will become a year of planning for a new program of human exploration. The substitute authorizes NASA a single year's funding to plan for the decades of exploration ahead and to begin work on new space transportation and robotic solutions. These solutions are the pathfinders that will enable us to use earth's moon as a test-bed for developing and demonstrating the know-how we need to conduct extended operations on another world's surface beginning by the year 2020.

The substitute attempts to put the proposed program of exploration in context. It embraces the principles of exploration and embraces the human exploration of deep space as a core mission of NASA, including the demonstration of the human beings' abilities to explore and inhabit worlds far beyond the earth. It also embraces the ideals of space flight as expressed in 1958, when the original Space Act and NASA were founded, and restates them in a way that makes them relevant for today—with clarity, division of purposes, and the claim that the United States shall have a U.S. space agency whose chief purpose shall be to contribute to life on earth, learn more about the universe and the mysteries of time and space, and provide leadership for our human pursuits in space.

Under the President's plan, NASA will have a 4-year gap in our ability to launch humans into space. The underlying bill calls for a study of the launch gap. My substitute declares it to be a matter of U.S. policy that any prolonged period of a year or more interruption in U.S. crewed space transportation shall cause the administrator of NASA to report and submit to the Congress a request for supplemental appropriations to resolve those circumstances. Since that is exactly the posture we are headed into in the next decade, we require the administrator to make such report and request within 60 days. In addition, my substitute calls on NASA to immediately begin work on the crew exploration vehicle the next human-capable rocket even in the planning year of FY 2005.

In addition to these three main pillars, the substitute calls for several reports to be prepared to lay the foundation for future programs. It calls for a plan of objectives, capabilities, costs, and milestones that will be used to

manage the new program of human exploration.

The substitute requires an independent report on the changes to NASA's safety, operations, engineering, and management cultures to ensure that these changes meet the requirements of the Columbia Accident Investigation Board and the Nation's expectations of the U.S. space program. It requires NASA and the Departments of Defense and Transportation, each of which plays a key role in managing U.S. space transportation, to report on the state of the U.S. launch industry and to propose how the United States can achieve reliable, affordable, and safe space transportation by 2015. I also call for NASA to report on how the NASA and the United States should be organized to best achieve our broad national goals for space, including the role of industry and international collaboration in the future.

In addition, consistent with the Columbia Accident Investigation Board report, we apply its primary recommendation, to establish independent technical and safety controls over human space flight, to all U.S. organizations conducting human flight in space.

Finally, we call for reports on the Hubble Space Telescope, peer-review assessment of NASA's science programs, and grants to institutions of higher education offering advanced programs in aeronautics and aeronautics-related disciplines. While our legislation attends to the primary matter at hand—the future of human space exploration—it does not ignore the importance of having a balanced program and view of the contributions of space and aeronautics to our economy and society.

Mr. President, our mission to demonstrate humanity's future role in space cannot be founded upon goals without solutions, means that are intangible and unknown, and resources tied to timelines that have no definite end-point or objective. Just this morning, the House VA-HUD Appropriations Subcommittee reduced NASA's FY 2005 appropriation by over \$1 billion, which makes it clear there are many doubts about this program and no consensus on how to move ahead.

The Congress must act now to ensure that our bold visions do not take the place of the hard work of planning, budgeting, and executing programs. Let us not pursue the folly of go-as-you-pay, but substitute a reasoned course of "pay and prove"—as-you-go, harnessing the proper capabilities and assigning the necessary resources to the journey of human exploration needed to make it successful, affordable, and safe.

IGNORING THE ENVIRONMENT

Mr. LEAHY. Mr. President, while the Senate is using scarce floor time to debate probably the most anti-environmental judicial nominee this body has

seen, it has blocked any attempts to strengthen environmental and public health protections. Sitting on deck are critical bills to help cut harmful air pollutants, combat climate change, clean up toxic waste sites and protect our natural resources and improve our nuclear security.

In fact, the Republican leadership only begrudgingly conceded six hours of floor time for Senators MCCAIN and LIEBERMAN's Climate Stewardship Act after blocking its consideration during the energy debate. Although the scientific and economic evidence of the toll climate change is and will take on this country, the Senate leadership continues to bury its head in the sand.

That is 6 hours total this Congress for the environment.

No time to consider Senator JEFFORDS's Clean Power Act that would finally require power plants to reduce emissions of toxic air pollutants like mercury. No time to consider the Chemical Security Act that would help ensure chemical plants are prepared for terrorist attacks. No time for the Toxic Cleanup Polluter Pays Renewal Act to reinstate fees paid by oil and chemical companies to cleanup waste sites across the country. No time for the Nuclear Infrastructure Security Act to improve security at over 100 nuclear facilities around the country.

Despite bipartisan support, Republican leadership has also blocked consideration of several bills to improve coastal protections. Of course, they also have failed to bring up any of the appropriations bills to fund our national parks, wildlife refuges and national forests or environmental clean-up programs.

Hundreds of thousands of Americans suffer every year from illnesses linked to emissions from power plants. One-fourth of Americans live within four miles of a Superfund waste site. Shouldn't the Senate be spending time finding solutions to these issues instead of debating a judicial nominee who wants to dismantle many of environmental protections?

Senate Republicans dare to come to the Senate floor to complain that Democrats are obstructionists when we have already confirmed nearly 200 of President Bush's judicial nominees. The Republican leadership has scheduled hundreds of hours for debate on judicial nominations but has allowed only six hours for debate on the critical issues affecting the health of our environment.

Packing the bench is obviously a top priority for this administration. Protecting our natural resources, along with our health, is not. By picking the most extreme judicial nominees, on the environment and other issues, the Bush administration demonstrates that one of its real long-term goals is to roll back these important protections.

CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION IMPROVEMENT ACT

Mrs. CLINTON. Mr. President, I rise today in support of the Carl D. Perkins Vocational and Technical Education Improvement Act of 2004.

I am extremely pleased that this bill was written in a bipartisan fashion. I thank Senator ENZI, Senator GREGG, Senator KENNEDY and their staff members, Scott Fleming, Ilyse Schulman, Kelly Scott, and Jane Oates, for working so hard and so quickly to make this happen. I sincerely hope that we continue in this spirit of bipartisanship as we work together on future legislation coming out of the HELP Committee.

It is an often-overlooked fact that the Perkins program is the largest Federal investments in our Nation's high schools. Over 66 percent of all public high schools have at least one vocational and technical education program and 96 percent of high school students in this country will take at least one vocational or technical course while they are in high school. In New York, this means that over 275,000 high school students benefited from Perkins Act programs last year.

Perkins also plays a key role in postsecondary education. According to the National Center for Education Statistics, nearly 38 percent of all degree-seeking undergraduates are pursuing vocational careers. When I travel throughout New York, I hear about how important career and technical education is for tens of thousands of New Yorkers. Institutions such as the Adirondack Community College and the Culinary Institute of America in the Hudson River Valley and thousands of our Nation's community colleges, skill centers and other postsecondary sub-baccalaureate institutions rely on the Perkins program to help provide vocational and technical courses to students.

Last year, 65 New York community colleges received funding under the Perkins Act, directly benefiting over 200,000 community college students. These schools use the funds to provide career counselors and academic curricula that guide students toward high-wage and high-skill occupations.

The Perkins program is extremely important—not just for the numbers of students it serves but for the communities that benefit from a better prepared workforce as a result of these programs. This is why for the last 2 years I have spearheaded a letter to the Senate Appropriations Committee requesting additional funding for Perkins. I also offered an amendment to the budget resolution in 2003 to protect the Perkins programs from cuts because I was deeply concerned that President Bush's proposal to slash the Perkins program by 25 percent would be reflected in the Senate's budget.

The Carl D. Perkins Vocational and Technical Education Improvement Act of 2004 will go a long way towards strengthening vocational and technical

education in New York and across the country. Among other things, it will provide for comprehensive professional development for career and technical education teachers, increase States' flexibility to meet their unique needs, and align secondary and postsecondary indicators with those established in other programs to ultimately reduce paperwork.

I am particularly pleased that this bill also improves programs and services for women and girls pursuing non-traditional occupations. A few weeks ago at a HELP Committee hearing on vocational education, an inspiring woman from New York, Angela Olszewski, testified about how important it is that we support and encourage women and girls in their pursuit of nontraditional, traditionally "male" careers—in technology, math, science, and the construction and building trades. Unfortunately, women are still significantly underrepresented in these fields. For example, we know that while the number of women carpenters has tripled since 1972, they still only represent 1.7 percent of all carpenters. You can say the same about many other high-skill, high-wage trades.

Many of these skilled trades industries are experiencing a significant labor shortage and experts expect these shortages to get worse over the next two decades as many workers retire. If women were to enter these professions, most of which are unionized and pay a livable paycheck and benefits, women would increase their earnings and standard of living for their families. For example, a journey-level electrician will make over \$1,000,000 more than a typical cashier in a 30-year career. That would go a long way toward putting many women on the road toward self-sufficiency. I want all New York women—and women throughout the country—to have the same opportunities. This bill helps us toward that goal.

I also want to highlight another successful program started in New York called Project Lead the Way. This program builds partnerships among public schools, institutes of higher education, and the private sector to promote pre-engineering and technology courses for middle school and high school students. Project Lead the Way is now a presence in more than 875 schools in 39 States and should serve as an example for career and technical education of the future.

I am very pleased with this legislation; it shows that we are moving in the right direction, tweaking our education policies to better serve our Nation's career and technical students. I look forward to working with my colleagues as this bill goes to conference.

ESSAY FROM THE 9/11 FAMILY
STEERING COMMITTEE

Mrs. CLINTON. Mr. President, I ask unanimous consent that the following essay be printed in the RECORD on be-

half of Kristen Breitweiser, Patricia Casazza, Mindy Kleinberg and Lorie Van Auken who lost their husbands on September 11, 2001 and became advocates on behalf of their own families and all who were affected by the tragic events of that day.

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

WHAT IS A CITIZEN TO DO?

How could 19 middle-eastern men simultaneously hijack 4 commercial airplanes in two hours, crash them into the World Trade Center and the Pentagon and murder 3000 innocent people?

With the billions spent each year on defense and intelligence, why did our nation do so little in a defensive posture to mitigate the vast devastation that was brought upon us by these 19 men?

Our research began with every agency and every policy that could possibly shed some light on why the tragedy of 9/11 was not averted. With each revelation and each new understanding, our naiveté waned and the challenges loomed large. The problems were systemic in nature. Changes were needed everywhere. Agencies, 20 years after the Cold War had ended, were still operating in a Cold War posture. Terrorists were not watch-listed. FBI computers were antiquated. Intelligence agents and supervisors failed to analyze and investigate creatively, aggressively, and with curiosity. Congress and the Executive Branch failed to properly share their growing National Security concerns and garner the will of the nation to fight this new war against terrorism. The media was more prone to cover scandal than terrorism.

Our research revealed that numerous indicators throughout our intelligence history illustrated the use, or intended use of planes as missiles. We found field reports, case files and studies, eye witness testimony, intelligence community threat matrices, and Department of Defense mock drills all addressing the "planes as missiles" idea.

In fact, during the summer of 2001, President Bush attended the G-8 summit in Genoa Italy where specific protections were put into place to ward against an air attack. Moreover, FBI agents testified in the Embassy bombing trial in NYC during the spring of 2001 that al-Qaeda was interested in suicide hijackers flying planes into buildings—buildings like the World Trade Center and the Pentagon. Finally, we learned that the Olympic Games in Atlanta and Salt Lake City had included aerial attacks in their security protocols.

Indeed, most haunting is what we found out about al-Qaeda and their attempt to attack Atlanta, Georgia during the summer Olympics. Because of the heightened protection and alert status during the Atlanta Games, al-Qaeda got "spooked" and called off their planned attack. And thus began the "what ifs?"

What if the pre-9/11 national security apparatus', agencies and institutions had matched themselves with similar alert levels? What if the 19 hijackers on 9/11 noticed that same type of vigilant security, gotten spooked themselves and delayed their attack by days or even months? More potently, would such a delay have given enough time to our Intelligence Community to discover and/or minimize the damage of the plot?

Could the FBI have had enough time to receive the FISA warrant on Zaccharias Moussaoui? After all, the FBI had enough information to meet probable cause for a FISA warrant because French intelligence in August 2001 had handed over a huge file on Moussaoui linking him to terrorist groups.

Moreover, given the fact that Moussaoui was attending the same flight school that the FBI had investigated since 1998 because of the many known middle-eastern terrorists training there, maybe the FBI could have applied for and received a simple criminal warrant.

Perhaps, the internal decision in May 2001 by FISA Court Chief Judge Royce C. Lamberth that had a "chilling effect" on all FBI surveillance and wiretapping of terrorist organizations—including Al-Qaeda cells in the US, during the spring and summer 2001 could have been lifted or at the very least tempered?

Or maybe the hijackers could have been watch-listed and forbidden to fly on commercial flights? What if the airline pilots were told that hijackers were capable of flying commercial airliners and to not allow anyone into the cockpit—whether or not they were in uniform? What if airport security was told to be on the lookout for possible terrorist suspects and/or contraband such as gas masks, mace, pepper spray, guns and/or knives?

Could the NSA have translated the phone conversations or intercepts of the hijackers, Bin Laden, Bin Laden family members, and other Al-Qaeda operatives that they had in their possession throughout the summer and early fall of 2001? Could the NSA have acted on and/or communicated this information to the FBI, CIA, and National Security Council in time?

Perhaps, FBI Agent David Frasca may have had the time to read the Phoenix memorandum and the Moussaoui information both of which were on his desk by August 2001 and put the two files together?

Could the FBI have had the time to find two of the hijackers, Al-Midhar and Al-hazmi, who were already under investigation for two years by the CIA after it had conducted surveillance on a terrorist meeting in Malaysia in January 2000? After all, Al-Midhar and Al-Hazmi were living in San Diego, listed in the phone book, had bank accounts in their own names, trained at flight schools and resided with a known FBI informant?

Could the CIA have found Marwan Al-Shehi? He was Mohammed Atta's roommate and visited the same flight school that Moussaoui was arrested at by the FBI. The CIA had the name "Marwan" and a phone number given to them by the German government. Could they have had the time to follow-up with this information?

Could our National Security Council's Principals who first met on September 4, 2001 had more time to hold a second meeting where they could have discussed the threat spikes and foreign government warnings from Russia, Israel, Germany, and Egypt that Al-Qaeda was planning an imminent and spectacular attack on the domestic US? Would our NSC Principals have had the time to harden our homeland security?

Could NORAD have placed fighter jets on shorter alert status, so that our air defense did not arrive too late like it did on 9/11? Perhaps, with over an hour's worth of notice before the attack on the Pentagon, the F-16's could have arrived on time to protect our Department of Defense.

Could we learn from this tragedy so that it would not be repeated? Could our fellow citizens be willing to shed sunlight onto the inadequacies of our government's ability to defend itself against terrorism? Could our elected officials cease the diversionary tactics of "mudslinging" and "name-calling" long enough to allow the facts to be revealed, examined, and fixed? Could the media no longer fall prey to sensational stories and feed the public information that truly informs and educates them about our nation's ability to fight terrorism?

Democracy cannot prosper on blind-faith. To work effectively, democracy's foundation—the people, must be well informed. And, in order to be more informed, more responsive, and more prepared for the challenges ahead, we must continue to ask questions to our leaders; that is our duty as responsible citizens. It is why the 9/11 Independent Commission's investigative work, public hearings, public Final Report and public Recommendations are so vital.

The only way elected officials, agencies and institutions can be held accountable and responsible is if we, the American people, stay vigilant and informed. Before 9/11, the will of the nation to fight terrorism was not present. Post 9/11, the will of this nation exists to confront the battle of terrorism.

But fighting terrorism is not simply an offensive strategy. It is a combined and cumulative process. We need the intelligence agencies to investigate more creatively and aggressively. We need our judicial process to permit the fair and just prosecution of terrorists. We need our foreign policy to issue sanctions to all countries that sponsor terrorism, even if that means our foreign economic dependency suffers. We need our Treasury Department to have the resources to dry up money lines that fund terrorist organizations. We need big business interests to yield to the common good.

Our elected officials who take an oath of office to lead, protect, and serve need to be held responsible and accountable. They must have the courage and curiosity to ask questions, to have established and reliable plans and back-up plans, to demand action, reforms and to welcome personal responsibility.

Most importantly, our elected officials need to remember that they are serving at the will of the people. As our public stewards, it should not be the sanctity of their own political well-being that most consumes their actions and decisions. More correctly, it should be the safety, security and well-being of the people that they serve that should pre-occupy their time.

In a post-9/11 world, it is the responsible preservation of all life that must transcend politics.

KRISTEN BREITWEISER,
PATRICIA CASAZZA,
MINDY KLEINBERG,
LORIE VAN AUKEN,

*Members of the 9/11
Family Steering
Committee for the 9/
11 Independent Com-
mission.*

Mrs. CLINTON. In light of the pending release of the 9/11 Commission report, I wish to recognize the Family Steering Committee for the 9/11 Independent Commission and their efforts to establish the National Commission on Terrorist Attacks Upon the United States.

ADDITIONAL STATEMENTS

HONORING THE CITY OF MENNO

• Mr. JOHNSON. Mr. President, I honor and publicly recognize the 125th anniversary of the founding of the city of Menno, SD. The city of Menno has a proud past and a promising future.

The area that was to become the city of Menno was settled in 1874 by a group of Black Sea Germans from Russia. The great majority of settlers made

their living off the land. According to a U.S. Government survey, Menno and the land surrounding it is made up of some of the richest most fertile soil in the country. Menno owes its beginnings to the railroad industry, which brought much-needed commerce.

The city of Menno bears the name intended for the town of Freeman, 10 miles away. When railroad officials were nailing the signs bearing the names of new towns to the depots, the name boards of the neighboring towns of Menno and Freeman were accidentally interchanged. With the result that Menno derives its name from the large settlement of Mennonites at Freeman, called Mennonites because the sect was founded by Menno Simons, while the town of Freeman is named for an early settler of Menno. The city of Menno was officially settled in 1879.

Currently, more than 800 people live in Menno. The city has already started celebrations for its 125th anniversary and will continue them throughout the year. It is with great honor that I advise my colleagues of the achievements made by this great community. •

HONORING THE MUHLENBERG CAREER DEVELOP

• Mr. BUNNING. Mr. President, today I take the opportunity to honor the Muhlenberg Career Development Center. Beginning with the groundbreaking in 1973, this institution has been working diligently to better the lives of all its students. This has been acknowledged by a four-star rating from the National Job Corps Association and by the National Job Corps Award for Excellence it received from the same association earlier this year. The Career Center also received a "Top 50" national ranking for Job Corps centers.

The Muhlenberg Career Development Center has a profound impact on the surrounding community. The center employs 135 men and women, making it the fourth largest employer in Muhlenberg County. The center also generates a substantial amount of revenue for the community through the contract it has with the Department of Labor. The standard of excellence set by the career development center is greatly appreciated by the 404 students who are currently working towards a GED and vocation there. The dedication exhibited by the Muhlenberg Career Development Center towards its students, county, State, and country deserves to be recognized and honored.

The citizens of Kentucky are proud to have the Muhlenberg Career Development Center as a part of their community. Their example of hard work and determination should be followed by all in the Commonwealth. The Muhlenberg Career Development Center has successfully found a way to bring out the best in its men and women. I personally thank the leaders and supporters of this great organization for continually producing strong and

bright men and women committed to making Kentucky a better place to live. •

TRIBUTE TO DR. NEAL R. BERTE

• Mr. SESSIONS. Mr. President, I take this opportunity to pay tribute to an outstanding citizen from my home State of Alabama. Dr. Neal Berte has been president of Birmingham-Southern College in Alabama since 1976. He recently retired, ending his 29 years of service to this great liberal arts institution. It has been my pleasure to work with Dr. Berte during my time in the Senate on issues affecting higher education and community service in the Birmingham area.

Dr. Berte recognized early on in his career the need to produce future leaders rich in a background of service to others. Therefore, he made service-learning a priority for himself and Birmingham-Southern students. Almost every student who graduates from Birmingham Southern College leaves the Hilltop having had some type of community-service experience. From serving food at a homeless shelter to mentoring children at the local elementary school, the opportunities are endless and involvement is always encouraged. Dr. Berte has led this effort by deeds, not words. He is the first to arrive at a service event and the last to leave. His involvement in the local community is unparalleled and has led to his being awarded Birmingham's Distinguished Citizen Award, Citizen of the Year, and the Erskine Ramsey Award for Outstanding Civic Service.

While developing and implementing an aggressive service-learning component to higher education has been a great achievement at Birmingham-Southern, it is far from being his only accomplishment. During the "Berte years," Birmingham-Southern College's student enrollment has doubled, the academic profile of the student body has increased and regularly leads other Alabama colleges and universities, the number of faculty has increased by almost 70 percent, the student-faculty ratio has lowered from 18-to-1 to 12-to-1, the campus has expanded, and the college's endowment has grown from \$11 million to more than \$122 million. It is difficult to fully gauge the impact Dr. and Mrs. Berte have had over the past 29 years, however, perhaps it is best captured in Dr. Berte's relationship with the students that have flowed through the campus. Dr. Berte's support of the student body has been unwavering. From attending campus sporting events to carrying the boxes of new students on move-in day, Dr. Berte's face has been a constant presence at events throughout each school year. Amazingly, he has learned the name and face of almost every student who has walked the halls at BSC and makes it a priority to greet each person he meets by name and to inquire about something occurring in his or her life at the moment. I think this

commitment to the students, the life of any college, is what sets Dr. Berte apart and makes his retirement so poignant for so many of the school's faculty, alumni, and friends. For many, Dr. Berte is Birmingham-Southern.

Birmingham-Southern has achieved great success during Dr. Berte's time as president. The college has been consistently recognized by U.S. News & World Report as one of America's top national liberal arts colleges. It is currently a Tier I institution and ranked among the top 66 liberal arts colleges in the country. Its other recognitions include "100 Best Values in Private Colleges," "America's Best Christian Colleges," "Most Efficiently Operated Schools in America," "Colleges that Encourage Character Development," and "Best Values." The school is home to a Phi Beta Kappa chapter and annually ranks No. 1 among Alabama schools in percentage of all graduates accepted to medical and dental schools.

When Dr. Berte took over at Birmingham-Southern things were not so rosy. There had been several short-term presidents and the college faced many challenges. Few would dispute that his leadership has guaranteed that Birmingham-Southern is one of the premier liberal arts colleges in America and that few, if any, such colleges have had better leadership in the past 30 years. Dr. Berte has led with vision, compassion, constancy, faith, and courage. His superb graduates daily validate the value of the liberal arts curriculum. I have watched his success over the years with growing admiration. He has truly been one of the best college presidents in America.

But, as it is with any great thing, Dr. Berte's tenure must end. He will remain chancellor of Birmingham-Southern College and go on to increase his involvement in the community, as well as spend some much deserved time with his wife, children, and grandchildren. As Birmingham-Southern begins a new era with a new president, I would just like to take a moment to thank Dr. Berte for his service to this institution and the State of Alabama. I wish him the best and would like to echo his optimism that "the best is yet to come."●

HONORING THE CITY OF ELKTON

● Mr. JOHNSON. Mr. President, I wish today to honor and publicly recognize the 125th anniversary of the founding of the city of Elkton, SD. The city of Elkton has a proud past and a promising future.

The first settler in the area had been E.D. Johnson, who in the spring of 1877 had obtained a tree claimed half a mile north of the future site of the town. Other families started to move into the area in 1878 just in time for the railroad to arrive in 1879. Railroad officials wanted to place a station between the communities of Verdi and Aurora. Local railroad officials named it Ivanhoe, originally. Not until July 21,

1882 was its name changed officially from Ivanhoe to Elkton. The name came from Elkton, MD, which was the early home of one of the railroad officials. The town was plotted in the spring of 1880 and soon sprouted a variety of different businesses.

In 1896, an Elkton man named Henry Heintz obtained a patent on what some locals believe could have been the first airship in the United States. Working with Henry Wulf of Arizona, Heintz built a machine which lifted off the ground in its trial flight, to the amazement and delight of spectators. The craft wouldn't move ahead, however, and returned almost immediately to earth. There are apparently no records of rebuildings and further attempts.

Currently, more than 600 people live in Elkton. The city has already started celebrations for its 125th anniversary and will continue them throughout the year. These include an all-high school alumni reunion and a street dance. It is with great honor that I advise my colleagues of the achievements made by this great community.●

MESSAGE FROM THE HOUSE

At 2:23 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that pursuant to House Resolution 719 the Senate is requested to return to the House of Representatives the bill (H.R. 4766) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2005, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 142. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project.

H.R. 1014. An act to require Federal land managers to support, and to communicate, coordinate, and cooperate with, designated gateway communities, to improve the ability of gateway communities to participate in Federal land management planning conducted by the Forest Service and agencies of the Department of the Interior, and to respond to the impacts of the public use of the Federal lands administered by these agencies, and for other purposes.

H.R. 1156. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the Federal share of the costs of phase I of the Orange County, California, Regional Water Reclamation Project.

H.R. 1587. An act to promote freedom and democracy in Vietnam.

H.R. 2619. An act to provide for the expansion of Kilauea Point National Wildlife Refuge.

H.R. 2831. An act to authorize the Secretary of the Interior to convey the

Newlands Project Headquarters and Maintenance Yard Facility to the Truckee-Carson Irrigation District.

H.R. 2911. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Inland Empire regional recycling project and in the Cucamonga County Water District recycling project.

H.R. 3785. An act to authorize the exchange of certain land in Everglades National Park.

H.R. 3819. An act to redesignate Fort Clatsop National Memorial as the Lewis and Clark National Historical Park, to include in the park sites in the State of Washington as well as the State of Oregon, and for other purposes.

H.R. 3874. An act to convey for public purposes certain Federal lands in Riverside County, California, that have been identified for disposal.

H.R. 3932. An act to amend Public Law 99-338 to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project, and for other purposes.

H.R. 4115. An act to amend the Act of November 2, 1966 (80 Stat. 1112), to allow binding arbitration clauses to be included in all contracts affecting the land within the Salt River Prima-Maricopa Indian Reservation.

H.R. 4158. An act to provide for the conveyance to the Government of Mexico of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes.

H.R. 4170. An act to authorize the Secretary of the Interior to recruit volunteers to assist with, or facilitate, the activities of various agencies and offices of the Department of the Interior.

H.R. 4492. An act to amend the Omnibus Parks and Public Lands Management Act of 1996 to extend the authorization for certain national heritage areas, and for other purposes.

H.R. 4625. An act to reduce temporarily the royalty required to be paid for sodium produced on Federal lands, and for other purposes.

The message also further announced that the House has passed the following bill, without amendment:

S. 2264. An act to require a report on the conflict in Uganda, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 114. Concurrent resolution concerning the importance of the distribution of food in schools to hungry or malnourished children around the world.

ENROLLED BILL SIGNED

The following enrolled bill, previously signed by the Speaker, was signed on today, July 20, 2004, by the President pro tempore (Mr. STEVENS).

S. 1167. An act to resolve the boundary conflicts in Barry and Stone Counties in the State of Missouri.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 142. To amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the

Interior to participate in the Prado Basin Natural Treatment System Project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project; to the Committee on Energy and Natural Resources.

H.R. 1014. An act to require Federal land managers to support, and to communicate, coordinate, and cooperate with, designated gateway communities, to improve the ability of gateway communities to participate in Federal land management planning conducted by the Forest Service and agencies of the Department of the Interior, and to respond to the impacts of the public use of the Federal lands administered by these agencies, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1156. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to increase the ceiling on the Federal share of the costs of phase I of the Orange County, California, Regional Water Reclamation Project; to the Committee on Energy and Natural Resources.

H.R. 2619. An act to provide for the expansion of Kilauea Point National Wildlife Refuge; to the Committee on Environment and Public Works.

H.R. 2831. An act to authorize the Secretary of the Interior to convey the Newlands Project Headquarters and Maintenance Yard Facility to the Truckee-Carson Irrigation District; to the Committee on Energy and Natural Resources.

H.R. 2991. An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Inland Empire regional recycling project and in the Cucamonga County Water District recycling project; to the Committee on Energy and Natural Resources.

H.R. 3874. An act to convey for public purposes certain Federal lands in Riverside County, California, that have been identified for disposal; to the Committee on Energy and Natural Resources.

H.R. 3932. To amend Public Law 99-338 to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4158. An act to provide for the conveyance to the Government of Mexico of a decommissioned National Oceanic and Atmospheric Administration ship, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4170. An act to authorize the Secretary of the Interior to recruit volunteers to assist with, or facilitate, the activities of various agencies and offices of the Department of the Interior; to the Committee on Energy and Natural Resources.

H.R. 4625. An act to reduce temporarily the royalty required to be paid for sodium produced on Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4115. An act to amend the Act of November 2, 1966 (80 Stat. 1112), to allow binding arbitration clauses to be included in all contracts affecting the land within the Salt River Pima-Maricopa Indian Reservation.

H.R. 3785. An act to authorize the exchange of certain land in Everglades National Park.

MEASURES READ THE FIRST TIME

The following bills were read the first time:

H.R. 4492. An act to amend the Omnibus Parks and Public Lands Management Act of 1996 to extend the authorization for certain national heritage areas, and for other purposes.

S. 2694. A bill to amend title XVIII of the Social Security Act to provide for the automatic enrollment of medicaid beneficiaries for prescription drug benefits under part D of such title, and for other purposes.

S. 2695. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to expand the definition of firefighter to include apprentices and trainees, regardless of age or duty limitations.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 20, 2004, she had presented to the President of the United States the following enrolled bill:

S. 1167. An act to resolve the boundary conflicts in Barry and Stone Counties in the State of Missouri.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1996. A bill to enhance and provide to the Oglada Sioux Tribe and Angostura Irrigation Project certain benefits of the Pick-Sloan Missouri River basin program (Rept. No. 108-311).

By Mr. GRASSLEY, from the Committee on Finance, without amendment:

H.R. 982. A bill to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 401. A resolution designating the week of November 7 through November 13, 2004, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. Res. 404. A resolution designating August 9, 2004, as "Smokey Bear's 60th Anniversary".

S. Res. 407. A resolution designating October 15, 2004, as "National Mammography Day".

By Mr. GRASSLEY, from the Committee on Finance, without amendment:

S. 2677. A bill to implement the United States-Morocco Free Trade Agreement.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Con. Res. 109. A concurrent resolution commending the United States Institute of Peace on the occasion of its 20th anniversary and recognizing the Institute for its con-

tribution to international conflict resolution.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SHELBY for the Committee on Banking, Housing, and Urban Affairs.

*Juan Carlos Zarate, of California, to be an Assistant Secretary of the Treasury.

*Stuart Levey, of Maryland, to be Under Secretary of the Treasury for Enforcement.

*Carin M. Barth, of Texas, to be Chief Financial Officer, Department of Housing and Urban Development.

By Mr. GRASSLEY for the Committee on Finance.

*Patrick P. O'Carroll, Jr., of Maryland, to be Inspector General, Social Security Administration.

*Timothy S. Bitsberger, of Massachusetts, to be an Assistant Secretary of the Treasury.

*Charles L. Kolbe, of Iowa, to be a Member of the Internal Revenue Service Oversight Board for the remainder of the term expiring September 14, 2004.

*Paul Jones, of Colorado, to be a Member of the Internal Revenue Service Oversight Board for a term expiring September 14, 2008.

By Mr. HATCH for the Committee on the Judiciary.

Richard A. Griffin, of Michigan, to be United States Circuit Judge for the Sixth Circuit.

David W. McKeague, of Michigan, to be United States Circuit Judge for the Sixth Circuit.

Virginia Maria Hernandez Covington, of Florida, to be United States District Judge for the Middle District of Florida.

Michael H. Schneider, Sr., of Texas, to be United States District Judge for the Eastern District of Texas.

Robert Clark Corrente, of Rhode Island, to be United States Attorney for the District of Rhode Island for the term of four years.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(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. LINCOLN:

S. 2689. A bill to amend the Internal Revenue Code of 1986 to replace the recapture bond provisions of the low income housing tax credit program; to the Committee on Finance.

By Mr. HARKIN:

S. 2690. A bill to provide that no funds may be used to provide assistance under section 8 of the United States Housing Act of 1937, to certain students at institutions of higher education, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LIEBERMAN (for himself, Mrs. CLINTON, Mr. DODD, and Mr. SCHUMER):

S. 2691. A bill to establish the Long Island Sound Stewardship Initiative; to the Committee on Environment and Public Works.

By Mr. JEFFORDS (for himself, Mr. SARBANES, and Mrs. FEINSTEIN):

S. 2692. A bill to authorize the Secretary of the Department of Housing and Urban Development to make grants to States for affordable housing for low-income persons, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 2693. A bill to designate the facility of the United States Postal Service located at 1475 Western Avenue, Suite 45, in Albany, New York, as the "Lieutenant John F. Finn Post Office"; to the Committee on Governmental Affairs.

By Mr. BINGAMAN:

S. 2694. A bill to amend title XVIII of the Social Security Act to provide for the automatic enrollment of medicaid beneficiaries for prescription drug benefits under part D of such title, and for other purposes; read the first time.

By Mr. SPECTER:

S. 2695. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to expand the definition of firefighter to include apprentices and trainees, regardless of age or duty limitations; read the first time.

By Mr. SCHUMER:

S. 2696. A bill to establish the United States Homeland Security Signal Corps to ensure proper communications between law enforcement agencies; to the Committee on the Judiciary.

By Mrs. HUTCHISON:

S. 2697. A bill to authorize the President to posthumously award a gold medal on behalf of the Congress to the seven members of the crew of the space shuttle Columbia in recognition of their outstanding and enduring contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRASSLEY (for himself and Mr. BAUCUS):

S. 2698. A bill to amend title XVIII of the Social Security Act to revoke the unique ability of the Joint Commission for the Accreditation of Healthcare Organizations to deem hospitals to meet certain requirements under the medicare program and to provide for greater accountability of the Joint Commission to the Secretary of Health and Human Services; to the Committee on Finance.

By Ms. SNOWE:

S. 2699. A bill to deauthorize a certain portion of the project for navigation, Rockland Harbor, Maine; to the Committee on Environment and Public Works.

By Mr. SPECTER (for himself and Mr. KERRY):

S. 2700. A bill to provide an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through September 17, 2004, and for other purposes; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SMITH (for himself, Mr. ALEXANDER, Mr. BOND, Mr. BUNNING, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COLEMAN, Ms. COLLINS, Mr. CORZINE, Mr. CRAPO, Mrs. DOLE, Mr. FITZGERALD, Mr. LIEBERMAN, Mr. LUGAR, Mrs. MURRAY, Mr. SCHUMER, Mr. WYDEN, Mr. DEWINE, Ms. MIKULSKI, and Mr. ALLARD):

S. Res. 408. A resolution supporting the construction by Israel of a security fence to

prevent Palestinian terrorist attacks, condemning the decision of the International Court of Justice on the legality of the security fence, and urging no further action by the United Nations to delay or prevent the construction of the security fence; to the Committee on Foreign Relations.

By Mr. BAYH:

S. Res. 409. A resolution encouraging increased involvement in service activities to assist senior citizens; to the Committee on the Judiciary.

By Mr. FRIST (for himself and Mr. DASCHLE):

S. Res. 410. A resolution to authorize Senate employees to testify and produce documents with legal representation; considered and agreed to.

By Mr. FRIST (for himself and Mr. DASCHLE):

S. Res. 411. A resolution to authorize document production by the Select Committee on Intelligence; considered and agreed to.

By Mr. FITZGERALD (for himself, Mr. LEVIN, Mr. MCCAIN, and Mr. DURBIN):

S. Res. 412. A resolution expressing the sense of the Senate regarding the importance of maintaining the independence and integrity of the Financial Accounting Standards Board; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SCHUMER (for himself, Mrs. CLINTON, Mr. LIEBERMAN, and Mrs. BOXER):

S. Con. Res. 127. A concurrent resolution expressing the sense of Congress that the President should designate September 11 as a national day of voluntary service, charity, and compassion; to the Committee on Health, Education, Labor, and Pensions.

By Mr. NELSON of Nebraska (for himself and Mr. CHAMBLISS):

S. Con. Res. 128. A concurrent resolution expressing the sense of Congress regarding the importance of life insurance, and recognizing and supporting National Life Insurance Awareness Month; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 533

At the request of Mr. SCHUMER, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 533, a bill to provide for a medal of appropriate design to be awarded by the President to the next of kin or other representative of those individuals killed as a result of the terrorist attacks of September 11, 2001.

S. 540

At the request of Mr. INHOFE, the names of the Senator from New Mexico (Mr. DOMENICI) and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 540, a bill to authorize the presentation of gold medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th Century in recognition of the service of those Native Americans to the United States.

S. 1068

At the request of Mr. DODD, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 1068, a bill to amend the Public Health Service Act to establish grant programs to provide for education and outreach on newborn screening and co-

ordinated followup care once newborn screening has been conducted, and for other purposes.

S. 1368

At the request of Mr. LEVIN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 1368, a bill to authorize the President to award a gold medal on behalf of the Congress to Reverend Doctor Martin Luther King, Jr. (posthumously) and his widow Coretta Scott King in recognition of their contributions to the Nation on behalf of the civil rights movement.

S. 1888

At the request of Mr. SPECTER, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1888, a bill to halt Saudi support for institutions that fund, train, incite, encourage, or in any other way aid and abet terrorism, and to secure full Saudi cooperation in the investigation of terrorist incidents.

S. 1890

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1890, a bill to require the mandatory expensing of stock options granted to executive officers, and for other purposes.

S. 1963

At the request of Mrs. BOXER, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 1963, a bill to amend the Communications Act of 1934 to protect the privacy right of subscribers to wireless communication services.

S. 2077

At the request of Mr. BAYH, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 2077, a bill to amend title XIX of the Social Security Act to permit additional States to enter into long-term care partnerships under the Medicaid Program in order to promote the use of long-term care insurance.

S. 2158

At the request of Ms. COLLINS, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2158, a bill to amend the Public Health Service Act to increase the supply of pancreatic islet cells for research, and to provide for better coordination of Federal efforts and information on islet cell transplantation.

S. 2417

At the request of Mr. COLEMAN, the name of the Senator from Maine (Ms. COLLINS) 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. 2425

At the request of Mr. COCHRAN, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 2425, a bill to amend the Tariff Act of 1930 to allow for improved administration of new shipper administrative reviews.

S. 2437

At the request of Mr. ENSIGN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2437, a bill to amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

S. 2468

At the request of Ms. COLLINS, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2468, a bill to reform the postal laws of the United States.

S. 2564

At the request of Mrs. HUTCHISON, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 2564, a bill to amend the Lower Rio Grande Valley Water Resources Conservation and Improvement Act of 2000 to authorize additional projects and activities under that Act, and for other purposes.

S. 2568

At the request of Mr. BIDEN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2568, a bill to require the Secretary of the Treasury to mint coins in commemoration of the tercentenary of the birth of Benjamin Franklin, and for other purposes.

S. 2654

At the request of Mr. DODD, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2654, a bill to provide for Kindergarten Plus programs.

S. 2659

At the request of Ms. COLLINS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2659, a bill to extend the temporary increase in payments under the medicare program for home health services furnished in a rural area.

S. 2686

At the request of Mr. ENZI, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 2686, a bill to amend the Carl D. Perkins Vocational and Technical Education Act of 1998 to improve the Act.

S.J. RES. 11

At the request of Mr. KENNEDY, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S.J. Res. 11, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

S. CON. RES. 112

At the request of Ms. CANTWELL, her name was added as a cosponsor of S. Con. Res. 112, a concurrent resolution supporting the goals and ideals of National Purple Heart Recognition Day.

S. CON. RES. 113

At the request of Mr. SMITH, the name of the Senator from New York

(Mrs. CLINTON) was added as a cosponsor of S. Con. Res. 113, a concurrent resolution recognizing the importance of early diagnosis, proper treatment, and enhanced public awareness of Tourette Syndrome and supporting the goals and ideals of National Tourette Syndrome Awareness Month.

S. CON. RES. 124

At the request of Mr. CORZINE, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. Con. Res. 124, a concurrent resolution declaring genocide in Darfur, Sudan.

S. CON. RES. 126

At the request of Mr. COLEMAN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. Con. Res. 126, a concurrent resolution condemning the attack on the AMIA Jewish Community Center in Buenos Aires, Argentina, in July 1994, and expressing the concern of the United States regarding the continuing, decade-long delay in the resolution of this case.

S. RES. 271

At the request of Mr. CORZINE, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. Res. 271, a resolution urging the President of the United States diplomatic corps to dissuade member states of the United Nations from supporting resolutions that unfairly castigate Israel and to promote within the United Nations General Assembly more balanced and constructive approaches to resolving conflict in the Middle East.

S. RES. 389

At the request of Mr. CAMPBELL, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. Res. 389, a resolution expressing the sense of the Senate with respect to prostate cancer information.

S. RES. 401

At the request of Mr. BIDEN, the names of the Senator from Nevada (Mr. REID) and the Senator from South Carolina (Mr. GRAHAM) were added as cosponsors of S. Res. 401, a resolution designating the week of November 7 through November 13, 2004, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

At the request of Mr. CRAIG, his name was added as a cosponsor of S. Res. 401, supra.

S. RES. 404

At the request of Mr. CRAIG, his name was added as a cosponsor of S. Res. 404, a resolution designating August 9, 2004, as "Smokey Bear's 60th Anniversary".

S. RES. 407

At the request of Mr. BIDEN, the names of the Senator from Kansas (Mr. BROWNBACK), the Senator from Vermont (Mr. LEAHY) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. Res. 407, a resolu-

tion designating October 15, 2004, as "National Mammography Day".

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. LINCOLN:

S. 2689. A bill to amend the Internal Revenue Code of 1986 to replace the recapture bond provisions of the low income housing tax credit program; to the Committee on Finance.

Mrs. LINCOLN. Mr. President, I am introducing legislation today to correct a problem that is impairing the efficiency of the Low-Income Housing Tax Credit program. As my colleagues know, the low-income housing credit has been a remarkably successful incentive for encouraging investment in residential rental housing for low-income families. Under Section 42 of the Internal Revenue Code, a tax credit is available for investment in affordable housing. The credit is claimed annually over a period of ten years. Qualified residential rental projects must be rented to lower-income households at controlled rents and satisfy a number of other requirements throughout a prescribed compliance period which is generally 15 years from the first taxable year the credit is claimed.

Today, virtually all of the equity for housing credit investments comes from publicly-traded corporations investing through housing credit funds. An investor wishing to dispose of an interest in housing credit property during its 15-year compliance period is subject to a recapture of housing credits previously claimed unless a bond or U.S. Treasury securities are posted to the Internal Revenue Service. The amount of the bond to be posted is based on the amount of housing credits claimed and the duration remaining in the compliance period. The purpose of the bond is to guarantee to the IRS that it can collect the appropriate recapture tax amount in the event that the property is no longer in compliance with the requirements of the housing credit program.

At the time the housing credit program was enacted in 1986, the drafters of the statute were concerned that owners would claim the benefits of the tax credits and then avoid the continuing compliance requirements by transferring the credits to a straw party with minimal assets that the IRS could go after to collect recapture tax liability. This was a potential concern because housing credits are provided on an accelerated basis in the sense that they are claimed over a ten-year period, while the property must remain in compliance with the targeting rules over a minimum 15-year period.

However, the experience with the housing credit over the past 15 years demonstrates that this concern no longer has any validity. When the housing credit program was enacted, policymakers were thinking in terms of previous affordable housing tax incentives that supported an aggressive

tax shelter market dominated by individual investors. As it turns out, over 99 percent of the investment capital in the housing credit program comes from publicly-traded corporations that pose none of the risks of noncompliance that motivated enactment of the recapture bond rules in the first place. Ironically, sales of individual partnership interests in low-income housing fund public partnerships with more than 35 investors are exempt from the recapture bond rules.

There are also a number of other provisions in Code section 42 that adequately address potential noncompliance. In 1989, Congress added the requirement that all state allocating agencies adopt "extended use agreements" to be recorded as restrictive covenants on housing credit properties, which require the property to remain in compliance. In addition, the State allocating agencies were given oversight responsibilities to ensure continued compliance through site inspections and property audits.

The requirement to purchase recapture bonds forces investors to incur unnecessary costs and has produced a complex administrative burden on the IRS. Because bond filings are done building-by-building, and single sales transactions frequently involve hundreds of properties, each with dozens of buildings, bond filings may involve thousands of separate filings. Worse yet, the few remaining surety companies writing this type of business operate in a very inefficient market. Recapture surety bonds are priced in a fashion that does not measure the true risk of non-compliance, but rather relies solely on the credit rating of the company requesting the bond. This is a function of the fact that surety underwriters do not understand the housing credit program in general or the risk of non-compliance in particular. At the same time, the incidence of non-compliance with housing credit program rules is exceedingly rare.

Meanwhile in the aftermath of the September 11th terrorist acts and the spate of corporate accounting scandals that occurred in 2002, the surety market has been in turmoil. Recapture bond premiums, even for highly rated public companies, have more than tripled over the past two years. This has imposed dead weight costs on the housing credit program. By making it more difficult to transfer credit investments, the recapture bond rule impairs the liquidity of housing credit investments, reducing credit prices generally, and undermining the overall efficiency of the program. In the absence of the recapture bond requirement, more dollars would flow into affordable housing itself and less into the higher rate of return that must be paid to investors to compensate for the dead weight costs that the bonds impose on the program.

The IRS recently responded to a series of questions posed about the recapture bond requirement. According to

the IRS, between 1997 and 2003, recapture bonds covering approximately \$1.8 billion of tax credits have been posted with the Treasury but in the 17 years since the requirement was enacted, the Service has never made a single claim on a recapture bond. That works out to bond premium payments in excess of \$150 million to ensure against an event that has never occurred. These costs are unnecessary and are imposing a real drag on the market for investments in housing credit properties.

My bill will solve this problem by repealing the recapture bond requirement effective for disposition of interests in LIHTC properties after the date of enactment. An owner of a building, or interest therein, that has been the subject of a disposition and is still within the remaining 15-year compliance period with respect to such building would be required to submit a report to its former investors when a recapture event with respect to such building occurs. A copy of recapture event forms sent to investors would be required to be filed with the IRS in order to provide the Service with the information necessary to ensure that all recapture liabilities are timely paid.

The general statute of limitations applicable to taxpayers would also be modified so that investors who dispose of a building after the effective date of the legislation would remain liable for any potential recapture liability for a period extending through the compliance period for such building to provide the IRS with additional time to audit the partnership's return to ensure the building's continuing compliance with the credit's requirements. Taxpayers who disposed of a building (or interest therein) prior to the date of enactment would not be required to maintain existing recapture bonds (or other alternative security), but cancellation of existing bonds would trigger an extension of the statute of limitations provided for in the legislation.

These changes will improve the overall efficiency of the housing program and ensure that more dollars actually flow into affordable housing. This is a very important improvement in an otherwise excellent program, and I encourage my colleagues to join with me in cosponsoring this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD. The legislation is identical to a bill that Congressmen HOUGHTON, JOHNSON, NEAL, and RANGEL have introduced in the House. I also ask unanimous consent to include a copy of a letter from 12 national housing organizations to Chairman BILL THOMAS endorsing the House bill, H.R. 3610.

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

S. 2689

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

SECTION 1. REPEAL OF RECAPTURE BOND RULE.

(a) IN GENERAL.—Paragraph (6) of section 42(j) of the Internal Revenue Code of 1986 (re-

lating to recapture of credit) is amended to read as follows:

“(6) NO RECAPTURE ON DISPOSITION OF BUILDING (OR INTEREST THEREIN) REASONABLY EXPECTED TO CONTINUE AS A QUALIFIED LOW-INCOME BUILDING.—

“(A) IN GENERAL.—In the case of a disposition of a building or an interest therein, the taxpayer shall be discharged from liability for any additional tax under this subsection by reason of such disposition if it is reasonably expected that such building will continue to be operated as a qualified low-income building for the remaining compliance period with respect to such building.

“(B) STATUTE OF LIMITATIONS.—

“(i) EXTENSION OF PERIOD.—The period for assessing a deficiency attributable to the application of subparagraph (A) with respect to a building (or interest therein) during the compliance period with respect to such building shall not expire before the expiration of 3 years after the end of such compliance period.

“(ii) ASSESSMENT.—Such deficiency may be assessed before the expiration of the 3-year period referred to in clause (i) notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.”

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by inserting after section 6050T the following new section:

“SEC. 6050U. RETURNS RELATING TO PAYMENT OF LOW-INCOME HOUSING CREDIT REPAYMENT AMOUNT.

“(a) REQUIREMENT OF REPORTING.—Every person who, at any time during the taxable year, is an owner of a building (or an interest therein)—

“(1) which is in the compliance period at any time during such year, and

“(2) with respect to which recapture is required by section 42(j)

shall, at such time as the Secretary may prescribe, make the return described in subsection (b).

“(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

“(1) is in such form as the Secretary may prescribe, and

“(2) contains—

“(A) the name, address, and TIN of each person who, with respect to such building or interest, was formerly an investor in such owner at any time during the compliance period,

“(B) the amount (if any) of any credit recapture amount required under section 42(j), and

“(C) such other information as the Secretary may prescribe.

“(c) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

“(2) the information required to be shown on the return with respect to such person.

The written statement required under the preceding sentence shall be furnished on or before March 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

“(d) COMPLIANCE PERIOD.—For purposes of this section, the term ‘compliance period’

has the meaning given such term by section 42(i).”.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xii) through (xviii) as clauses (xiii) through (xix), respectively, and by inserting after clause (xi) the following new clause:

“(xii) section 6050U (relating to returns relating to payment of low-income housing credit repayment amount).”.

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking “or” at the end of subparagraph (AA), by striking the period at the end of subparagraph (BB) and inserting “, or”, and by adding after subparagraph (BB) the following new subparagraph:

“(CC) section 6050U (relating to returns relating to payment of low-income housing credit repayment amount).”.

(C) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

“Sec. 6050U. Returns relating to payment of low-income housing credit repayment amount.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply with respect to any liability for the credit recapture amount under section 42(j) of the Internal Revenue Code of 1986 that arises after the date of the enactment of this Act.

(2) SPECIAL RULE FOR LOW-INCOME HOUSING BUILDINGS SOLD BEFORE DATE OF ENACTMENT OF THIS ACT.—In the case of a building disposed of before the date of the enactment of this Act with respect to which the taxpayer posted a bond (or alternative form of security) under section 42(j) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), the taxpayer may elect (by notifying the Secretary of the Treasury in writing)—

(A) to cease to be subject to the bond requirements under section 42(j)(6) of such Code (as in effect before the enactment of this Act), and

(B) to be subject to the requirements of section 42(j) of such Code (as amended by this Act).

FEBRUARY 17, 2004.

Hon. WILLIAM M. THOMAS,
Chairman, House Committee on Ways and Means, Washington, DC.

DEAR CHAIRMAN THOMAS: We are writing in support of H.R. 3610, legislation introduced by Representatives Amo Houghton, Nancy Johnson, Charles Rangel, and Richard Neal, to repeal the recapture bond rules under section 42(j) of the Low-Income Housing Tax Credit program. We believe that repeal of the recapture bond rules will remove an unnecessary impediment to the transferability of housing credit investments, thereby increasing the overall efficiency of the LIHTC program and ensuring that more private resources wind up in the production of affordable housing in return for federal housing credits.

Our organizations play an active role in support of affordable housing policies. We represent builders, owners, investors, credit agencies, nonprofit housing groups, and capital aggregators, all with extensive experience with the housing credit program. The housing credit program has been a remarkably successful federal initiative that has delivered affordable housing to over a million low and moderate-income households. The program has operated very successfully and has been an efficient means of delivering federal support. But one notable exception that

has been of concern to the industry for many years has been the requirement that when an investor disposes of an interest in housing credit property, a recapture bond must be purchased to guarantee payment to the Treasury of any potential recapture tax liability.

We believe this requirement impedes the transferability of credits, reduces investor demand for housing credits, and causes yields to be higher than necessary, which means that fewer federal resources wind up in housing credit properties. More importantly, this requirement imposes a significant and unnecessary cost on the program. While tens of millions of dollars have been expended on recapture bond premiums, the IRS has never collected on a recapture bond in the 17-year history of the LIHTC. Furthermore, we believe there is no public policy rationale for such bonds. The housing credit market is made up almost exclusively of large corporate investors who pose no risk to the Treasury that they will ignore their responsibility to pay a potential recapture tax liability. Indeed, there is no other provision in the Internal Revenue Code that requires taxpayers to post a bond to ensure payment of a potential tax liability. Moreover, non-compliance in the housing credit program is very small. In a recent letter to Reps. Houghton and Johnson, the Internal Revenue Service points out that the typical means of ownership through investment partnerships “minimizes the risk of recapture from any one project.” In that letter, the Service goes on to say that “supporting the bond/security process is administratively difficult.”

H.R. 3610 will correct this situation by removing the requirement that a recapture bond be purchased when there is a disposition of interests in LIHTC properties. The legislation replaces this unnecessary and expensive requirement with two new provisions that will improve the ability of the Treasury to collect potential recapture tax liability. First, investors who dispose of an interest in housing credit property would automatically be subject to a longer statute of limitations for any potential recapture tax liability that is identified in the future in connection with their ownership of housing credits. Second, improved information reporting would be required whereby the owner of housing credit property would be required to notify former investors and the IRS of any recapture liability that arises in connection with the period that the former investor owned an interest in the property.

We believe these changes will improve the administration of the housing credit program, better protect the interests of the Treasury, and result in more private dollars going into the development of affordable housing.

National Housing Conference; National Association of Home Builders; Affordable Housing Investors Council; National Multi Housing Council; National Leased Housing Association; National Association of Affordable Housing Lenders; National Association of State and Local Equity Funds; Affordable Housing Tax Credit Coalition; Local Initiatives Support Corporation/National Equity Fund; The Enterprise Foundation/Enterprise Social Investment Corporation; Council for Affordable and Rural Housing; National Association of Local Housing Finance Agencies.

By Mr. JEFFORDS (for himself,
Mr. SARBANES, and Mrs. FEINSTEIN):

S. 2692. A bill to authorize the Secretary of the Department of Housing and Urban Development to make grants to States for affordable housing

for low-income persons, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. JEFFORDS. Mr. President, I am pleased today to introduce the Affordable Housing Preservation Act of 2004, along with my colleagues, Senators SARBANES and FEINSTEIN. This bill provides matching Federal funds to States and localities seeking help to acquire and rehabilitate affordable housing that would otherwise be lost from the affordable housing inventory.

Affordable housing is facing a funding crisis. Across the country, the administration's proposed \$1.6 billion budget cuts for Section 8, which serves nearly 3.5 million low-income households nationwide, would seriously undermine the availability of quality affordable housing. In Vermont, there are 6,080 authorized vouchers available this year. But with the proposed budget cut, Vermont could lose more than 700 vouchers next year alone. That's a loss of \$4 million for housing assistance just in my small State. Over the next five years, it is estimated that Vermont could lose as many as 1,770 housing vouchers.

Affordable housing is a basic and critical need in every town and city, and these cuts are as indefensible as they are damaging. Cutting affordable housing is not about apartments and houses. It is about individuals and families, including our seniors, not having a safe and affordable place to call home. I have joined with many of my colleagues to protest these cuts.

The bill I am introducing today, the Affordable Housing Preservation Act of 2004, represents an effort to complement the good work being done throughout the country on Section 8 initiatives, and it strives to preserve existing affordable housing. Specifically, this bill would conserve federally subsidized housing units by providing matching grants to States and localities, seeking to preserve privately owned, affordable housing.

The Secretary of Housing and Urban Development (HUD) would make determinations for the grants based on a number of factors, including the number of affordable housing units at risk at being lost and the local market conditions in which displaced residents would have to find comparable new housing options. These funds would make a great deal of difference in keeping affordable housing affordable. States and localities could use the funds to acquire or rehabilitate affordable housing. They could use the funds, in part, for administrative and operating expenses. Properties with mortgages insured by HUD, Section 8 project-based assisted housing, and properties that are being purchased by residents would all be eligible for the matching grant funds. I believe that flexibility with the funding would make this program more efficient and cost effective, and, most importantly, more helpful to the recipients themselves.

Over the past several months, I have heard from many of my constituents who are genuinely concerned about Vermonters who are threatened with the loss of housing. This bill would give State and local housing authorities another tool to keep people in their homes. I believe we must act now to preserve our existing stock of affordable housing.

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

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

S. 2692

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Affordable Housing Preservation Act of 2004".

SEC. 2. MATCHING GRANT PROGRAM FOR AFFORDABLE HOUSING PRESERVATION.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—Congress finds that—

(A) the availability of low-income housing rental units has declined nationwide in the last several years;

(B) as rents for low-income housing increase and the development of new units of affordable housing decreases, there are fewer privately owned, federally assisted affordable housing units available to low-income individuals in need;

(C) the demand for affordable housing far exceeds the supply of affordable housing, as evidenced by recent studies;

(D) the efforts of nonprofit organizations have significantly preserved and expanded access to low-income housing;

(E) a substantial number of existing federally assisted or federally insured multifamily properties are at risk of being lost from the affordable housing inventory of the Nation through market rate conversion, deterioration, or demolition;

(F) it is in the interest of the Nation to encourage transfer of control of such properties to competent national, regional, and local nonprofit entities and intermediaries, the missions of which involve maintaining the affordability of such properties;

(G) such transfers may be inhibited by a shortage of such entities that are appropriately capitalized; and

(H) the Nation would be well served by providing assistance to such entities to aid in accomplishing this purpose.

(2) PURPOSES.—The purposes of this section are—

(A) to continue the partnerships among the Federal Government, State and local governments, nonprofit organizations, and the private sector in operating and assisting housing that is affordable to low-income persons and families;

(B) to promote the preservation of affordable housing units by providing matching grants to States and localities that have developed and funded programs for the preservation of privately owned housing that is affordable to low-income families and persons; and

(C) to minimize the involuntary displacement of tenants who are currently residing in such housing, many of whom are elderly or disabled persons and families with children.

(b) DEFINITIONS.—In this section:

(1) CAPITAL EXPENDITURES.—The term "capital expenditures" includes expenditures for acquisition and rehabilitation.

(2) CONSORTIUM.—The term "consortium" means a group of geographically contiguous localities that jointly submit an application under subsection (d).

(3) ELIGIBLE AFFORDABLE HOUSING.—The term "eligible affordable housing" means housing that—

(A) consists of more than 4 dwelling units;

(B) is insured or assisted under a program of the Department of Housing and Urban Development or the Department of Agriculture under which the property is subject to limitations on tenant rents, rent contributions, or incomes; and

(C) is at risk, as determined by the Secretary, of termination of any of the limitations referred to in subparagraph (B).

(4) ELIGIBLE ENTITIES.—The term "eligible entities" means any entity that meets the requirements of subsection (e)(6) and the rules issued under that subsection.

(5) LOCALITY.—The term "locality" means a city, town, township, county, parish, village, or other general purpose political subdivision of a State, or a consortium thereof.

(6) LOW-INCOME AFFORDABILITY RESTRICTION.—The term "low-income affordability restriction" means, with respect to a housing project, any limitation imposed by law, regulation, or regulatory agreement on rents for tenants of the project, rent contributions for tenants of the project, or income-eligibility for occupancy in the project.

(7) LOW-INCOME FAMILIES; VERY LOW-INCOME FAMILIES.—The terms "low-income families" and "very low-income families" have the meanings given such terms in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(8) PROJECT-BASED ASSISTANCE.—The term "project-based assistance" has the same meaning as in section 16(c) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)), except that the term includes assistance under any successor programs to the programs referred to in that section.

(9) QUALIFIED LIMITED LIABILITY COMPANY.—The term "qualified limited liability company" means a limited liability company with respect to which a credit is allowed under section 42 of the Internal Revenue Code of 1986 with respect to the company's qualified basis (as defined in section 42 (c)(1) of such Code), in a qualified low-income building (as defined in section 42(c)(2) of such Code) for which grant funds received under this section shall be used.

(10) QUALIFIED PARTNERSHIP.—The term "qualified partnership" means a limited partnership with respect to which a credit is allowed under section 42 of the Internal Revenue Code of 1986 with respect to the partnership's qualified basis (as defined in section 42(c)(1) of such Code) in a qualified low-income building (as defined in section 42(c)(2) of such Code) for which grant funds received under this section shall be used.

(11) SECRETARY.—The term "Secretary" means the Secretary of the Department of Housing and Urban Development.

(12) STATE.—The term "State" means each of the several States of the United States and the District of Columbia.

(c) AUTHORITY TO MAKE GRANTS.—The Secretary shall, to the extent that amounts are made available in advance under subsection (k), award grants under this section to States and localities for low-income housing preservation and promotion.

(d) APPLICATIONS.—

(1) IN GENERAL.—Any State or locality that seeks a grant under this section shall submit an application (through appropriate State and local agencies) to the Secretary.

(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall contain any information and certifications necessary for

the Secretary to determine who is eligible to receive a grant under this section.

(e) USE OF GRANTS.—

(1) ELIGIBLE USES.—

(A) IN GENERAL.—Grants awarded under this section may be used by States and localities only for the purposes of providing assistance—

(i) for acquisition, rehabilitation, capital expenditures, and related development costs for a housing project that meets the requirements of paragraph (2), (3), (4), or (5); or

(ii) to eligible entities under paragraph (6) for—

(I) operational, working capital, and organizational expenses; and

(II) predevelopment activities to acquire eligible affordable housing for the purpose of ensuring that the housing will remain affordable, as the Secretary considers appropriate, for low-income or very low-income families.

(B) USE AGREEMENT.—A project receiving assistance under this paragraph shall be subject to an agreement (binding on any subsequent owner of such project) that ensures that the project will continue to operate, for a period of not less than 50 years after the date on which any assistance is made available under this paragraph, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by any program under which the project, if offered, was eligible for assistance, subject to available appropriations.

(C) SERVICE OF UNDER-SERVED AND RURAL AREAS.—States receiving funds under this section shall ensure that, to the maximum extent practicable, that projects in under-served and rural areas in that State receive assistance.

(2) PROJECTS WITH HUD-INSURED MORTGAGES.—A project meets the requirements of this paragraph if the project is financed by a loan or mortgage that is—

(A) insured or held by the Secretary under section 221(d)(3) of the National Housing Act (12 U.S.C. 1715l(d)(3)) and receiving loan management assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) due to a conversion from section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(B) insured or held by the Secretary and bears interest at a rate determined under the proviso of section 221(d)(5) of the National Housing Act (12 U.S.C. 1715l(d)(5)); or

(C) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act (12 U.S.C. 1715z-1).

(3) PROJECTS WITH SECTION 8 PROJECT-BASED ASSISTANCE.—A project meets the requirements of this paragraph if the project is subject to a contract for project-based assistance.

(4) PROJECTS PURCHASED BY RESIDENTS.—A project meets the requirements of this paragraph if—

(A) the project is or was eligible low-income housing (as defined in section 229 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4119)) or is or was a project assisted under section 613(b) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 4125);

(B) the project has been purchased by a resident council or resident-approved nonprofit organization for the housing, or is approved by the Secretary for such purchase, for conversion to homeownership housing under a resident homeownership program meeting the requirements of section 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116); and

(C) the owner of the project has entered into binding commitments (applicable to any subsequent owner) to extend—

(i) project-based assistance for not less than 15 years (beginning on the date on which assistance is made available for the project by the State or locality under this section); and

(ii) any low-income affordability restrictions applicable to the project in connection with that assistance.

(5) RURAL RENTAL ASSISTANCE PROJECTS.—A project meets the requirements of this paragraph if—

(A) the project is a rural rental housing project financed under section 515 of the Housing Act of 1949 (42 U.S.C. 1485), or a farm labor housing development financed under section 514 of the United States Housing Act of 1949 (42 U.S.C. 1484); and

(B) the restriction on the use of the project (as required under section 502 of the Housing Act of 1949 (42 U.S.C. 1472)) will expire not later than 12 months after the date on which assistance is made available for the project by the State or locality under this subsection.

(6) ELIGIBLE ENTITIES.—

(A) IN GENERAL.—The Secretary shall establish, by regulation, standards for eligible entities under this subsection.

(B) REQUIREMENTS.—An eligible entity shall—

(i) be a nonprofit organization (as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704)), or a qualified limited liability company or a qualified partnership whose managing member or general partner, respectively, is—

(I) a nonprofit organization; or

(II) a for-profit entity that is wholly owned by an eligible non-profit organization;

(ii) have among its purposes, maintaining the affordability to low-income or very low-income families of multifamily properties that are at risk of loss from the inventory of housing that is affordable to low-income or very low-income families; and

(iii) demonstrate to the Secretary—

(I) the need for the types of assistance described under paragraph (1)(A)(ii);

(II) experience in providing assistance described under that paragraph; and

(III) its ability to provide the assistance described under that paragraph.

(7) FUNDING REQUIREMENTS.—

(A) OPERATING SUPPORT.—Each State and locality awarded a grant under this section shall transfer at least 5 percent, but no more than 10 percent, of such grant to eligible entities for the purposes described under paragraph (1)(A)(ii)(I).

(B) NONPROFIT PURCHASES.—Each State and locality awarded a grant under this section shall transfer at least 15 percent of such grant to eligible entities for the purposes described under paragraph (1)(A)(ii)(II).

(8) RETURN OF UNUSED FUNDS.—If any amount of a grant awarded to a State or locality under this section has not been obligated 3 years after the grant is awarded, such amount shall be returned to the Secretary to be redistributed in accordance with this section the following fiscal year.

(9) ADMINISTRATIVE COSTS.—A State or locality that is awarded a grant under this section may use no more than 10 percent of such grant for costs associated with the administration of the grant.

(f) AMOUNT OF STATE AND LOCAL GRANTS.—

(1) IN GENERAL.—Subject to paragraph (3) and subsection (g), in each fiscal year, the Secretary shall award to each State and locality approved for a grant under this section a grant in an amount based upon the proportion of the need for assistance of that State or locality under this section (as deter-

mined by the Secretary in accordance with paragraph (2)) to the aggregate need among all States and localities approved for assistance under this section for that fiscal year.

(2) DETERMINATION OF NEED.—In determining the proportion of the need of a State or locality under paragraph (1), the Secretary shall consider—

(A) the number of units in projects in the State or locality that are eligible for assistance under subsection (e)(1)(A)(i) that are, due to market conditions or other factors, at risk for prepayment, opt-out, or otherwise at risk of being lost to the inventory of affordable housing; and

(B) the difficulty that residents of projects in the State or locality that are eligible for assistance under subsection (e)(1)(A)(i) would face in finding adequate, available, decent, comparable, and affordable housing in neighborhoods of comparable quality in the local market, if those projects were not assisted by the State or locality under subsection (e)(1)(A)(i).

(3) LIMITATIONS.—

(A) MANDATORY ALLOCATION.—In any fiscal year, of the total amount appropriated under subsection (k)—

(i) 40 percent shall be allocated for grants to States; and

(ii) 60 percent shall be allocated for grants to localities.

(B) MINIMUM GRANT AMOUNT.—Notwithstanding subsection (g), a State receiving a grant under this section shall receive no less than .4 percent of the total amount appropriated under subsection (k) in any fiscal year.

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—Except as provided under paragraph (2), a grant under this section to a State or locality for any fiscal year may not exceed an amount that is twice the amount that the State or locality certifies, as the Secretary shall require, that the State or locality will contribute for such fiscal year, or has contributed since January 1, 2003, from non-Federal sources for the purposes described in subsection (e)(1).

(2) LIMITATIONS.—Paragraph (1) shall not apply to any amounts to be used by a State or locality for—

(A) administrative costs under subsection (e)(9); and

(B) operating support and working capital of nonprofit organizations under subsection (e)(7)(A).

(3) TREATMENT OF PREVIOUS CONTRIBUTIONS.—Any portion of amounts contributed after January 1, 2003, that are counted for the purpose of meeting the requirement under paragraph (1) for a fiscal year may not be counted for that purpose for any subsequent fiscal year.

(4) TAX CREDITS AND PRIVATE ACTIVITY BONDS.—Fifty percent of the annual amount of tax credits allocated to the project under section 42 of the Internal Revenue Code of 1986, or proceeds from private activity bonds issued for qualified residential rental projects under section 142 of that Code, shall be considered funds from non-Federal sources for purposes of paragraph (1).

(h) TREATMENT OF SUBSIDY LAYERING REQUIREMENTS.—Neither subsection (g) nor any other provision of this section may be construed to prevent the use of tax credits allocated under section 42 of the Internal Revenue Code of 1986, in connection with housing assisted with amounts from a grant awarded under this section, to the extent that such use is in accordance with section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545(d)) and section 911 of the Housing and Community Development Act of 1992 (42 U.S.C. 3545 note).

(i) REPORTS.—

(1) REPORTS TO SECRETARY.—Not later than 90 days after the last day of each fiscal year, each State and locality that receives a grant under this section during that fiscal year shall submit to the Secretary a report on the housing projects and eligible entities assisted with amounts made available under the grant.

(2) REPORTS TO CONGRESS.—Based on the reports submitted under paragraph (1), the Secretary shall annually submit to Congress a report on the grants awarded under this section during the preceding fiscal year and the housing projects assisted and eligible entities with amounts made available under those grants.

(j) REGULATIONS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall issue regulations to carry out this section.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section such sums as may be necessary for each of fiscal years 2005, 2006, 2007, 2008, and 2009.

SEC. 3. PRESERVATION PROJECTS.

Section 524(e)(1) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking “amounts are specifically” and inserting “sufficient amounts are”.

By Mr. BINGAMAN:

S. 2694. A bill to amend title XVIII of the Social Security Act to provide for the automatic enrollment of medicaid beneficiaries for prescription drug benefits under part D of such title, and for other purposes; read the first time.

Mr. BINGAMAN. Mr. President, today I am reintroducing the Medicare Assurance of Prescription Transition Assistance Act of 2004. It is my hope that this will be put on the Senate Calendar so it can be considered under rule XIV.

Let me give a little background about what this legislation is intended to correct.

As all of us know, this last year we passed a major revision, a major amendment to the Medicare Act. The Medicare Act was passed in 1965. In this last year, the prescription drug bill has been added to it. That was a controversial piece of legislation which I wound up opposing in its final form. I supported the version we passed through the Senate initially. I opposed the version that finally came from the conference and was sent to the President for signature.

But there was one part of that prescription drug legislation that contained a very real benefit for a lot of low-income Americans. That is the \$600 subsidy that was made available this year and again next year for Medicare recipients with incomes in this category that allowed them to take advantage of the benefit.

The legislation I am introducing today will provide simply that CMS automatically enroll many of these low-income Medicare seniors and people with disabilities into this prescription drug card in order that they get the benefit of the discount card. Of course, that benefit is hard to quantify. They would get that benefit, but more importantly, they would get access to

this \$600 subsidy this year and another \$600 subsidy next year, which would go against the cost of prescription drugs they incur during those 2 years.

Underscoring the need for this legislation, yesterday Dr. Mark McClellan, the Administrator of the Centers for Medicare and Medicaid Services, or CMS, testified before the Senate Special Committee on Aging that only 1 million of the more than 7 million low-income Medicare beneficiaries who are eligible for the \$600 subsidy under the Medicare prescription drug card are currently enrolled.

This chart makes that point very clearly. The title of this chart is "Low Enrollment Plagues Prescription Drug Plan." This first bullet states that 7 million low-income Medicare beneficiaries are eligible for this \$600 subsidy. The number of low-income beneficiaries that CMS projected would actually enroll would be 5 million. So 5 million of the 7 million were supposed to enroll. In fact, the number of low-income beneficiaries who have enrolled turns out to be 1 million.

So there are 6 million Americans eligible for the \$600 transition assistance under the Medicare prescription drug bill who are not receiving any help. In other words, 14 percent of those who are eligible for this \$600 subsidy are actually getting assistance at the present time. Unfortunately, many of those seniors who are eligible live in my home State of New Mexico, and I am very anxious that we provide this benefit to them since it is a part of the law.

The President and the leadership in the Senate have vowed to bottle up any legislation that would reopen the Medicare prescription drug bill at this time, or before the end of this Congress. Unfortunately, that would include bills such as the one I am reintroducing today, which is really intended to ensure that the people who are eligible for the limited benefit provided under this bill actually receive that benefit.

If we are serious about trying to provide assistance to our Nation's most vulnerable low-income seniors and people with disabilities, then we should undertake the rather straightforward but significant step that is called for in this legislation, and that is automatically enrolling those who are eligible for the \$600 subsidy into the discount drug card program.

Considering that it is unclear whether the savings offered by the drug discount card itself will amount to much, and that is just hard to quantify, frankly, the main benefit is not the discount card itself; it is the \$600 credit which is available to low-income individuals.

Specifically, the \$600 is available to any individual whose income is less than \$12,569 per year or any married couple whose income is less than \$16,862 per year. For those Medicare savings program beneficiaries who get cost-sharing assistance through Medicaid because they have incomes below

135 percent of poverty but are not receiving prescription drug coverage, they clearly meet the income criteria under the act and their automatic enrollment is the only way to ensure they will receive the \$600 subsidy that those of us in Congress intended they receive.

In fact, when the prescription drug bill was passed, the administration claimed that 65 percent of those eligible for the \$600 transitional assistance would actually be enrolled.

According to the Centers for Medicare and Medicaid Services, or CMS, the agency expected 5 million people of the 7 million—again, as is stated on this chart—including 29,000 of the estimated 45,000 in my home State of New Mexico, would actually enroll. Under the CMS assumptions, those beneficiaries combined would save \$5 billion nationally, or \$35 million in my home State of New Mexico, over this 2-year period.

Much of that savings is not going to be realized by those seniors unless we pass the legislation I am introducing today.

Part of the explanation for the low enrollment is the poor advertising campaign that the General Accounting Office has criticized and with which we are generally familiar. This poor advertising campaign included running ads in Capitol Hill newspapers such as Roll Call and the Hill. Unfortunately, most of the low-income seniors in my State do not subscribe to either Roll Call or the Hill. In fact, they do not know those publications exist.

According to a national survey by the Kaiser Family Foundation, only 18 percent of senior citizens are even aware that the low-income transitional assistance program was included in the prescription drug bill. So it is hard to believe that 65 percent of those who are eligible will enroll when less than one-fifth of them even know the program exists.

Fortunately, CMS has already laid the groundwork for this automatic enrollment. Two months ago, the agency issued guidance for how State pharmacy assistance programs can automatically enroll their members who have incomes below 135 percent of poverty in the low-income assistance benefit. Those enrollees continue to represent the bulk of those who have enrolled and they remain the model for how to ensure that low-income beneficiaries get the prescription drug assistance they need.

CMS can take this additional step, which I am calling for in this legislation, to automatically enroll MSP members who do not have prescription drug coverage. I believe CMS has the authority to take the step on its own right now, but the legislation I have reintroduced today would clarify the law in this regard and would ensure that low-income seniors and people with disabilities actually receive this transitional assistance as promised by the administration and the Congress.

As the Medicare Rights Center has asked: Given their definite eligibility and clear need for help to pay for their prescription drugs, why not save these people and the Government the hassle of application and automatically enroll them?

That is exactly the right question to be asked. There are a number of low-income seniors and people with disabilities who are very sick, who have cognitive and mental illnesses and do not have access to or feel comfortable with the use of the Internet. Many will wrongly slip through the cracks and fail to get the \$600 subsidy that could benefit them substantially this year and next year. In such cases, if an individual has not enrolled for whatever reason, it begs the question as to what choice automatic enrollment would take away at that point.

It is not enough to say, look, we believe these seniors have a choice of a great many discount cards and we do not want to prejudge that for them. The truth is, most of the people I am talking about are completely unaware that there is such a thing as a drug discount card or that there is such a thing as a \$600 subsidy for which they could qualify. This lack of knowledge on their part is through no fault of their own and we should do all we can, and CMS should do all it can, to get them enrolled so they can benefit from this \$600 subsidy. Either CMS or the States should take the affirmative step of automatically enrolling these individuals in the program. If we fail to assist them in this manner, what is really lost is not the choice that they might have between one card or another but the \$1,200 in real prescription drug assistance that they do today qualify for and that they should be receiving.

As a Kaiser Family Foundation study last year indicated, Medicare beneficiaries with no drug coverage were nearly three times more likely than people with drug coverage to forgo needed prescription drugs. While CMS has estimated that 65 percent of the low-income beneficiaries would sign up for the \$600 subsidy, by any measure signing up just 14 percent of these beneficiaries can only be viewed as a major failure. It has not been viewed as that so far either by the administration or by the Congress.

Once again, I call on the administration to take this important step on its own and enroll these individuals for this benefit. In light of the fact they have failed to do so, despite several calls from me and other Members of Congress for them to do so, I am reintroducing this bill, and I hope the Senate leadership will bring it to the floor for immediate action.

There is over \$1 billion of prescription drug assistance for over 1 million of our Nation's most vulnerable citizens at stake. It is time for the Senate to pass this bill.

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. 2694

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 “Medicare Assurance of Rx Transitional Assistance Act of 2004”.

SEC. 2. AUTOMATIC ENROLLMENT OF MEDICAID BENEFICIARIES ELIGIBLE FOR MEDICARE PRESCRIPTION DRUG BENEFITS.

(a) AUTOMATIC ENROLLMENT OF BENEFICIARIES RECEIVING MEDICAL ASSISTANCE FOR MEDICARE COST-SHARING UNDER MEDICAID.—Section 1860D-14(a)(3)(B)(v) (42 U.S.C. 1395w-114(a)(3)(B)(v)) is amended to read as follows:

“(v) TREATMENT OF MEDICAID BENEFICIARIES.—Subject to subparagraph (F), the Secretary shall provide that part D eligible individuals who are—

“(I) full-benefit dual eligible individuals (as defined in section 1935(c)(6)) or who are recipients of supplemental security income benefits under title XVI shall be treated as subsidy eligible individuals described in paragraph (1); and

“(II) not described in subclause (I), but who are determined for purposes of the State plan under title XIX to be eligible for medical assistance under clause (i), (iii), or (iv) of section 1902(a)(10)(E), shall be treated as being determined to be subsidy eligible individuals described in paragraph (1).”.

(b) ASSURANCE OF TRANSITIONAL ASSISTANCE UNDER DRUG DISCOUNT CARD PROGRAM.—

(1) IN GENERAL.—Section 1860D-31(b)(2)(A) of the Social Security Act (42 U.S.C. 1395w141(b)(2)(A)) is amended by adding at the end the following new sentence: “Subject to subparagraph (B), each discount card eligible individual who is described in section 1860D-14(a)(3)(P)(v) shall be considered to be a transitional assistance eligible individual.”.

(2) AUTOMATIC ENROLLMENT OF MEDICAID BENEFICIARIES.—Section 1860D-31(c)(1) of the Social Security Act (42 U.S.C. 1395w-141(c)(1)) is amended by adding at the end the following new subparagraph:

“(F) AUTOMATIC ENROLLMENT OF CERTAIN BENEFICIARIES.—

“(1) IN GENERAL.—Subject to clause (ii), the Secretary shall—

“(I) enroll each discount card eligible individual who is described in section 1860D-14(a)(3)(13)(v), but who has not enrolled in an endorsed discount card program as of August 15, 2004, in an endorsed discount, card program selected by the Secretary that serves residents of the State in which the individual resides; and

“(II) notwithstanding paragraphs (2) and (3) of subsection (f), automatically determine that such individual is a transitional assistance eligible individual (including whether such individual is a special transitional assistance eligible individual) without requiring any self-certification or subjecting such individual to any verification under such paragraphs.

“(ii) OPT-OUT.—The Secretary shall not enroll an individual under clause (i) if the individual notifies the Secretary that such individual does not wish to be enrolled and be determined to be a transitional assistance eligible individual under such clause before the individual is so enrolled.”.

(3) NOTICE OF ELIGIBILITY FOR TRANSITIONAL ASSISTANCE.—Section 1860D-31(d) of the Social Security Act (42 U.S.C. 1395w-141(4)) is amended by adding at the end the following new paragraph:

“(4) NOTICE OF ELIGIBILITY TO MEDICAID BENEFICIARIES.—Not later than July 15, 2004, each State or the Secretary (at the option of each State) shall mail to each discount card eligible individual who is described in section 1860D14(a)(3)(B)(v), but who has not enrolled in an endorsed discount card program as of July 1, 2004, a notice stating that—

“(A) such individual is eligible to enroll in an endorsed discount card program and to receive transitional assistance under subsection (g);

“(B) if such individual does not enroll before August 15, 2004, such individual will be automatically enrolled in an endorsed discount card program selected by the Secretary unless the individual notifies the Secretary that such individual does not wish to be so enrolled.

“(C) if the individual is enrolled in an endorsed discount card program during 2004, the individual will be permitted to change enrollment under subsection (c)(1)(C)(ii) for 2005; and

“(D) there is no obligation to use the endorsed discount card program or transitional assistance when purchasing prescription drugs.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 101 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173; 117 Stat. 2071).

By Mr. SPECTER:

S. 2695. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to expand the definition of firefighter to include apprentices and trainees, regardless of age or duty limitations; read the first time.

Mr. SPECTER. Mr. President, I seek recognition today to introduce the Christopher Kangas Fallen Firefighter Apprentice Act, a bill designed to correct a flaw in the current definition of “firefighter” under the Public Safety Officer Benefits Act.

On May 4, 2002, 14-year-old Christopher Kangas was struck by a car and killed while he was riding his bicycle in Brookhaven, PA. The local authorities later confirmed that Christopher was out on his bike that day for an important reason: Chris Kangas was a junior firefighter, and he was responding to a fire emergency.

Under Pennsylvania law, 14- and 15-year-olds such as Christopher are permitted to serve as volunteer junior firefighters. While they are not allowed to operate heavy machinery or enter burning buildings, the law permits them to fill a number of important support roles, such as providing first aid. In addition, the junior firefighter program is an important recruitment tool for fire stations throughout the Commonwealth. In fact, prior to his death Christopher had received 58 hours of training that would have served him well when he graduated from the junior program.

It is clear to me that Christopher Kangas was a firefighter killed in the line of duty. Were it not for his status as a junior firefighter and his prompt response to a fire alarm, Christopher would still be alive today. Indeed, the Brookhaven Fire Department, Brookhaven Borough, and the Com-

monwealth of Pennsylvania have all recognized Christopher as a fallen public safety officer and provided the appropriate death benefits to his family.

Yet while those closest to the tragedy have recognized Christopher as a fallen firefighter, the Federal Government has not. The Department of Justice announced that Christopher Kangas was not a “firefighter,” and therefore not a “public safety officer” for purposes of the Public Safety Officer Benefits Act. The DOJ based its determination on an arbitrarily narrow definition of “firefighter,” deciding that the only people who qualify as firefighters are those who play the starring role of spraying water on a fire or entering a burning building. According to this definition, those who play the essential supporting roles of directing traffic, performing first aid, or dispatching fire vehicles apparently don’t count.

Any firefighter will tell you that there are many important roles to play in fighting a fire beyond operating the hoses and ladders. Firefighting is a team effort, and everyone in the Brookhaven Fire Department viewed young Christopher as a full member of their team.

As a result of this DOJ determination, Christopher’s family will not receive a \$267,000 Federal line-of-duty benefit. In addition, Christopher will be barred from taking his rightful place on the National Fallen Firefighters Memorial in Emmitsburg, MD. For a young man who dreamed of being a firefighter and gave his life rushing to a fire, keeping him off of the memorial is a particularly cruel blow.

The bill I introduce today will ensure that the Federal Government will recognize Christopher Kangas and others like him as firefighters. The bill clarifies that all firefighters will be recognized as such “regardless of age, status as an apprentice or trainee, or duty restrictions imposed because of age or status as an apprentice or trainee.” The bill applies retroactively back to May 4, 2002 so that Christopher can benefit from it.

My bill is a companion to H.R. 4472, introduced by Congressman CURT WELDON, Congressman WELDON, who is himself a former fireman and fire chief, is chairman of the Congressional Fire Services Caucus. There is no one in Congress better suited to understand this situation than Congressman WELDON, and I am honored to join him in the effort to right this wrong.

I am submitting together with this bill a request under Senate rule XIV that the bill be placed directly on the Senate calendar and not be referred to committee. This is a noncontroversial, technical bill. I hope that my colleagues will join me in ensuring its speedy passage into law.

By Mrs. HUTCHISON:

S. 2697. A bill to authorize the President to posthumously award a gold medal on behalf of the Congress to the

seven members of the crew of the space shuttle *Columbia* in recognition of their outstanding and enduring contributions to the Nation; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. HUTCHISON. Mr. President, I rise today to introduce a bill to honor seven individuals who last year made the ultimate sacrifice. The crew of flight STS-107 was tragically lost aboard the space shuttle *Columbia* on February 1, 2003. Debris from the vehicle was found in several cities and towns in my home State of Texas, where memorials will be raised to the mission's memory.

Commander Rick Husband, Pilot William McCool, Payload Specialist Michael Anderson, Mission Specialists Kalpana Chawla, David Brown and Laurel Clark, and Payload Specialist Ilan Ramon, Israel's first astronaut, admirably exemplified our commitment to human space exploration. These men and women labored for years to join the select group of NASA astronauts. Their 16-day mission was dedicated to research in physical, life, and space sciences. They conducted approximately 80 separate experiments comprised of hundreds of samples and tests, for 24 hours a day in alternating shifts. This selfless toil has repeatedly formed the basis of NASA's significant discoveries about our universe.

The *Columbia* crew, by participating in this effort, fully endorsed manned space exploration, which has been among NASA's missions since its inception in 1958. Beginning with NASA's earliest Mercury, Gemini, and Apollo missions which first put men on the moon, to this year's Mars rovers, the benefits of space technology are far-reaching and affect the lives of every American. The work of people like those lost last year has led to myriad tangible benefits here on Earth, such as the life-saving CAT Scan. This very American desire to cross frontiers and explore our surroundings drives critical innovation and development, and it does not exist without people like those we commemorate today.

I believe these cherished husbands and wives, sons, daughters, parents, and friends deserve to be counted among another exclusive number. For their bravery, dedication, audacity, and perseverance, these astronauts should be posthumous recipients of the Congressional Gold Medal, which is awarded as the highest expression of national appreciation for distinguished achievements and contributions. According to convention, this measure must be cosponsored by 67 Senators before it can be considered, and I am certain my colleagues hold the *Columbia* crew in the same high regard as I do. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2697

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

SECTION 1. FINDINGS.

The Congress makes the following findings:
(1) On Saturday, February 1, 2003, the space shuttle *Columbia* exploded upon re-entering the atmosphere following a 16-day mission.

(2) Before the *Columbia* started its tragic descent, the shuttle crew completed some 80 scientific experiments and much of their research data had already been relayed to Houston where it has added to the pool of scientific knowledge.

(3) The Nation pays tribute to the memory of Colonel Rick Husband, Lieutenant Colonel Michael Anderson, Commander Laurel Clark, Captain David Brown, Commander William McCool, Dr. Kapana Chawla, and Ilan Ramon, a colonel in the Israeli air force. The diversity of crew represented the ideals of our Nation.

(4) These seven courageous explorers paid the ultimate price to improve our understanding of the universe, to advance our medical and engineering sciences, to make the Nation safer and more secure, and to keep the United States economy on the cutting edge of technology.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized, on behalf of the Congress, to award a gold medal of appropriate design to each of the seven crew members of the space shuttle *Columbia*—

- (1) Rick D. Husband;
- (2) Michael P. Anderson;
- (3) Laurel Clark;
- (4) David M. Brown;
- (5) William C. McCool;
- (6) Kapana Chawla; and
- (7) Ilan Ramon.

(b) DESIGN AND STRIKING.—For the purpose of the presentation referred to in subsection (a), the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, and at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 4. NATIONAL MEDALS.

The medals struck under this Act, are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. FUNDING.

(a) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund an amount not to exceed \$30,000 to pay for the cost of the medals authorized by this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

By Mr. GRASSLEY (for himself and Mr. BAUCUS):

S. 2698. A bill to amend title XVIII of the Social Security Act to revoke the unique ability of the Joint Commission for the Accreditation of Healthcare Organizations to deem hospitals to meet certain requirements under the Medicare program and to provide for greater accountability of the Joint Commission to the Secretary of Health and

Human Services; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today to speak to an issue that is vitally important—hospital safety. For too long, the Federal Government has not had the appropriate oversight authority to assure safety in our Nation's hospitals.

I am proud to introduce the Medicare Hospital Accreditation Act, bipartisan legislation that will give the Centers for Medicare and Medicaid Services (CMS) the same oversight capacity over hospital accreditation that it has over all other health care accrediting bodies.

The Joint Commission for Accreditation of Health Organizations (JCAHO) is a private, not-for-profit organization. In 1965 Congress granted JCAHO "deeming authority" for Medicare certification under Section 1865 of the Social Security Act. This sweeping authority gave hospitals accredited by JCAHO the ability to participate in Medicare with minimal CMS oversight. Since then, JCAHO has accredited most of our Nation's hospitals—over 80 percent in 2002. No other health care accreditation program has had this same statutory exception.

Congress gave JCAHO an important role to detect and correct problems that directly affect the lives of patients in hospitals. Congress, CMS and in turn the American people, rely upon JCAHO's work to ensure the quality and safety in our Nation's hospitals.

JCAHO's own mission claims to continuously improve the safety and quality of care provided to the public through the provision of health care accreditation.

Unfortunately, JCAHO was entrusted with this responsibility without the necessary checks and balances so crucial to a government responsive to the needs of the people it serves.

This GAO report is only the most recent evidence showing problems with the Joint Commission. In June of 1990, the GAO found that CMS, which was then called the Health Care Financing Administration (HCFA), needed to re-evaluate the criteria used to evaluate the JCAHO's survey process and recommended that HCFA establish a means to detect significant differences between state agency and Joint Commission surveys.

In May of 1991, the GAO published a report titled "Hospitals with Quality-of-Care Problems Need Closer Monitoring" and recommended that HCFA closely monitor the Joint Commission's follow-up of hospital efforts to correct deficiencies it found related to Medicare conditions of participation.

Then in 1999, the Inspector General for the Department of Health & Human Services also raised serious concerns. The IG looked at how well the Joint Commission identified deficiencies in hospitals and found that the Joint Commission's surveys were not likely to identify patterns of deficient care.

Today's GAO findings are likewise significant. Over the course of 3 years—

between 2000 and 2002—500 hospitals were surveyed by both JCAHO and by a state survey agency on behalf of CMS. According to the GAO, a comparison of these surveys revealed that the state surveys often found serious deficiencies—serious deficiencies that went overlooked or unnoticed by JCAHO.

In fact, the GAO found that out of the 157 hospitals found with serious deficiencies, JCAHO identified only 34. In other words, compared to state surveyors, JCAHO missed hospitals with deficiencies 78 percent of the time.

A hospital that prepared and administered drugs in violation of federal and state laws is just one example of a serious deficiency found by a state agency, but missed by JCAHO in its 2000 survey.

Serious deficiencies found by state agencies but missed by JCAHO represent a pattern of deficient care—not merely isolated incidents. Unlike isolated incidents, a pattern of deficient care raises grave concerns because of the potential to place dozens of lives in danger, involving for example a floor or entire wing where many hospital patients are receiving their care.

Because JCAHO's hospital "deeming authority" is statutorily mandated, CMS cannot terminate this authority. Today, we are taking the first step to give CMS the same oversight capability over JCAHO that it has over all other health care accrediting organizations.

This legislation will give CMS the authority and responsibility to hold JCAHO accountable and, if necessary, restrict or remove its hospital accreditation authority. It will bring uniformity to the health care accreditation process and will provide a more effective chain-of-command. JCAHO will have to answer to CMS—as it does in other sectors of health care accreditation.

The GAO recommends that Congress grant CMS greater oversight over JCAHO's hospital accreditation process. CMS agrees. JCAHO agrees. My colleague from across the aisle and across the Capitol, Congressman STARK—who as we speak is introducing the companion bill in the House of Representatives—agrees with this finding.

I urge your support for this much-needed legislation.

Mr. BAUCUS. Mr. President, I rise to call my colleagues' attention to a very important matter—the safety of America's hospitals. This is an issue that affects every State and people of all political beliefs. In an effort to keep American hospitals safe and ensure they provide quality health care, Chairman GRASSLEY and I are introducing the Medicare Hospital Accreditation Act of 2004, which is simultaneously being introduced by our colleagues in the House of Representatives.

As I can attest through personal experience, America's hospitals provide outstanding health care. Every day, thousands of people receive the treat-

ment they need from dedicated and highly competent hospital staffs working in well-run hospitals across the country.

But confidence in our hospitals should not be confused with complacency. Every so often, someone from outside a hospital must come in to each facility and look under the hood, so to speak, to read through patient charts, check clinical practices and to make sure that sprinklers are working and stairways are sound. We have put our trust in accrediting organizations to identify problems in hospitals so that they may be corrected and quality and safety improved.

Most hospitals are accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which has been accrediting hospitals for over 50 years. When JCAHO accredits a hospital, that hospital is deemed to be in compliance with the conditions of participation for Medicare. As today's report by the Government Accountability Office (GAO) shows us, JCAHO's record of identifying problems in hospitals is far from perfect. Furthermore, the GAO points out that government has little oversight authority over JCAHO's hospital accreditation process. Less oversight authority, in fact, compared to accrediting organizations for other kinds of healthcare facilities.

While the GAO's findings are a reason for concern, the report does not mean that American hospitals are unsafe. But it does send a clear message—one that the Congress and the Administration should heed—that there is room for improvement in identifying problems at hospitals. Given my commitment to keep hospitals as safe as possible, I view the GAO's recommendations as a call to action.

Therefore, I am pleased to join Chairman GRASSLEY in introducing legislation to remove JCAHO's unique status as an accreditation body and to give the Centers for Medicare & Medicaid Services (CMS) the same authority over JCAHO's hospital accreditation that it already has with respect to the accreditation of other healthcare facilities. Putting all accrediting organizations on equal footing will result in better accreditation and better healthcare facilities for everyone. Expanding oversight by CMS of JCAHO's hospital accreditation will help improve the process, keep patients safe and ensure that hospitals continue to perform to our expectations.

The legislation we're introducing today is bipartisan and bicameral. I urge my colleagues to join us in co-sponsoring this bill and working together to get it passed.

By Ms. SNOWE:

S. 2699. A bill to deauthorize a certain portion of the project for navigation, Rockland Harbor, Maine; to the Committee on Environment and Public Works.

Ms. SNOWE. Mr. President, I rise today to introduce legislation that

could make the mooring of an historic windjammer fleet in Rockland Harbor a reality by deauthorizing a section of the Federal Navigational Channel that will allow a windjammer wharf to be built. Originally a strong fishing port, Rockland retains its rich marine heritage, and it is one of the fastest growing cities in the Midcoast. Like many of the port cities on the eastern seaboard, Rockland has been forced to confront an assortment of financial and environmental changes, but the city has been able to respond to these challenges in positive and productive ways.

The City of Rockland has hosted the Windjammer fleet since 1955, earning a well-deserved reputation as the Windjammer Capitol of the World. Rockland's Windjammers are now National Historic Landmarks, and as such, are vitally important to both the City and the State. The image of *The Victory Chimes*—a three-masted, gaff-rigged schooner whose National Historic Landmark designation I supported in 1997, and one of five vessels slated to be berthed at the new wharf—graces the 2003 Maine quarter! This beautiful fleet of windjammers symbolizes the great seagoing history of Maine as well as the sense of adventure that we have come to associate so closely with the American experience.

Lermond Cove is perfectly situated in the Rockland Harbor to be the new and permanent home for these cherished vessels. The proposed Windjammer Wharf will also provide a safe harbor from storms, as it is tucked nicely near the Maine State Ferry and Department of Marine Resources piers.

The State of Maine capitalizes on the visual impact of the Windjammers to promote tourism, working waterfronts and the natural beauty that distinguishes our landscape. Over \$300,000 is spent yearly by the Maine Windjammer Association to advertise and promote these businesses. Deauthorizing that part of the Federal navigational channel will clearly trigger significant and unrealized economic gains for the region, providing many beneficial dollars to the local area and the State of Maine. According to the Longwood study, which uses a multiplier of 1.5, the economic impact of this spending is 3.8 million dollars a year. Conservatively, the Windjammers spend over 2.5 million a year in the State.

My hope is that the legislation I am introducing today can be included in the Water Resources Development Act (WRDA), S 2554, which has been marked up by the Senate Environment and Public Works Committee and awaits floor action. I want to thank the New England Corps of Engineers for their help in drafting the language and working with the Maine Department of Transportation, which runs the state ferry line, and the Rockland city officials, the Rockland Port District, and the Captains of the Windjammer vessels—Mainers and businesspeople with the vision and commitment we need to complete

Windjammer Wharf and create a permanent home for this historic fleet of windjammers in Rockland Harbor.

My legislation is important to the entire Rockland area, to the economy of my State of Maine, and important as a living history of a long held tradition in the Northeastern part of the country bordering the Atlantic Ocean where eyes have traditionally turned to the sea, fixed on hope and the horizon, and a way of life.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 408—SUPPORTING THE CONSTRUCTION BY ISRAEL OF A SECURITY FENCE TO PREVENT PALESTINIAN TERRORIST ATTACKS, CONDEMNING THE DECISION OF THE INTERNATIONAL COURT OF JUSTICE ON THE LEGALITY OF THE SECURITY FENCE, AND URGING NO FURTHER ACTION BY THE UNITED NATIONS TO DELAY OR PREVENT THE CONSTRUCTION OF THE SECURITY FENCE

Mr. SMITH (for himself, Mr. ALEXANDER, Mr. BOND, Mr. BUNNING, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COLEMAN, Ms. COLLINS, Mr. CORZINE, Mr. CRAPO, Mrs. DOLE, Mr. FITZGERALD, Mr. LIEBERMAN, Mr. LUGAR, Mrs. MURRAY, Mr. SCHUMER, Mr. WYDEN, Mr. DEWINE, Ms. MIKULSKI, and Mr. ALLARD) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 408

Whereas the United Nations General Assembly requested the International Court of Justice to render an opinion on the legality of the security fence being constructed by Israel to prevent Palestinian terrorists from entering Israel;

Whereas, on February 23, 2004, the International Court of Justice commenced hearings on the legality of the security fence;

Whereas, on July 9, 2004, the International Court of Justice issued an advisory opinion that was critical of the legality of the security fence and that accused Israel of violating its international obligations;

Whereas the security fence is a necessary and proportional response to the campaign of terrorism by Palestinian militants;

Whereas, throughout Israel, the West Bank, and Gaza, terrorist groups have sent suicide bombers to murder Israeli civilians in buses, cafes, and places of worship, have used snipers to shoot at Israeli civilians in their homes and vehicles and even in baby carriages, and have invaded homes and seminaries in order to carry out acts of terrorism;

Whereas Palestinian terrorists routinely disguise themselves as civilians, including as pregnant women, hide bombs in ambulances, feign injuries, and sequence bombs to kill rescue workers responding to an initial attack;

Whereas a security fence has existed in Gaza since 1996 and that fence has proved effective at reducing the number of terrorist attacks and prevented many residents of Gaza from crossing into Israel to carry out terrorist attacks;

Whereas, from the onset of the Palestinian campaign of terror against Israel in Sep-

tember 2000, until the start of the construction of the fence in July 2003, Palestinian terrorists based out of the northern West Bank carried out 73 attacks in which 293 Israeli were killed and 1,950 were wounded, and during the period since construction began, from August 2003 through June 2004, only 3 attacks were successfully executed, 2 of which were executed by terrorists coming from areas where the fence was not yet completed;

Whereas this reduction in number of attacks represents a 90 percent decline since construction of the security fence commenced;

Whereas, on June 30, 2004, Israel's High Court of Justice issued a dramatic ruling that supported the need for the security fence to fight terror, but ruled that its route must take into account Palestinian humanitarian concerns, thus reinforcing the central role that the rule of law plays in Israeli society;

Whereas United Nations Security Council Resolution 242 (November 22, 1967) and United Nations Security Council Resolution 338 (October 22, 1973) require negotiated settlement of the Israeli-Palestinian conflict, including the demarcation of final borders and recognition of the right of Israel to "secure and recognized boundaries";

Whereas, according to international law and as expressly recognized in Article 51 of the Charter of the United Nations, all countries possess an inherent right to self-defense;

Whereas the security fence and associated checkpoints are crucial to detecting and deterring terrorists among the Palestinian civilian population;

Whereas there is concern that the International Court of Justice is politicized and critical of Israel;

Whereas construction of the security fence does not constitute annexation of disputed territory because the security fence is a temporary measure and does not extend the sovereignty of Israel;

Whereas the security fence is permitted under the Declaration of Principles on Interim Self-Government Arrangements, signed at Washington September 13, 1993, between Israel and the P.L.O. (hereinafter referred to as the "Oslo Accord") in which Israel retained the right to provide for security, including the security of Israeli settlers;

Whereas the case regarding the legality of the security fence in the International Court of Justice violates the principles of the Oslo Accord that require that all disputes between the parties be settled by direct negotiations or by agreed-upon methods; and

Whereas the United States, Korea, and India have constructed security fences to separate such countries from territories or other countries for the security of their citizens: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes Israel's right of self-defense against Palestinian terrorist attacks, and supports the construction of a security fence, the route of which, with the support of the Government of Israel, takes into account the need to minimize the confiscation of Palestinian land and the imposition of hardships on the Palestinian people;

(2) condemns the decision of the International Court of Justice on the legality of the security fence; and

(3) urges the United States to vote against any further United Nations action that could delay or prevent the construction of the security fence and to engage in a diplomatic campaign to persuade other countries to do the same.

SENATE RESOLUTION 409—ENCOURAGING INCREASED INVOLVEMENT IN SERVICE ACTIVITIES TO ASSIST SENIOR CITIZENS

Mr. BAYH submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 409

Whereas approximately 13,000,000 individuals in the United States have serious long-term health conditions that may force them to seek assistance with daily tasks;

Whereas 56 percent of the individuals in the United States with serious long-term health conditions are age 65 or older;

Whereas the percentage of the population over the age of 65 is expected to rise from 13 percent in 2004 to 20 percent in 2020;

Whereas the number of individuals entering the workforce and the number of health care professionals with geriatric training are not keeping pace with the changing demographics;

Whereas medicaid paid for 51 percent of total long-term care spending in 2002, as compared to the 15 percent of total long-term care spending paid by medicare;

Whereas the long-term care system of the United States, funded largely with Federal and State dollars, will have difficulty supporting the coming demographic shift;

Whereas 80 percent of seniors live at home or in community-based settings;

Whereas 3,900,000 people of the United States who are over age 65 receive long-term care assistance in home and community settings;

Whereas 65 percent of seniors who need long-term care rely exclusively on friends and family, and another 30 percent rely on a combination of paid caregivers and friends or family;

Whereas 15 percent of all seniors over the age of 65 suffer from depression;

Whereas studies have suggested that 25 to 50 percent of nursing home residents are affected by depression;

Whereas approximately 1,450,000 people live in nursing homes in the United States;

Whereas by 2018 there will be 3,600,000 seniors in need of a nursing home bed, which will be an increase of more than 2,000,000 from 2004;

Whereas as many as 60 percent of nursing home residents do not have regular visitors;

Whereas older patients with significant symptoms of depression have significantly higher health care costs than seniors who are not depressed;

Whereas people who are depressed tend to be withdrawn from their community, friends, and family;

Whereas the Corporation for National and Community Service (CNS) Senior Corps programs currently provide seniors with the opportunity to serve their communities through the Retired and Senior Volunteer Program, Foster Grandparent Program, and Senior Companion Program;

Whereas through the Senior Companion Program in particular, in the 2002 to 2003 program year, more than 17,000 low-income seniors volunteered their time assisting 61,000 frail elderly and homebound individuals who have difficulty completing daily tasks;

Whereas numerous volunteer organizations across the United States enable Americans of all ages to participate in similar activities;

Whereas Faith in Action, 1 volunteer organization, brings together 40,000 volunteers of many faiths to serve 60,000 homebound people with long-term health needs or disabilities across the country, 64 percent of whom are 65 years of age or older;

Whereas the thousands of volunteers that, through the Senior Companion Program and volunteer organizations nationwide, provide companionship and assistance to frail elderly individuals and homebound seniors, deserve to be commended for their work;

Whereas the demand for these services outstrips the number of volunteers, and organizations are seeking to enlist more individuals in the United States in the volunteer effort;

Whereas companionship and assistance programs for seniors with long-term health needs offer many demonstrated benefits, such as: allowing frail elderly individuals to remain in their homes; enabling seniors to maintain independence for as long as possible; providing encouragement and friendship to lonely seniors; and providing relief to family caregivers;

Whereas regular visitation and assistance is the best way of assuring seniors that they have not been forgotten, and State and local recognition of regular visitation programs can call further attention to the importance of volunteering on an ongoing basis; and

Whereas a month dedicated to service for seniors and recognized across the United States will call attention to volunteer organizations serving seniors and provide a platform for recruitment efforts: Now, therefore, be it

Resolved, That the Senate—

(1) designates September 2004 as “Service for Seniors Month”;

(2) recognizes the need for companionship and assistance with daily tasks among seniors with long-term health conditions throughout the year, and encourages the people of the United States to volunteer regularly with homebound frail elderly or at a nursing home or long-term care facility;

(3) encourages volunteer organizations that offer companionship and assistance to seniors to incorporate “Service for Seniors Month” in their recruitment efforts;

(4) encourages individuals in the United States to volunteer in these service organizations in order to give back to a generation that sacrificed so much; and

(5) requests that the President issue a proclamation calling on the people of the United States and interested groups to observe “Service for Seniors Month” with appropriate ceremonies and activities that promote awareness of, and volunteer involvement service for, seniors with long-term health needs.

SENATE RESOLUTION 410—TO AUTHORIZE SENATE EMPLOYEES TO TESTIFY AND PRODUCE DOCUMENTS WITH LEGAL REPRESENTATION

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 410

Whereas, the Department of Justice is requesting testimony in connection with a pending investigation into potential false statements to a committee of the Senate;

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; and

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 consistent with the privileges of the Senate: Now, therefore, be it

Resolved That present and former employees of the Senate are authorized to testify and to produce documents, except as to matters for which a privilege should be asserted, in connection with the pending investigation into potential false statements to a committee of the Senate, and any related proceedings.

SEC. 2. The Senate Legal Counsel is authorized to represent present and former employees of the Senate in connection with the testimony authorized in section one of this resolution.

SENATE RESOLUTION 411—TO AUTHORIZE DOCUMENT PRODUCTION BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. FRIST (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 411

Whereas, the United States Department of Justice has requested that the Senate Select Committee on Intelligence provide it with documents in connection with a pending investigation into the involvement of U.S. government officials in the counter-narcotics air interdiction program in Peru;

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 consistent with the privileges of the Senate: Now, therefore, be it

Resolved That the Chairman and Vice Chairman of the Senate Select Committee on Intelligence, acting jointly, are authorized to provide to the United States Department of Justice, under appropriate security procedures, copies of Committee documents sought in connection with its investigation into the involvement of U.S. government officials in the counter-narcotics air interdiction program in Peru.

SENATE RESOLUTION 412—EXPRESSING THE SENSE OF THE SENATE REGARDING THE IMPORTANCE OF MAINTAINING THE INDEPENDENCE AND INTEGRITY OF THE FINANCIAL ACCOUNTING STANDARDS BOARD

Mr. FITZGERALD (for himself, Mr. LEVIN, Mr. MCCAIN, and Mr. DURBIN) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 412

Whereas the Financial Accounting Standards Board (FASB) was created in 1973 to establish and improve standards of financial accounting and reporting by publicly traded companies for the guidance and education of

the public, including issuers of securities, auditors, and users of financial information;

Whereas the FASB is composed of a diverse, seven-member board of accounting experts representing the private sector, public accounting, academia, and Wall Street, all of whom are specifically qualified to set technical accounting standards;

Whereas the accounting standard setting process of the FASB involves an extensive “due process” that is open to public observation and participation;

Whereas on March 31, 2004, the FASB issued a proposed statement entitled “Share-Based Payment” that addresses the accounting of share-based payment transactions, including stock options, in which an enterprise receives employee services in exchange for equity instruments of the enterprise, or liabilities that are based on the fair value of the enterprise’s equity instruments or that may be settled by the issuance of such equity instruments;

Whereas legislation has been introduced in Congress that would undermine the independence of the FASB by nullifying or delaying ongoing efforts by the FASB to improve accounting for equity-based compensation;

Whereas Congressional action that dictates accounting treatment of stock options by publicly traded companies would inject Congress directly into the accounting standard setting process mandating which types of stock-based compensation should be expensed, how such expenses should be measured, what enterprises should be exempt from expensing, and when and under what circumstances the Securities and Exchange Commission recognizes and enforces standards for the accounting of stock-based compensation;

Whereas Congressional action to set accounting standards would set the dangerous precedent of substituting provisions advocated by special interests in place of standards that are set independently and objectively by the FASB;

Whereas Congressional intervention in this area would not only politicize but also compromise the integrity of the accounting standard setting process of the FASB and undermine the credibility of financial reporting by United States companies;

Whereas Congress has long recognized the fundamental importance of the independent private sector accounting standard setting process to United States capital markets;

Whereas Congress reaffirmed this principle in the Sarbanes-Oxley Act of 2002 by authorizing the FASB to obtain independent funding through assessments on private industry rather than through appropriations from Congress or donations from private industry; and

Whereas the April 2003 Policy Statement of the Securities and Exchange Commission endorsed the fundamental importance of the independent private sector accounting standard setting process: Now, therefore, be it

Resolved by the Senate, That the Senate—

(1) should continue to recognize and support the integrity and independence of the accounting standard setting process of the Financial Accounting Standards Board;

(2) should not interfere with the independence of the Financial Accounting Standards Board; and

(3) should not dictate accounting standards to the Financial Accounting Standards Board for stock-based compensation or for any other financial accounting issue.

Mr. FITZGERALD. Mr. President, I rise today to submit a resolution on the importance of maintaining the independence and integrity of the Financial Accounting Standards Board (FASB). I am pleased to be joined by

my colleagues, Senator LEVIN, Senator MCCAIN and Senator DURBIN in this initiative.

For the past 30 years, the Financial Accounting Standards Board has been responsible for establishing and improving standards of financial accounting and reporting that are deemed "generally accepted accounting principles." In order to ensure that these accounting principles are "generally accepted," the FASB utilizes a deliberative process that is open to comment from the public, including the users of the financial statements and other third parties. The FASB has a diverse, seven-member board of accounting experts representing not only users of the financial statements but also preparers of financial statements. Because of its open deliberative process, the FASB has been able to maintain the integrity of its work through the independence it enjoys in setting accounting standards, away from special interests.

But it appears that special interests are pressuring the FASB and lobbying Congress to take a different route than the norm on the financial accounting treatment of employee stock options. Several bills have been introduced in Congress that would block the FASB's proposal to require the fair value of employee stock options to be expensed on grant date. Instead, those bills dictate the specific accounting treatment to be applied to employee stock options and when and under what circumstances the Securities and Exchange Commission should recognize accounting standards for employee stock options.

Political interference with the FASB's standards setting process would set a dangerous precedent. It is a bad idea for politicians in the House and the Senate to be substituting political decisions for the decisions by an expert private sector accounting standards board.

On July 6, 2004, The Washington Post published an editorial by Mr. Warren Buffett, Chief Executive Officer of Berkshire Hathaway, entitled "Fuzzy Math And Stock Options." Mr. Buffett points out that the House of Representatives' "anointment of itself as the ultimate scorekeeper for investors . . . comes from an institution that in its own affairs favors Enronesque accounting." Accordingly, he urges Congress not to interfere with the FASB's standard setting process and encourages chief executives who issue stock options "to live with honest accounting." I ask unanimous consent that Mr. Buffett's op-ed be reprinted in the RECORD following my remarks.

We have been down this road before. A decade ago, the FASB proposed an accounting standard that would have required companies to record the value of employee stock options as a compensation expense on their income statements. At that time, the Senate overwhelmingly passed a resolution that condemned the FASB's new stand-

ard, and a separate bill was introduced that would have stripped the FASB of its rulemaking authority. Under this threat of evisceration, the FASB withdrew its recommendation. In my opinion, Congress' interference with that 1993 FASB proposal resulted in disastrous consequences with the accounting scandals at Enron, Global Crossing and WorldCom.

I believe congressional interference in this issue will ultimately undermine the FASB's credibility and make it more difficult in the future for the FASB to adopt standards when a powerful special interest stands in the way. If that occurs, the real losers will be the millions of investors who help drive our economy by investing in companies' debt and equity securities. Investors depend on financial statements to make critical judgments about where to direct their capital investments. It is no exaggeration that the integrity of these investment decisions and, indeed, of U.S. financial markets as a whole, depend upon the integrity of the accounting rules that ensure that each company's true financial condition is reflected in its financial statements.

I believe it is critical for the United States Senate to speak out at this pivotal time. Therefore, the resolution I introduce today would express the sense of the Senate that the Senate: (1) should continue to recognize and support the independence and integrity of the FASB's accounting standard setting process; (2) should not interfere with the FASB's independence; and (3) should not dictate accounting standards to the FASB for stockbased compensation or for any other financial accounting issue.

As members of Congress, we must allow the FASB to do its job, free from political interference. Therefore, I urge my colleagues to support expeditious adoption of this resolution.

[From the Washington Post, July 6, 2004]

FUZZY MATH AND STOCK OPTIONS

(By Warren Buffet)

Until now the record for mathematical lunacy by a legislative body has been held by the Indiana House of Representatives, which in 1897 decreed by a vote of 67 to 0 that pi—the ratio of the circumference of a circle to its diameter—would no longer be 3.14159 but instead be 3.2. Indiana schoolchildren momentarily rejoiced over this simplification of their lives. But the Indiana Senate, composed of cooler heads, referred the bill to the Committee for Temperance, and it eventually died.

What brings this episode to mind is that the U.S. House of Representatives is about to consider a bill that, if passed, could cause the mathematical lunacy record to move east from Indiana. First, the bill decrees that a coveted form of corporate pay—stock options—be counted as an expense when these go to the chief executive and the other four highest-paid officers in a company, but be disregarded as an expense when they are issued to other employees in the company. Second, the bill says that when a company is calculating the expense of the options issued to the mighty five, it shall assume that stock prices never fluctuate.

Give the bill's proponents an A for imagination—and for courting contributors—and a flatout F for logic.

All seven members of the Financial Accounting Standards Board, all four of the big accounting firms and legions of investment professionals say the two proposals are nonsense. Nevertheless, many House members wish to ignore these informed voices and make Congress the Supreme Accounting Authority. Indeed, the House bill directs the Securities and Exchange Commission to "not recognize as 'generally accepted' any accounting principle established by a standard setting body" that disagrees with the House about the treatment of options.

The House's anointment of itself as the ultimate scorekeeper for investors, it should be noted, comes from an institution that in its own affairs favors Enronesque accounting. Witness the fanciful "sunset" provisions that are used to meet legislative "scoring" requirements. Or regard the unified budget protocol, which applies a portion of annual Social Security receipts to reducing the stated budget deficit while ignoring the concomitant annual costs for benefit accruals.

I have no objection to the granting of options. Companies should use whatever form of compensation best motivates employees, whether this be cash bonuses, trips to Hawaii, restricted stock grants or stock options. But aside from options, every other item of value given to employees is recorded as an expense. Can you imagine the derision that would be directed at a bill mandating that only five bonuses out of all those given to employees be expensed? Yet that is a true analogy to what the option bill is proposing.

Equally nonsensical is a section in the bill requiring companies to assume, when they are valuing the options granted to the mighty five, that their stocks have zero volatility. I've been investing for 62 years and have yet to meet a stock that doesn't fluctuate. The only reason for making such an Alice-in-Wonderland assumption is to significantly understate the value of the few options that the House wants counted. This undervaluation, in turn, enables chief executives to lie about what they are truly being paid and to overstate the earnings of the companies they run.

Some people contend that options cannot be precisely valued. So what? Estimates pervade accounting. Who knows with precision what the useful life of software, a corporate jet or a machine tool will be? Pension costs, moreover, are even fuzzier, because they require estimates of future mortality rates, pay increases and investment earnings. These guesses are almost invariably wrong, often substantially so. But the inherent uncertainties involved do not excuse companies from making their best estimate of these, or any other, expenses. Legislators should remember that it is better to be approximately right than precisely wrong.

If the House should ignore this logic and legislate that what is an expense for five is not an expense for thousands, there is reason to believe that the Senate—like the Indiana Senate 107 years ago—will prevent this folly from becoming law. Sen. Richard Shelby (R-Ala.), chairman of the Senate Banking Committee, has firmly declared that accounting rules should be set by accountants, not by legislators.

Even so, House members who wish to escape the scorn of historians should render the Senate's task moot by killing the bill themselves. Or if they are absolutely determined to meddle with reality, they could attack the obesity problem by declaring that henceforth it will take 24 ounces to make a pound. If even that friendly standard seems unbearable to their constituents, they can exempt all but the fattest five in each congressional district from any measurement of weight.

In the late 1990s, too many managers found it easier to increase "profits" by accounting

maneuvers than by operational excellence. But just as the schoolchildren of Indiana learned to work with honest math, so can option-issuing chief executives learn to live with honest accounting. It's high time they step up to that job.

SENATE CONCURRENT RESOLUTION 127—EXPRESSING THE SENSE OF CONGRESS THAT THE PRESIDENT SHOULD DESIGNATE SEPTEMBER 11 AS A NATIONAL DAY OF VOLUNTARY SERVICE, CHARITY, AND COMPASSION

Mr. SCHUMER (for himself, Mrs. CLINTON, Mr. LIEBERMAN, and Mrs. BOXER) submitted the following concurrent resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. CON. RES. 127

Whereas across the United States and around the world, people of all ages and walks of life collectively witnessed an event of immense tragedy on September 11, 2001;

Whereas the events of that day instantly transformed many lives, some through personal loss and many others through an unfamiliar sense of individual and national vulnerability;

Whereas an unprecedented, historic bonding of the people of the United States arose from the collective shock, unifying the United States in a sustained outpouring of national spirit, pride, selflessness, generosity, courage, and service;

Whereas on that day and the immediate days that followed, many brave people heroically, tirelessly, and courageously participated in an extraordinarily difficult and dangerous rescue and recovery effort, in many cases voluntarily putting their own well-being at risk;

Whereas September 11 will never and should never be just another day in the hearts and minds of all people of the United States;

Whereas the creation of memorials and monuments honoring the lives lost on September 11, 2001, as well as the efforts of those who participated in rescue and recovery and voluntary service efforts, are necessary, proper, and fitting, but alone cannot fully capture the desire of the United States to pay tribute in a meaningful way;

Whereas it is fitting and essential to establish a lasting, meaningful, and positive legacy of service for future generations as a tribute to those heroes of September 11, 2001;

Whereas many citizens wish to memorialize September 11 by engaging in personal and individual acts of community service or other giving activities as part of a national day of recognition and tribute; and

Whereas to lose this opportunity to bring people together for such an important endeavor would be a tragedy unto itself: Now, therefore, be it

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

(1) it is the sense of Congress that the President should designate September 11 as an annually recognized day of voluntary service, charity, and compassion; and

(2) Congress urges the President to issue a proclamation calling upon the people of the United States to observe this day with appropriate and personal expressions of service, charity, and compassion toward others.

SENATE CONCURRENT RESOLUTION 128—EXPRESSING THE SENSE OF CONGRESS REGARDING THE IMPORTANCE OF LIFE INSURANCE, AND RECOGNIZING AND SUPPORTING NATIONAL LIFE INSURANCE AWARENESS MONTH

Mr. NELSON of Nebraska (for himself and Mr. CHAMBLISS) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 128

Whereas life insurance is an essential part of a sound financial plan;

Whereas life insurance provides financial security for families in the event of a premature death by helping surviving family members to meet immediate and longer-term financial obligations and objectives;

Whereas nearly 50,000,000 Americans say they lack the life insurance coverage needed to ensure a secure financial future for their loved ones;

Whereas recent studies have found that when a premature death occurs, insufficient life insurance coverage on the part of the insured results in three-fourths of surviving family members' having to take measures such as working additional jobs or longer hours, borrowing money, withdrawing money from savings and investment accounts, and, in too many cases, moving to smaller, less expensive housing;

Whereas individuals, families, and businesses can benefit greatly from professional insurance and financial planning advice, including the assessment of their life insurance needs; and

Whereas the Life and Health Insurance Foundation for Education (LIFE), the National Association of Insurance and Financial Advisors (NAIFA), and a coalition representing hundreds of leading life insurance companies and organizations have designated September 2004 as "Life Insurance Awareness Month", the goal of which is to make consumers more aware of their life insurance needs, seek professional advice, and take the actions necessary to achieve the financial security of their loved ones: Now, therefore, be it

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

(1) recognizes and supports the goals and ideals of "Life Insurance Awareness Month"; and

(2) requests the President to issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the people of the United States to observe "Life Insurance Awareness Month" with appropriate programs and activities.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3566. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 2541, to reauthorize and restructure the National Aeronautics and Space Administration, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3566. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 2541, to reauthorize and restructure the National Aeronautics and Space Administration, and

for other purposes; which was ordered to lie on the table; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aeronautics and Space Administration Authorization Act of 2004".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) American space flight is imbued with the promise of expanding the boundaries of human knowledge and human adventure. It is a beacon of leadership and a proud demonstration of human freedom, destiny, and progress.

(2) The National Aeronautics and Space Administration is uniquely qualified and positioned to develop space on behalf of and for the American people, requiring its mission to be broad and include many disciplines and interests that might contribute to, or benefit from space flight.

(3) Like our other American institutions, American space flight is founded upon the principle that human fallibility and frailty can be overcome through personal dedication and institutional strength and determination. The National Aeronautics and Space Administration must continue to listen to the voices of change and restore its commitment to safety and the protection of human life.

(4) In a year of tragedy, renewal, and re-envisioning, it behooves the United States to reflect deeply on both the strengths and weaknesses of American space flight, to build upon foundations, and to reformulate purposes while not abandoning proven purposes and capabilities needlessly nor carelessly.

(5) Fiscal year 2005 should be a year of continued reassessment and planning for the National Aeronautics and Space Administration, laying the groundwork for implementing a United States space program for the future that reflects the role of space flight in the everyday affairs of the American people and the future prestige and betterment of the Nation while ascertaining the specific roles that many other American institutions could and should play in that future.

SEC. 3. PURPOSE.

The purpose of this Act is to authorize programs of the National Aeronautics and Space Administration for fiscal year 2005 and to better define the policy of the United States regarding the future of U.S. space flight.

SEC. 4. DECLARATION OF UNITED STATES SPACE POLICY.

(a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended to read as follows:

"SEC. 102. CONGRESSIONAL DECLARATION OF POLICY AND PURPOSE.

"(a) IN GENERAL.—The Congress hereby reaffirms that it is the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind.

"(b) PURPOSE.—The United States shall conduct such activities as are required to sponsor, guide, and secure the development of space for the peaceful benefit of all mankind through fostering the use of space for science, for the preservation of the Earth, and for the advancement of peace and worldwide economic well-being.

"(c) ACTIVITIES.—The Congress also reaffirms that the general welfare and security of the United States require that adequate provision be made for aeronautical and space activities, including—

"(1) the promotion and development of the use of space for United States civil, economic, and national security purposes;

"(2) ensuring the safety of civil, commercial, and military space operations; and

“(3) protection of the territorial and extraterritorial claims and interests of the United States in space.

“(d) **ROLE OF NASA.**—The role of the National Aeronautics and Space Administration shall be to foster the development of space flight and aeronautical capabilities on behalf of the United States, including—

“(1) conducting a program of scientific discovery in and from the vantage point of space;

“(2) demonstrating the merit and ability of humans to explore and inhabit deep space; and

“(3) promoting the development of technologies and capabilities to be used by the United States for the preservation and development of the Earth.

“(e) **OTHER ACTIVITIES.**—The United States shall establish other capabilities related to using space for peaceful purposes, including the promotion and development of national, state, local, tribal, and international capabilities in—

“(1) public safety, homeland security, and public health management;

“(2) telecommunications, transportation, and urban and regional development;

“(3) agriculture, wildlife, forestry, mineral, and energy resource management; and

“(4) other uses benefiting the Earth and the Earth’s people, natural resources, and economies.

“(f) **COMMERCIAL USE OF SPACE.**—It is the policy of the United States to seek and encourage, to the maximum extent possible, the fullest commercial use of space, including the use of commercial capabilities to support United States civil and national security purposes.”

SEC. 5. EXPLORATION PROGRAM.

(a) **IN GENERAL.**—In fiscal year 2005, the National Aeronautics and Space Administration shall formulate plans, develop requirements, and make recommendations for a multi-decadal program of human travel, habitation, and exploration of other bodies and locations in Earth’s solar system, beginning with the start of demonstration of human capabilities on Earth’s Moon by 2020.

(b) **PLAN FOR U.S. HUMAN SPACE EXPLORATION.**—As part of the budget request for FY 2006, the Administrator shall provide an independent assessment of the status and plans for the National Aeronautics and Space Administration’s human exploration program. The assessment shall include—

(1) the schedule, technical milestones, and costs for design and construction of human crewed transport systems including a crew exploration vehicle and launch systems and other ground, in-space, and surface capabilities necessary to conduct extended missions on Earth’s Moon by 2020;

(2) the objectives of extended presence on Earth’s Moon and the proposed timetable for their accomplishment;

(3) the contribution of human presence to meeting those objectives; and

(4) the program of basic and applied research and development of advanced robotic and robotic-hybrid technology that will be used to demonstrate human exploration capabilities on Earth’s Moon.

(c) **MANAGEMENT PLAN.**—As part of the budget request for fiscal year 2006 and each succeeding fiscal year, the Administrator shall submit a management plan and life cycle cost estimate for its human exploration program to the Congress. The Administrator shall include all the assessment items described in subsection (b) as baseline requirements and specifications. The Administrator shall include in the initial plan submitted under this subsection a description of the process for making the annual revisions of the plan.

(d) **LUNAR CAPABILITIES.**—The National Aeronautics and Space Administration is hereby authorized to begin studies, tests, demonstrations, and design of a crew exploration vehicle and launch system to be used for future human exploration to Earth’s Moon and other destinations, subject to formal approval of the program at the time of development, and of robotic systems necessary to survey and demonstrate other robotic and robotic-assisted capabilities to explore the Earth’s Moon.

(e) **CONTINUITY OF U.S. CREW TRANSPORTATION.**—The Congress hereby declares that a prolonged gap of 1 or more years in the United States’ capability to transport and return American astronauts living in space is an emergency period of space flight operations inconsistent with the safety and management objectives of United States space flight. Whenever such an emergency period is foreseen, the Administrator shall submit a plan to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science and make a request for supplemental appropriations, if so required, to remedy this situation in a safe, justifiable, and timely manner.

SEC. 6. HUBBLE SPACE TELESCOPE.

(a) **SENSE OF CONGRESS.**—It is the sense of the Congress that the Hubble Space Telescope is—

(1) the Hubble Space Telescope is a source of inspiration to the American people and their support for the United States space program; and

(2) a tangible measure of the success of the United States space program, as reflected by the extraordinary contributions made to scientific research and education, without parallel since the Apollo missions to Earth’s Moon.

(b) **SERVICING MISSION.**—The Administrator shall continue to examine all possible options for carrying out alternative servicing of the Hubble Space Telescope while continuing to plan for a human-assisted servicing mission using the Space Shuttle if alternative servicing cannot fully accomplish the original objectives of the SM-4 mission.

(c) **HUBBLE SERVICING PLAN.**—Within 60 days after the National Academy of Sciences issues its study on the future of the Hubble Space Telescope, the Administrator shall submit a plan for servicing the Hubble to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Science. The plan should address the risks, benefits, and costs of fully accomplishing the original objectives of the SM-4 mission and shall propose options for servicing of the facility.

SEC. 7. REPORTS.

(a) **NASA CHANGES.**—By May 1, 2005, or 30 days prior to the return-to-flight of the Space Shuttle if earlier, the Administrator shall report to the Congress summarizing and independently reporting on the status and effectiveness of National Aeronautics and Space Administration’s compliance with all observations and recommendations of the Columbia Accident Investigation Board, including changes at the National Aeronautics and Space Administration in resolving concerns about the safety, operations, engineering, and management cultures of the agency. This report shall also address the adequacy of these changes in achieving safe design, management, and operation of any future human space flight systems, including international and commercial crew and cargo transportation and habitation systems used to support the International Space Station or to support United States human space flight and operation at other destinations.

(b) **UNITED STATES LAUNCH TECHNOLOGY.**—As part of the budget request for FY 2006, the

Administrator, in concert with the United States Department of Transportation and the United States Department of Defense, shall produce a report on the state of launch technology, systems, facilities, and programs of the United States. This report shall provide—

(1) an assessment of the state of United States technologies and systems and steps necessary to achieve safe human launch and in-space operations and reliable launch and transport of physical cargo and systems;

(2) a retrospective and prospective analysis of the cost of United States space transportation, including human and cargo transport, and steps by which these costs can be reduced by a factor of 10 or more; and

(3) a proposed program of government and private investments needed to achieve safe, reliable, low cost space flight by 2015 or earlier.

(c) **CONTINUITY OF U.S. CREW TRANSPORTATION CAPABILITY.**—Consistent with section 5(e) of this Act, the Administrator shall submit a plan and request for supplemental appropriations within 60 days after the date of enactment of this Act that addresses how United States astronauts will be transported to and from the International Space Station or other locations in space using United States space systems following the termination of flight of the Space Shuttle, including the possibility of accelerating the availability of the crew exploration vehicle by that time.

(d) **PRIORITIZATION OF SCIENCE PROGRAMS.**—As part of the budget request for fiscal year 2006 and each subsequent year, the Administrator shall submit to the Congress a prioritization of scientific research projects with an estimated life cycle cost greater than \$250,000,000 along with a justification of that prioritization. The prioritization shall be based upon the scientific merit of the missions, the potential scientific impact of the missions products and results, the complexity of the mission, and the real and anticipated readiness of the technologies to be used in the mission. The prioritization shall be developed in consultation with the NASA Advisory Council and the Space Studies Board of the National Research Council.

(e) **ORGANIZATION OF UNITED STATES SPACE ACTIVITIES AND PROGRAMS.**—By August 1, 2005, the Administrator shall report to the Congress on future United States plans to carry out the provisions of section 4 of this Act, including—

(1) the organization of the United States governmental and industrial partners necessary to ensure safe, reliable United States space transportation;

(2) the organization of the National Aeronautics and Space Administration, its operating centers, and its relationship to industry and other private partners; and

(3) the role of international partners and firms in future United States human space exploration.

SEC. 8. ESTABLISHMENT OF NATIONAL OFFICES OF SAFETY AND TECHNICAL ENGINEERING.

All public and private entities of the United States that develop or operate space transportation or habitation systems certified for human use shall make provision for the separation of flight operations from development and shall implement independent safety and technical organizations to oversee the safe conduct of flight.

SEC. 9. AEROSPACE WORKFORCE INITIATIVE.

(a) **IN GENERAL.**—The Administrator shall establish a program of competitive, merit-based, multi-year grants for eligible applicants to increase the number of students studying toward and completing technical training programs, certificate programs, and

associate's, bachelor's, master's, or doctorate degrees in fields related to aerospace.

(b) **INCREASED PARTICIPATION GOAL.**—In selecting projects under this paragraph, the Administrator shall strive to increase the number of students studying toward and completing technical training and apprenticeship programs, certificate programs, and associate's or bachelor's degrees in fields related to aerospace who are individuals identified in section 33 or 34 of the Science and Engineering Equal Opportunities Act (42 U.S.C. 1885a or 1885b).

(c) **SUPPORTABLE PROJECTS.**—The types of projects the Administrator may support under this paragraph include those that promote high quality—

- (1) interdisciplinary teaching;
- (2) undergraduate-conducted research;
- (3) mentor relationships for students;
- (4) graduate programs;
- (5) bridge programs that enable students at community colleges to matriculate directly into baccalaureate aerospace related programs;
- (6) internships, including mentoring programs, carried out in partnership with the aerospace and aviation industry;
- (7) technical training and apprenticeships that prepare students for careers in aerospace manufacturing or operations; and
- (8) innovative uses of digital technologies, particularly at institutions of higher education that serve high numbers or percentages of economically disadvantaged students.

(d) **50 PERCENT FEDERAL SHARE.**—Not less than 50 percent of the publicly financed costs associated with eligible activities shall come from non-Federal sources. Matching contributions may not be derived, directly or indirectly, from Federal funds. The Administrator shall endeavor to minimize the Federal share, taking into account the differences in fiscal capacity of eligible applicants.

(e) **GRANTEE REQUIREMENTS.**—

(1) **TARGETS.**—In order to receive a grant under this section, an eligible applicant shall establish targets to increase the number of students studying toward and completing technical training and apprenticeship programs, certificate programs, and associate's or bachelor's degrees in fields related to aerospace.

(2) **GRANT PERIOD.**—A grant under this section shall be awarded for a period of 5 years, with the final 2 years of funding contingent on the Director's determination that satisfactory progress has been made by the grantee toward meeting the targets established under paragraph (1).

(3) **COMMUNITY COLLEGE RULE.**—In the case of community colleges, a student who transfers to a baccalaureate program, or receives a certificate under an established certificate program, in science, mathematics, engineering, or technology shall be counted toward meeting a target established under paragraph (1).

(f) **DEFINITIONS.**—In this section—

(1) **ELIGIBLE APPLICANT DEFINED.**—The term "eligible applicant" means—

- (A) an institution of higher education;
- (B) a consortium of institutions of higher education; or
- (C) a partnership between—
 - (i) an institution of higher education or a consortium of such institutions; and
 - (ii) a nonprofit organization, a State or local government, or a private company, with demonstrated experience and effectiveness in aerospace education.

(2) **INSTITUTION OF HIGHER EDUCATION.**—The term "institution of higher education" has the meaning given that term by subsection (a) of section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), and includes an in-

stitution described in subsection (b) of that section.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) **SCIENCE AERONAUTICS AND EXPLORATION.**—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 2005 \$7,995,700,000 for science, aeronautics, and exploration, of which—

- (1) \$4,138,300,000 shall be for Space Science;
- (2) \$1,605,500,000 shall be for Earth Science;
- (3) \$984,600,000 shall be for Biological and Physical Research;
- (4) \$1,036,900,000 shall be for Aeronautics; and
- (5) \$230,400,000 shall be for Education, including (\$20,000,000 for EPSCoR and \$28,000,000 for Space Grant).

(b) **SPACE FLIGHT AND EXPLORATION.**—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 2005 \$8,220,400,000 for space flight and exploration capabilities, of which no less than \$4,319,200,000 shall be for the Space Shuttle and no less than \$30,000,000 shall be for the Independent Technical and Engineering Authority, each of which shall be maintained as separate accounts.

(c) **INSPECTOR GENERAL.**—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 2005 \$28,300,000, which shall be for the use of the Inspector General.

SEC. 11. RESTRICTION ON TRANSFER OF FUNDING.

In fiscal year 2005, no funds other than those appropriated for Biological and Physical Research may be transferred from the account for Science, Aeronautics, and Exploration to the account for Space Flight and Exploration Capabilities without the approval of the Chairman and Ranking Member of the Senate Committee on Commerce, Science, and Transportation Committee and the House of Representatives Committee on Science.

SEC. 12. ADMINISTRATOR DEFINED.

In this Act, the term "Administrator" means the Administrator of the National Aeronautics and Space Administration.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on July 20, 2004, at 9:30 a.m., in closed session to receive a classified briefing from Major General Keith W. Dayton, USA, Former Commander of the Iraq Survey Group (ISG) regarding the activities of the ISG in Iraq.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, July 20, 2004, at 2:30 p.m., to conduct an oversight hearing on the Semi-Annual Monetary Policy Report of the Federal Reserve.

Concurrent with the hearing, the Committee intends to vote on the nominations of Mr. Stuart Levey, of Maryland, to be Under Secretary of the Treasury for Enforcement; Mr. Juan

Carlos Zarate, of California, to be Assistant Secretary of the Treasury for Terrorist Financing and Financial Crimes; and Ms. Carin M. Barth, of Texas, to be the Chief Financial Officer, Department of Housing and Urban Development.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, July 20 at 10 a.m. to receive testimony on 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.

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

COMMITTEE ON FINANCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet in open Executive Session during the session on July 20, 2004, at 10 a.m., to consider favorably reporting S. 2677, the U.S.-Morocco Free Trade Agreement Implementation Act; H.R. 982, a bill to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa, and, the nominations of Joey Russell George, to be Treasury Inspector General for Tax Administration, U.S. Department of Treasury; Patrick P. O'Carroll, Jr., to be Inspector General, Social Security Administration; Paul B. Jones, to be Member, IRS Oversight Board; and, Charles L. Kolbe, to be Member, IRS Oversight Board.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 20, 2004, at 9:30 a.m. to hold a hearing on The Road Map: Detours and Disengagements.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, July 20, 2004, at 10 a.m. in Room 485 of the Russell Senate Office Building to conduct a hearing on S. 2605, the Snake River (Nez Perce) Water Rights Act of 2004.

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

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized

to meet to continue its markup on Tuesday, July 20, 2004, at 9:30 a.m. in Dirksen Senate Office Building Room 226. The agenda is attached.

Agenda

I. Nominations: Claude A. Allen to be U.S. Circuit Judge for the Fourth Circuit; David W. McKeague to be United States Circuit Judge for the Sixth Circuit; Richard A. Griffin to be United States Circuit Judge for the Sixth Circuit; Virginia Maria Hernandez Covington to be United States District Judge for the Middle District of Florida; Michael H. Schneider, Sr., of Texas to be United States District Judge for the Eastern District of Texas; David E. Nahmias, of Georgia to be United States Attorney for the Northern District of Georgia; Robert Clark Corrente to be United States Attorney for the District of Rhode Island; Ricardo H. Hinojosa to be Chair of the United States Sentencing Commission; Michael O'Neill to be a Member of the United States Sentencing Commission; and Ruben Castillo to be a Member of the United States Sentencing Commission.

II. Legislation: 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. 700, Advancing Justice through DNA Technology Act of 2003—Hatch, Biden, Specter, Leahy, DeWine, Feinstein, Kennedy, Schumer, Durbin, Kohl, Edwards; S. 2396, Federal Courts Improvement Act of 2004—Hatch, Leahy, Chambliss, Durbin, Schumer; S. Res. 401, A resolution designating the week of November 7 through November 13, 2004, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country of 2004—Biden, Chambliss, Cornyn, Durbin, Feingold, Feinstein, Graham, Grassley, Kennedy, Sessions, Specter; and S. Con. Res. 109, A concurrent resolution commending the United States Institute of Peace on the occasion of its 20th anniversary and recognizing the Institute for its contribution to international conflict resolution of 2004—Inouye, Harkin, Warner.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Tuesday, July 20, 2004, at 2:30 p.m., for a markup on the pending legislation. The meeting will be held in room 418 of the Russell Senate Office Building.

Agenda

1. S. 1153, the "Veterans Prescription Drugs Assistance Act of 2004;"

2. S. 2483, the "Veterans Compensation Cost of Living Adjustment Act of 2004;"

3. S. 2484, the "Department of Veterans Affairs Health Care Personnel Enhancement Act of 2003," as amended;

4. S. 2485, the "Department of Veterans Affairs Real Property and Facilities Management Improvement Act of 2004," as amended;

5. S. 2486, the "Veterans Benefits Improvements Act of 2004," as amended.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on July 20, 2004 at 10:30 a.m. to hold a hearing on intelligence matters.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on July 20, 2004 at 2:30 p.m. to hold a hearing on intelligence matters.

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, be authorized to meet on Tuesday, July 20, 2004 at 9 a.m. for a hearing entitled, "Building the 21st Century Federal Workforce: Assessing Progress in Human Capital Management."

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

SUBCOMMITTEE ON SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Substance Abuse and Mental Health Services be authorized to meet for a hearing on Performance and Outcome Measurement in Substance Abuse and Mental Health Programs during the session of the Senate on Tuesday, July 20, 2004, at 10 a.m.

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

PRIVILEGES OF THE FLOOR

Mr. LEAHY. Mr. President, I ask unanimous consent that privilege of the floor be granted to law clerks from my office, Patrick Campbell and Daniel Urman, during consideration of the nomination of William Myers.

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

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following fellows and interns be granted the

privilege of the floor during consideration of the Morocco bill: Sarah Hagigh, Molly Bell, Tony Cerise, Ashley Griffith, Ade Ifelayo, Kellen Moriarty, Scott Richardson, Alex Robles, Ben Sather, John Van Atta, Chris Wardell, Steve Beasley, Jodi George, Scott Landes, Pascal Niedermann, and Matt Stokes.

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

Mr. REID. Mr. President, I ask unanimous consent that Debbie Singer, a fellow in the Office of Senator LEVIN, be granted floor privileges for tomorrow.

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

MEASURES READ THE FIRST TIME—S. 2694, S. 2695, and H.R. 4492

Mr. FRIST. Mr. President, I understand there are three bills at the desk, and I ask unanimous consent that they be read for the first time en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will read the titles of the bills for the first time, en bloc.

The legislative clerk read as follows:

A bill (S. 2694) to amend title XVIII of the Social Security Act to provide for the automatic enrollment of medicaid beneficiaries for prescription drug benefits under part D of such title, and for other purposes.

A bill (S. 2695) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to expand the definition of firefighter to include apprentices and trainees, regardless of age or duty limitations.

A bill (H.R. 4492) to amend the Omnibus Parks and Public Lands Management Act of 1996 to extend the authorization for certain national heritage areas, and for other purposes.

Mr. FRIST. Mr. President, I now ask for their second reading and, in order to place the bills on the Calendar under the provisions of rule XIV, I object to further proceedings on these matters, en bloc.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bills will receive their second reading on the next legislative day.

COMMEMORATING THE 400TH ANNIVERSARY OF THE JAMESTOWN SETTLEMENT

COMMEMORATING THE 230TH ANNIVERSARY OF THE UNITED STATES MARINE CORPS

IN COMMEMORATION OF CHIEF JUSTICE JOHN MARSHALL

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Nos. 642 and 643, and H.R. 2768, which is at the desk, en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will report the titles of the bills en bloc.

The legislative clerk read as follows:

A bill (H.R. 1914) to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

A bill (H.R. 3277) to require the Secretary of the Treasury to mint coins in commemoration of the 230th Anniversary of the United States Marine Corps, and to support construction of the Marine Corps Heritage Center.

A bill (H.R. 2768) to require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall.

There being no objection, the Senate proceeded to consider the bills, en bloc.

Mr. FRIST. Mr. President, I ask unanimous consent that the bills be read a third time and passed, the motions to reconsider be laid upon the table, en bloc, and that any statements relating to the bills be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bills (H.R. 1914, H.R. 3277, and H.R. 2768) were read the third time and passed.

JOHN MARSHALL COMMEMORATIVE COIN ACT

Mr. LEAHY. Mr. President, I am pleased that the Senate is passing legislation to honor the contributions of John Marshall, the great Chief Justice of the Supreme Court, through the minting and issuance of a commemorative coin by the U.S. Treasury.

As an original cosponsor of S. 1531, the Chief Justice John Marshall Commemorative Coin Act, I have worked closely with Senator HATCH to do all that we possibly can to speedily pass this act into law. The act authorizes the Treasury Department to mint and issue coins in honor of Chief Justice John Marshall in the year 2005. Funds raised by sale of the coin will support the Supreme Court Historical Society. Sales of the coin also cover all of the costs of minting and issuing these coins, so that the American taxpayer is not bearing any cost whatsoever of this commemoration.

It is fitting that sales of a coin that bears the likeness of Chief Justice Marshall will be used to support the Supreme Court Historical Society. The society is a nonprofit organization whose purpose is to preserve and disseminate the history of the Supreme Court of the United States. Founded by Chief Justice Warren Burger, the society's mission is to provide information and historical research on our Nation's highest court. The society accomplishes this mission by conducting programs, publishing books, supporting historical research, and collecting antiques and artifacts related to the Court's history. We are happy to assist a worthwhile organization like the Supreme Court Historical Society.

In our successful efforts to obtain support for the bill, we gained 75 cosponsors in the Senate over the past year. Given the noble cause, it was not a hard sell. Yet, the number of bipartisan supporters is a proper tribute to the great Chief Justice John Marshall. John Marshall is known as "the great Chief Justice" of the Supreme Court.

Marshall served on the bench for 34 years and established many of the constitutional doctrines we revere today. He is best known and respected for the fundamental principle of checks and balances of our democratic government.

I thank all the Senators and Representatives who supported this legislation—too numerous to name. I also thank the Supreme Court Historical Society for its dedication to this important tribute to Chief Justice John Marshall.

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the majority leader, pursuant to Public Law 96-114, as amended, appoints the following individuals to the Congressional Award Board: Kathy Didawick of Virginia and Michael Carozza of Maryland.

SENATE LEGAL COUNSEL AUTHORIZATION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 410 which was submitted earlier today.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 410) to authorize Senate employees to testify and produce documents with legal representation.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, the Department of Justice is conducting an investigation into whether false statements were made to a committee of the Senate in the course of responding to oversight inquiries by that committee. As part of that investigation, the Justice Department is seeking testimony about potentially relevant information from the Senate.

Accordingly, in keeping with the Senate's usual practice, this resolution would authorize present and former employees of the Senate to provide testimony sought by the Justice Department, except for material as to which a privilege should be asserted, in order to assist the Department in this matter.

Also in keeping with the Senate's usual practice, this resolution authorizes documentary production and representation by the Senate legal counsel in connection with this testimony, where appropriate.

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 matter be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 410) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 410

Whereas, the Department of Justice is requesting testimony in connection with a pending investigation into potential false statements to a committee of the Senate;

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; and

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 consistent with the privileges of the Senate: Now, therefore, be it

Resolved That present and former employees of the Senate are authorized to testify and to produce documents, except as to matters for which a privilege should be asserted, in connection with the pending investigation into potential false statements to a committee of the Senate, and any related proceedings.

SEC. 2. The Senate Legal Counsel is authorized to represent present and former employees of the Senate in connection with the testimony authorized in section one of this resolution.

AUTHORIZING DOCUMENT PRODUCTION BY SELECT COMMITTEE ON INTELLIGENCE

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 411 which was submitted earlier today.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 411) to authorize document production by the Select Committee on Intelligence.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, the Select Committee on Intelligence conducted a review in 2001 of United States assistance to Peruvian counter-drug air interdiction efforts, following the mistaken shootdown of a civilian aircraft by the Peruvian Air Force in that same year. The committee prepared a report in which it made factual findings detailing the shortcomings that led to this tragic incident. The committee report made a number of recommendations about requirements that should precede further U.S. assistance to a foreign government engaged in a program of interdicting drug trafficking aircraft.

The United States Department of Justice is now conducting an investigation of the involvement of U.S. government officials in the Peruvian counter-narcotics air interdiction program, which has been operating since 1995. During that time the Senate Intelligence Committee has had oversight

jurisdiction. As part of that investigation, the Justice Department is reviewing the testimony and briefings that CIA personnel gave to the congressional oversight committees, including the Senate Intelligence Committee, from the inception of the air interdiction program.

To assist the Justice Department in its investigation, this resolution would authorize the chair and vice chair, acting jointly, to provide to the Justice Department, under appropriate security procedures, committee hearing transcripts and other committee records pertinent to its oversight of the Peruvian counter-narcotics air interdiction program.

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 matter be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 411) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 411

Whereas, the United States Department of Justice has requested that the Senate Select Committee on Intelligence provide it with documents in connection with a pending investigation into the involvement of U.S. government officials in the counter-narcotics air interdiction program in Peru;

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 consistent with the privileges of the Senate: Now, therefore, be it

Resolved That the Chairman and Vice Chairman of the Senate Select Committee on Intelligence, acting jointly, are authorized to provide to the United States Department of Justice, under appropriate security procedures, copies of Committee documents sought in connection with its investigation into the involvement of U.S. government officials in the counter-narcotics air interdiction program in Peru.

UNANIMOUS CONSENT
AGREEMENT—H.R. 4766

Mr. FRIST. Mr. President, I ask unanimous consent that the Committee on Appropriations be discharged from further consideration of H.R. 4766 and that the papers then be returned to the House of Representatives.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL TEMPORARY EXTENSION OF PROGRAMS UNDER THE SMALL BUSINESS ACT AND THE SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2700, which was introduced earlier today by Senators SNOWE and KERRY.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2700) to provide an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through September 17, 2004, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

● Mr. KERRY. Mr. President, today I join Chairman SNOWE in supporting legislation to keep the Small Business Administration and its financing and counseling assistance available to small businesses. This bill authorizes the SBA and most of its programs through the September 17, 2004, which will allow time for the House to complete its work on the SBA's 3-year reauthorization bill, passed by the Senate in September 2003, and for the committee to find common ground with the administration on needed program changes to SBA's venture capital program, the Small Business Investment Company program. In addition to the 8-week extension, this bill includes a provision necessary to bring the administration into compliance with a January 2004 recommendation by the SBA's Inspector General. This change will save the SBA hundreds of thousands of dollars by allowing the agency's fiscal and transfer agent for the 7(a) loan program's secondary market program to keep the interest earned on fees lenders pay before they are remitted to the government. Currently, the SBA does not have that authority. The committee wants the program to continue running smoothly and successfully, and we think this change should accomplish this.

With passage of this bill, the committee expects the SBA to move forward on grants for all its programs and certification for minority businesses, and any other business it has been delaying.

I am pleased that this bill will extend all of SBA's programs and pilot programs; however I am disappointed that the dire and urgent needs of the Women's Business Center program have yet to be fully addressed.

As many of my colleagues know, there are currently 88 Women's Business Centers. Of these, 35 are in the initial grant program and 53 will have graduated to the sustainability part of the program in this funding cycle.

These sustainability centers make up more than half of the total Women's Business Centers, but under the current funding formula are only allotted 30 percent of the funds. Without changing the portion reserved for sustainability centers to 48 percent as the Snowe-Kerry bill, S. 2266, contemplates, all grants to sustainability centers could be cut in half, or worse, 23 experienced centers could lose funding completely. In short, this change would simply direct the SBA to reserve 48 percent of the appropriated funds for the sustainability centers, instead of 30 percent, which would allow enough funding to keep open the most experienced centers, while still permitting the establishment of new centers and protecting existing ones.

I believe it is not enough to merely extend the Women's Business Center program and not make this critical and bipartisan change.

I thank my colleagues for their support of small businesses and for considering immediate passage of this important small business 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 that any statements regarding this matter be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill (S. 2700) was read the third time and passed, as follows:

S. 2700

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

SECTION 1. ADDITIONAL TEMPORARY EXTENSION OF PROGRAMS UNDER SMALL BUSINESS ACT AND SMALL BUSINESS INVESTMENT ACT OF 1958.

The authorization for any program, authority, or provision, including any pilot program, that was extended through June 4, 2004, by section 1 of Public Law 108-217 is further extended through September 17, 2004, under the same terms and conditions.

SEC. 2. TECHNICAL AMENDMENT.

Section 2 of Public Law 108-205 is amended by striking "October 1, 2003" and inserting "March 15, 2004". The amendment made by the preceding sentence shall take effect as if included in the enactment of the section to which it relates.

SEC. 3. COMPENSATION OF AGENTS.

Section 5 of the Small Business Act (15 U.S.C. 634) is amended—

(1) in subsection (g)(4), by adding at the end the following:

“(C) The Administration may contract with an agent to carry out, on behalf of the Administration, the assessment and collection of the annual fee established under section 7(a)(23). The agent may receive, as compensation for services, any interest earned on the fee while in the control of the agent before the time at which the agent is contractually required to remit the fee to the Administration.”; and

(2) in subsection (h)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following:

“(2) The agent described in paragraph (1)(B) may be compensated through any of

the fees assessed under this section and any interest earned on any funds collected by the agent while such funds are in the control of the agent and before the time at which the agent is contractually required to transfer such funds to the Administration or to the holders of the trust certificates, as appropriate.”.

ORDERS FOR WEDNESDAY, JULY
21, 2004

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Wednesday, July 21. I further ask that following the prayer and the pledge, the morning hour be deemed to have expired, the Journal of the proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business for statements only for up to 90 minutes, with the first 45 minutes under the control of the Democratic leader or his designee, and the last 45 minutes under the control of the majority leader or his designee; provided that following morning business, the Senate resume consideration of S. 2677, the Morocco trade bill, as provided under the previous order.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, if I could ask a question of the majority leader, we are going to complete our vote at about 12 o'clock tomorrow. Does the leader have an idea as to what we might do tomorrow afternoon?

Mr. FRIST. Mr. President, over the course of the next several hours, we will be working on a number of pieces

of business that we might be able to address. Just for general information, the work we need to do over the next several days includes the DOD conference report; we will know within an hour or so when it will be coming back. We will proceed with that as soon as we can, as soon as it is available; we are still in discussions over some tax extensions that we have been in discussions on in the last several days. We would like to proceed with that at this juncture, until we see what the discussions entail. The resolution of that, I would expect, will be in the early afternoon, but it is uncertain.

Mr. REID. It is my understanding that there are events tomorrow night, so we should not be in late tomorrow night. Would it be appropriate to indicate that for Members on this side of the aisle?

Mr. FRIST. Mr. President, indeed, we will not be going late tomorrow night. It will be early. I am not sure exactly what time, but there are events planned tomorrow night. We don't expect to be in tomorrow night.

In terms of scheduling, because we are waiting for certain bills from the House, we will be in close touch and let our Members know. We understand that we have events beginning this weekend and some beginning on Friday as well. I had discussions with the Democratic leader earlier. We have a lot to do, and a lot of it is not seen on the Senate floor, but it is being produced. We have to address it before we leave.

The cloture vote I just filed on the circuit court judge we will be debating

for some time after tomorrow morning, so that may be what we do tomorrow.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, in closing, under the previous order, we will vote on passage of the Morocco trade bill, which we have discussed today, at 11:30 tomorrow. We are going to have a busy week, as I just mentioned, before going out on a long recess. There is a lot of important legislation that we are and will continue to be discussing.

ADJOURNMENT UNTIL 9:30 A.M.
TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:41 p.m., adjourned until Wednesday, July 21, 2004, at 9:30 a.m.

DISCHARGED NOMINATIONS

THE SENATE COMMITTEE ON FINANCE WAS DISCHARGED FROM FURTHER CONSIDERATION OF THE FOLLOWING NOMINATIONS AND THE NOMINATIONS WERE PLACED ON THE EXECUTIVE CALENDAR PURSUANT TO AN ORDER OF THE SENATE OF JULY 8, 2004:

*JUAN CARLOS ZARATE, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

*STUART LEVEY, OF MARYLAND, TO BE UNDER SECRETARY OF THE TREASURY FOR ENFORCEMENT.

*NOMINATION WAS REPORTED WITH RECOMMENDATION THAT IT BE CONFIRMED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

PAYING TRIBUTE TO JUDY PALMER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, it is an honor to rise today and pay tribute to Judy Palmer of Basalt, Colorado. Judy has spent many decades of her life dedicated and committed to the education of our youth. As she retires from teaching, I would like to take this opportunity to recognize her remarkable career before this body of Congress and this nation today.

Judy has spent nearly thirty years teaching our children. She began teaching in Basalt in 1975, and although she has taught many different age ranges including elementary and middle school students, her passion is teaching sixth grade. Over the past two years, she has split time teaching a class of gifted and talented students and another class of at-risk students. She relishes the opportunity to encourage students to acquire a love of learning. As a testament to her dedication to educating our youth, the Basalt Town Council honored her as the area's "Most Inspirational Teacher of the Year." This award speaks to her ability to connect with the kids because students nominated the potential honorees.

Mr. Speaker, Judy Palmer has been a positive influence on many students throughout her career. I commend her work as a teacher and let it be known that the community will sorely miss her work. She has been very successful in the past and I wish her continued success in the future.

PERSONAL EXPLANATION

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINTYRE. I was in Scotland as part of a U.S. Delegation at the 13th annual session of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, and was therefore unavoidably absent for rollcall votes 326 and 327. Had I been present I would have voted "yes" on rollcall vote 326, H. Con. Res. 410, and "yes" on rollcall vote 327, H. Con. Res. 257.

U.S.-AUSTRALIA FREE TRADE AGREEMENT

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in opposition to H.R. 4759, the United States-Australia Free Trade Agreement, and I wish to

draw members' attention to Australia's unauthorized oil drilling for resources in the Timor Sea, at the expense of the world's poorest and newest nation, East Timor.

East Timor gained independence in 1999, and since then, has received a great amount of aid from the international community. Australia has been one of the more generous nations. East Timor is still one of the most impoverished nations in Asia however, and despite its modest government budget, it will accrue an estimated deficit of US \$126.3 by 2007. This deficit cannot be good for East Timor.

Close off the coast of East Timor lies many rich oil and gas fields. But East Timor does not stand to profit. Instead, Australia claims sovereignty over the fields and is only halfheartedly negotiating with East Timor to arrive at an equitable sharing of the oil. In 2007, East Timor is expected to start collecting a small amount of revenue from just some of rich oil and natural gas resources that exist in the Timor Sea, just off the coast of East Timor. East Timor's rightful claim is protected by international law, the 1982 UN Convention of the Law of the Sea, which specifically says that the maritime boundary between two countries exists halfway between the countries. Despite this law, Australia has laid claim to the resources, citing an illegitimate treaty with Indonesia from 1972 that delimited Australia's maritime boundary as the continental shelf line, which exists much closer to East Timor than Australia. At the time the treaty was signed, East Timor was occupied by Indonesia. East Timor gained independence in 1999 thereby invalidating the treaty between Indonesia and Australia.

Between 1999 and 2002, Australia made \$638 million from the Laminaria-Corallina oil fields, even though these fields are twice as close to East Timor than Australia. By 2007, Australia is expected to make \$1.266 billion from these fields.

The Laminaria-Corallina oil fields are just some of the many rich resources that exist in the Timor Sea. The Greater Sunrise fields, located 150 km south of East Timor, and 400 km north of Australia, although not yet tapped, are expected to bring in over \$30 billion. Certainly East Timor's economic future could improve considerably with these resources included in its territory.

Australia has proposed a Joint Petroleum Development Area, an area covering 40 percent of the energy fields in the Timor Sea, and specifically the Bayu-Undan field. In this Area, East Timor would receive 90 percent of the oil production, estimated by the Australian government to be valued at \$300 million. The success of this production, however, is yet to be determined, as the resources will not bring in revenue until 2007. But as for the much richer Greater Sunrise field, expected to yield \$30 billion, Australia claims the right to over 80 percent.

Australia claims to be negotiating with East Timor about their much needed maritime boundary in "good faith." Yet it took over a

year of pleading by the East Timorese government in order for the Australian government to finally concede to the negotiation process, and they only conceded to meet twice per year. East Timor has requested that the maritime boundary be determined within 3-5 years, a reasonable amount of time for settling this type of dispute, yet Australia has refused, claiming this dispute is much too complicated for a time limit to be set. In the meantime, Australia only benefits from time passing, as it continues to drill in the Laminaria-Corallina oil fields and has taken initial steps to guarantee drilling in the Greater Sunrise fields. It has been suggested to the Australian government that revenue from the resources extracted in the disputed area be held in escrow until the maritime border is determined between East Timor and Australia. Once again, the Australian government has refused, displaying "bad faith" in the negotiating process.

Australia is a strong and wealthy country, certainly the stronghold of the region. East Timor has very little, and any leverage it may have in negotiating with Australia over its rightful claim to the resources in the Timor Sea lies completely in its moral claim. I urge my colleagues to support the efforts of the world's newest independent state.

PERSONAL EXPLANATION

HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. RYUN of Kansas. Mr. Speaker, unfortunately, I missed three votes in the House of Representatives on July 19, 2004. Had I been in attendance I would have made the following votes:

Vote on H.R. 1587, the Viet Nam Human Rights Act of 2003. Had I been in attendance, I would have voted "yea."

Vote on S. Con. Res. 114, the "Food distribution in schools to hungry or malnourished children around the world" Resolution. Had I been in attendance, I would have voted "yea."

Vote on S. 2264, the Northern Uganda Crisis Response Act. Had I been in attendance, I would have voted "yea."

HONORING DAULTON RANCH

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Daulton Ranch on the occasion of their 150th anniversary. The Daulton Ranch was the first and is the longest standing cattle operation in Madera County, California.

Henry Clay Daulton, the son of a soldier in the War of 1812, and the grandson of a Revolutionary War soldier, left Missouri for California during the Gold Rush of 1849. Together, in 1854 Henry Clay and his wife Mary

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Jane created Daulton Ranch out of a small piece of property at the north end of then Fresno County that grew to over 17,000 acres in what is today Madera County. Along the way Daulton Ranch, which began as a sheep and cattle operation, gradually became a cattle only operation and today is renowned for its choice Hereford cattle.

Henry Clay Daulton was not only an asset to his community as a rancher, but also as a civil servant. Mr. Daulton served as Chairman of the Fresno County Board of Supervisors and under his leadership Fresno County grew and prospered. Later, Mr. Daulton spearheaded the movement to create a new county out of a northern section of Fresno County which became and is today Madera County.

Today, Daulton Ranch continues its vibrant legacy under the stewardship of Henry Clay Daulton III and his wife Dusty. They are as much a value to the community as the long family line that came before them.

Mr. Speaker, I rise to pay tribute to the Daulton Ranch on the occasion of its 150th anniversary celebration. I invite my colleagues to join me in honoring the Daulton Ranch and wishing the Daulton family many more years of continued success.

PERSONAL EXPLANATION

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Ms. LEE. Mr. Speaker, on rollcall Nos. 391, 392, and 393 on Monday, July 19, 2004, I was unavoidably detained due to inclement weather and delayed air service at Dulles International Airport, and unable to cast my vote.

Had I been present, I would have voted the following: On rollcall 391, the Viet Nam Human Rights Act of 2003, I would have voted "no;" on rollcall 392, concerning the importance of the distribution of food in schools to hungry or malnourished children around the world, I would have voted "yea;" and on rollcall 393, the Northern Uganda Crisis Response Act, I would have voted "yea."

PAYING TRIBUTE TO CHILD AND MIGRANT SERVICES

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, I am privileged today to rise and pay tribute to the hard-working staff at Child and Migrant Services in Palisade, Colorado. For the last fifty years this organization has provided valuable service to the migrant workers in Palisade, and I would like to take this opportunity to join my colleagues and recognize their work before this body of Congress and this nation.

Child and Migrant Services started as the dream of three friends with a desire to help the migrant workers that come to the United States from countries in Central and South America. They started off by giving meals and donated clothes to the migrants. In 1940, the founders expanded their services and started a thrift shop out of a mobile home trailer. This

thrift shop provided a more structured venture, which eventually led to their incorporation in 1954.

Child and Migrant Services has grown much over its fifty years of existence. They have expanded their services to include a program to address basic needs, maintain nutrition, and provide job assistance programs, education and recreation opportunities. They also have programs that provide for emergency care, counsel migrant workers, and help to find suitable and affordable housing.

Mr. Speaker, it is clear that Child and Migrant Services and its staff provide a valuable service to the Palisade Community. Their work helps migrant workers build a solid foundation in their new surroundings. I thank them for their tremendous work and wish them all the best in the future.

APOLLO 11 ANNIVERSARY

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. HALL. Mr. Speaker, I rise today to celebrate the 35th anniversary of the *Apollo 11* moon landing. When NASA created the Apollo program in the early 60's, America was in the midst of the Cold War and the Soviet Union had put an astronaut into orbit. A mere eight years after Kennedy expressed the vision of landing an American on the Moon and returning him safely to Earth, our country launched *Apollo 11*, which carried three men: Neil Armstrong, Buzz Aldrin, and Michael Collins into outer space. It was an enormously successful mission that proved America's leadership, technological strength, and drive. It proved that our great Nation could take on even the most daunting challenge if it had the will to do so.

The *Apollo 11* mission captured our imagination and inspired generations of young men and women to reach toward the stars. The next three and a half decades witnessed enormous technological and biological advancements fostered by the space program. The experiments conducted on the International Space Station allow scientists to discover new tools and medicines to combat debilitating diseases like stroke, osteoporosis, and heart disease.

Today, we remember the men and women of NASA who made the dream of landing a man on the Moon a reality. We also celebrate our Nation's continuing quest to explore the universe and push new frontiers of knowledge. On January 14, 2004, we were pointed toward a new Vision for Space Exploration and a renewed commitment to the American dream of reaching for new frontiers. For the first time in over 40 years, our Nation once again has a Vision. We owe it to future generations of Americans and the men and women who have kept the space mission alive for decades to continue to forge ahead. Congress should approve the President's modest request for an increase in NASA funds this year so that we can continue this journey, secure our national interest, and fulfill America's destiny in space.

A NOBEL LAUREATE'S CRITIQUE OF BUSH TRADE POLICIES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. FRANK of Massachusetts. Mr. Speaker, one of the most damaging myths that people in Washington seek to perpetuate is that opposition to recent trade pacts is rooted in isolationism and unreasonable protectionism. In fact, many of those who best understand the value of international economic cooperation, done properly, reject the Administration's approach. Among the most thoughtful advocates of an alternative approach to globalization is Joseph E. Stiglitz, a Nobel Prize winner in economics in 2001, who also served as Chief Economist at the World Bank and in important economic positions in the Clinton Administration. In the *New York Times* for July 10, Professor Stiglitz set forward part of the argument against the Bush Administration trade policies, and explained exactly why those people most dedicated to alleviating worldwide poverty and social distress seek an alternative approach. I ask that Mr. Stiglitz's very thoughtful column be printed here.

[From the *New York Times*, July 10, 2004]

NEW TRADE PACTS BETRAY THE POOREST PARTNERS

(By Joseph E. Stiglitz)

The United States and Morocco last month signed a new bilateral trade treaty. The Bush administration has been bragging that it exemplifies the way its economic policies can build new ties and new friendships around the world. This is especially important in the Middle East, where, in other respects, America's foreign policy seems to have left something to be desired. The cooperation with moderate Arab governments is meant to demonstrate our broadmindedness, our willingness to offer a carrot (rather than the proverbial stick) to those who behave reasonably.

But regrettably, in negotiating the trade agreements with Morocco, Chile and other countries, the Bush administration has used the same approach that earned us the enmity of so much of the rest of the world. The bilateral agreements reveal an economic policy dictated more by special interests than by a concern for the well-being of our poorer trading partners. In Morocco, prospects of the trade agreement were greeted by protests—an unusual occurrence in a country that is only slowly moving to democracy. The new agreement, many Moroccans fear, will make generic drugs needed in the fight against AIDS even less accessible in their country than they are in the United States. According to Morocco's Association de Lutte contre le SIDA, an AIDS agency, the agreement could increase the effective duration of patent protection from the normal length of 20 years to 30 years.

Morocco is not the only country that is worrying about access to life-saving drugs. In all its bilateral agreements, the United States is using its economic muscle to help big drug companies protect their products from generic competitors. For a country like Thailand, which is facing a real AIDS threat, these are issues of more than academic concern.

President Bush's policy, in this area seems puzzling and hypocritical. While he talks about a global campaign against AIDS, and has offered substantial sums to back it up, what he is giving with one hand is being

taken away with the other. Most Americans, I believe, would support greater access to life-saving generic drugs. The loss to the drug companies would be small, and must surely be dwarfed by the huge tax breaks they get.

Nor are drugs the only arena in which the United States has used its economic power to advance some special American interest. The agreement with Chile limited its ability to restrict the inflow of speculative, hot money—money that can come in and out of a country on a moment's notice. Chile had recognized the potential destabilizing effects of these capital movements, and had imposed moderate taxes on these flows. Such restrictions had helped Chile grow a remarkable 7 percent a year in the early 1990's. That is because, unlike many of its neighbors in Latin America, Chile did not have to face the economic havoc caused by capital suddenly flowing in and then just as quickly flowing out. Today, even the International Monetary Fund recognizes that capital-market liberalization often leads to more instability instead of faster growth.

In telecommunications, too, in Morocco and elsewhere, we have put forward demands (for example, concerning the use of transmitting facilities and the wholesaling of transmission capacities) that we would oppose strenuously if someone were to impose them on us. In the view of the developing world, the bargaining has been extraordinarily one-sided—with all the power on America's side. The United States and its trade representative, Robert Zoellick, are right that trade policy can be an important instrument for building good will. But when conducted as it has been by the Bush administration, it can be, and is, a way to build ill will, especially among the young, who worry that their elders are selling them short.

If the trade agreements bring the economic benefits promised, if the lack of access to affordable drugs (including generic drugs) proves less troublesome than the naysayers worry, then all may be forgiven. But there is a good chance that this will not be the case: in Mexico, for example, real wages actually declined in the decade after the North American Free Trade Agreement. And looking ahead, the demands for capital-market liberalization have a good chance of exposing Chile's economy to disruption, while the AIDS epidemic and the need for cheap drugs to fight it are not about to go away.

The good news is that the damage has been limited so far because we have been able to pressure only a few small countries to sign bilateral trade agreements. The bad news is that the enmity that we are earning through these pacts will only grow.

PERSONAL EXPLANATION

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. KENNEDY of Rhode Island. Mr. Speaker, on July 19, 2004 I missed rollcall votes No. 391, the Viet Nam Human Rights Act of 2003, No. 392 concerning the importance of the distribution of food in schools to hungry or malnourished children around the world, and No. 393 Northern Uganda Crisis Response Act.

Had I been here I would have voted: Yes on rollcall No. 391; Yes on rollcall No. 392; Yes on rollcall No. 393.

At this time I would ask for unanimous consent that my positions be entered into the RECORD following those votes or in the appropriate portion of the RECORD.

PERSONAL EXPLANATION

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINTYRE. I was unavoidably absent for rollcall vote 348. Had I been present I would have voted "no" on rollcall vote 348, on Tabling the Ruling of the Chair.

IN HONOR OF THE JULIA DE BURGOS CULTURAL ARTS CENTER'S PRESENTATION OF THE 36TH ANNUAL PUERTO RICAN PARADE AND LATINO FESTIVAL DEDICATED IN HONOR AND REMEMBRANCE OF ROBERTO OCASIO

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. KUCINICH. Mr. Speaker, rise today in honor of the Julia de Burgos Cultural Arts Center's presentation of the 36th Annual Puerto Rican Parade and Latino Festival, in honor and memory of Roberto Ocasio, held July 16 through July 18, 2004 in Cleveland, Ohio.

Once again, the leaders of our Puerto Rican community have organized an event that promises to highlight the magnificent history and culture of Puerto Rico. This wonderful production of Puerto Rican gifts will include traditional culinary offerings, arts, crafts, and dance and song. Clevelanders of all ages and of every ethnic background will gather in downtown Cleveland to share in the celebration of this joyous event.

Moreover, the 2004 Puerto Rican Parade and Latino Festival is dedicated in honor and remembrance of Roberto Ocasio. His musical genius paralleled his love for his family and community, and his generous heart and gift of song will forever be remembered by Cleveland's Hispanic community—and far beyond.

Mr. Speaker and Colleagues, please join me in honor and celebration of the leaders, members and participants of the 36th Annual Puerto Rican Parade and Latino Festival. This wondrous summer celebration promises to create a bridge of celebration from Puerto Rico to Cleveland for all whom attend. The history and culture of the beloved island of Puerto Rico springs to life every summer as the sounds and sights of Puerto Rico rise in hope, joy and celebration in downtown Cleveland, enriching the diverse fabric of our entire Cleveland community.

PERSONAL EXPLANATION

HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. RYUN of Kansas. Mr. Speaker, unfortunately, I missed six votes in the House of Representatives on July 15, 2004. Had I been in attendance I would have made the following votes:

Vote on the Buyer Amendment to H.R. 4814, Foreign Operations Appropriations Act

of FY 2005. Had I been in attendance, I would have voted "yea."

Vote on the Sanders Amendment to H.R. 4814, Foreign Operations Appropriations Act of FY 2005. Had I been in attendance, I would have voted "no."

Vote on the Nethercutt Amendment to H.R. 4814, Foreign Operations Appropriations Act of FY 2005. Had I been in attendance, I would have voted "yea."

Vote on the Jackson-Lee Amendment to H.R. 4814, Foreign Operations Appropriations Act of FY 2005. Had I been in attendance, I would have voted "no."

Vote on the Weiner Amendment to H.R. 4814, Foreign Operations Appropriations Act of FY 2005. Had I been in attendance, I would have voted "yea."

Vote on final passage of H.R. 4814, Foreign Operations Appropriations Act of FY 2005. Had I been in attendance, I would have voted "no."

HONORING JACK W. SCHNOOR,
SENIOR FARMER OF THE YEAR

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Jack W. Schnoor as the Madera Chamber of Commerce and Madera County Farm Bureau Senior Farmer of the Year. Mr. Schnoor will be recognized at the Madera County Farm Bureau's 83rd Annual Members' Meeting and Senior Farmer Presentation on July 22nd in Madera, California.

Mr. Schnoor's dedication to his country and his strong work ethic have brought much success for him and his family. Born in 1932, he has contributed 49 years to Madera County agriculture. Mr. Schnoor farms over 3,000 acres. His crops include almonds, cotton, corn, alfalfa, barley, wheat, oats, grapes, tomatoes, and potatoes. He has been named as an FFA Honorary Chapter Farmer and from 1988–1996, was awarded as the National Corn Grower Association's Corn Yield winner.

A proud member of many organizations and the recipient of several awards, Jack Schnoor served as President and Clerk Trustee of Chowchilla High School from 1976–88, Trustee for Merced College, Treasurer for Chowchilla High School and is a member of the Rotary and the 20–30 Club, and served on the Madera County Grand Jury. In farming, he has dedicated himself to the industry by having acted as a member of the Board of Directors of Federal Lank Bank for 8 years and served as President. He is a member of the Madera County Farm Bureau and the National Corn Growers Association.

Mr. Speaker, I rise today to congratulate Jack W. Schnoor for being named Senior Farmer of the Year by the Madera Chamber of Commerce and Madera County Farm Bureau. His contributions to America's agriculture communities have been invaluable. I invite my colleagues to join me in commending Mr. Schnoor for this achievement.

PERSONAL EXPLANATION

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Ms. LEE. Mr. Speaker, due to my attendance at the World AIDS Conference in Bangkok Thailand, I regrettably missed a number of rollcall votes last week.

Had I been present, I would have voted "aye" on rollcall Nos.: 370, 369, 366, 364, 363, 362, 361, 359, 358, 357, 356, 355, 354, 353, and 349. I would have voted "no" on rollcall Nos: 368, 367, 365, 360, 352, 351, 350, and 348.

CONGRATULATING VIVEK VISWANATHAN, WINNER OF THE U.S. INSTITUTE OF PEACE NATIONAL PEACE ESSAY CONTEST

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. ACKERMAN. Mr. Speaker, I rise proudly to inform the House that the winner of the U.S. Institute of Peace's (USIP) 2004 National Peace Essay Contest is Vivek Viswanathan, a junior at Herricks High School in New Hyde Park, New York. Out of more than 1,000 contestants from all 50 States, U.S. territories and even overseas schools, Vivek's composition, "Establishing Peaceful and Stable Postwar Societies Through Effective Rebuilding Strategy," was judged by USIP's distinguished Board of Directors to be the national first place essay.

Having met Vivek, and having seen what a mature and thoughtful young man he is, I know how proud his parents and family must be at this time. A well-rounded individual, interested in public and world affairs as well as sports and music, Vivek is a terrific example of what America's youth are capable of.

Vivek's essay is lucid, concise and compelling. In light of the ongoing post-conflict struggles in Southeast Europe, Afghanistan and Iraq, I believe his observations are worth the attention of the whole House and I will ask that Vivek's essay be included in the CONGRESSIONAL RECORD.

Unlike many putative experts, Vivek's understanding of post-conflict dynamics begins with the observation that "the discontinuation of armed conflict does not imply resolution of the underlying concerns that caused the conflict." Many American lives and millions of dollars might have been saved had our government acknowledged this basic premise months ago.

Vivek points out simple keys to success in helping states recover: The plan for reconstruction must be tailored to the specific situation at hand; the international community must supply an abundance of resources both economic and military; and the reconstruction process must have a national rather than international imprimatur to be accepted by the society being rebuilt. Sadly, it seems to me these very common-sense approaches have been lacking in our own recent stabilization efforts.

The good news, I hope, is that our struggles today will inform the leaders of tomorrow, the

Vivek Viswanathans who will write and study and guide our country in the future. All of the contestants in USIP's contest are worthy not only of our praise, but our strong encouragement. Their enthusiasm, their concern and their passion for a better world are the best guarantee of our Nation's bright future.

Mr. Speaker, Vivek Viswanathan richly deserves our congratulations, and I know the whole House will join me in wishing him the very best for the future, a future of continued achievement and ever greater distinction and one, we may hope too, of peace.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT 2005

SPEECH OF

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 13, 2004

The House in Committee of the White House on the State of the Union had under consideration the bill (H.R. 4766), making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2005, and for other purposes:

Mr. JONES of North Carolina. Mr. Chairman, yesterday I voted for the FY05 Agriculture Appropriations Bill because it provides American farmers with the support they need to continue to be the world's leading suppliers of food and fiber.

However, I am strongly opposed to the Flake Amendment that was accepted during floor consideration of that bill. While this amendment would not foreclose a tobacco buyout, it would make it more difficult to implement.

This House needs to recognize that the federal government is decimating our rural tobacco communities. A buyout is the only fair way to eliminate the Depression-era federal tobacco program and transition to a free market production system. The last thing we need is an amendment that complicates this transition and destroys American jobs.

Therefore, I will do everything in my power to get this wrong-headed amendment stripped from the bill before it is sent to the President's desk.

TRIBUTE TO DR. DAVID TAWEI LEE

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. PAYNE. Mr. Speaker, I rise today to recognize Dr. David Tawei Lee. Dr. David Tawei Lee, Taiwan's premier diplomat in Europe, has been reassigned to replace Representative C.J. Chen as Taiwan's top representative in Washington. Dr. Lee will be in charge of Taiwan's Washington office and serve as Taiwan's de-facto ambassador in Washington.

Dr. Lee is uniquely qualified for this top post. He began his Foreign Service career in

Taiwan's Washington office from 1982 to 1988. From 1993 to 1996 he was Director General of Taiwan's office in Boston. In 1996 he was Director-General of North American Affairs at Taiwan's foreign ministry. Subsequently he was Taiwan's spokesman from 1997 to 1998 and Taiwan's deputy foreign minister. For the last few years he was Taiwan's number one diplomat in Europe, responsible for liaising with all European countries.

Dr. Lee received his Ph.D. in political science from the University of Virginia and did research work at Harvard University. In 2000 Oxford University Press published his monumental study, *The Making of the Taiwan Relations Act* which offers an unprecedented look into the legislative history of the Taiwan Relations Act.

I am pleased that the Taiwan government has assigned Dr. Lee to represent Taiwan in Washington. In the months ahead, Dr. Lee will continue to strengthen the relations between Taiwan and Washington. I am sure that he will do an excellent job given his strong professional and academic credentials. Many of us look forward to welcoming him to Washington.

Like many of my colleagues, I have enjoyed working with the outstanding diplomats from Taiwan. I have also enjoyed working with Professor Nathan Mao. Having written a number of books and articles on Chinese subjects, he is a China expert. His knowledge as well as his communication skills are highly respected on the Hill.

Mr. Speaker, I ask you to join me in extending a warm welcome to Ambassador David Tawei Lee and his wife Madam Lin Chih and I invite my colleagues to do the same.

PERSONAL EXPLANATION

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. ABERCROMBIE. Mr. Speaker, yesterday, July 19, 2004, because of the leave of absence, I was unable to vote on legislation. Had I been present, I would have voted as follows:

Rollcall 391: To promote freedom and democracy in Vietnam, "yes."

Rollcall 392: Concerning the importance of the distribution of food to hungry or malnourished children around the world, "yes."

Rollcall 393: Northern Uganda Crisis Response Act, "yes."

PAYING TRIBUTE TO TOM DENNIS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the selfless service of Tom Dennis of Grand Junction, Colorado. For more than seven years, Tom has shown incredible devotion to the betterment of his community by helping to feed the hungry. It is my privilege to recognize his service before this body of Congress and this nation today.

Tom began this noble mission in 1997 when he received word that a Los Angeles food bank was short on food. He figured the farming communities on Colorado's Western Slope could help, so he organized a donation of potatoes weighing three-thousand pounds from a farm in Delta, Colorado. This rewarding experience encouraged Tom to further involve himself. Building on that foundation, he founded a nonprofit venture called Go-el. The mission of Go-el is to provide bare necessities to the less fortunate, focusing on the less fortunate living on the Western Slope. The structure of Go-el is such that it reaches out to national organizations for donations, and then Go-el will distribute these donations to more specialized charities in the area.

Over the time Go-el has existed, the organization has distributed three-million pounds of donated products. As a testament to his service, the Grand Junction Kiwanis Club recently recognized Tom's leadership, by honoring him with their 2004 Citizen of the Year award.

Mr. Speaker, Tom Dennis is truly an outstanding citizen dedicated to his fellow citizens in his community. His leadership and selflessness are assets to his Grand Junction community and to those in need. I wish to thank Tom for his efforts and wish him all the best in his future endeavors.

PERSONAL EXPLANATION

HON. MIKE MCINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. MCINTYRE. Mr. Speaker, I was unavoidably absent for rollcall vote 391, 392, and 393. Had I been present I would have voted "yes" on rollcall vote 391, H.R. 1587; "yes" on rollcall vote 392, S. Con. Res. 114; and "yes" on rollcall vote 393, S. 2264.

IN HONOR OF THE 100TH ANNIVERSARY OF ST. MARY ROMANIAN ORTHODOX CATHEDRAL OF CLEVELAND, OHIO

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of the leaders and members of St. Mary Romanian Orthodox Cathedral of Cleveland, Ohio, as they celebrate one hundred years of faith, guidance and support, offered to generations of citizens within our Cleveland community.

St. Mary Romanian Orthodox Church of Cleveland is the first and oldest Romanian Orthodox church in the United States. The centennial celebration, to be held over the August 14th weekend, will be led by American Archbishop Nathaniel and assisted by clergy from across the country and around the world.

This historic cathedral has been the focal point of visiting dignitaries from Romania and other European countries, and has also been the site of official visits from United States senators and ambassadors representing nations from around the world. Moreover, this sacred landmark is home to the Romanian Art

Museum—a cultural haven for Romanian visual art, including the unique art form of iconography.

Mr. Speaker and Colleagues, please join me in honor and recognition of every leader and member of St. Mary Romanian Orthodox Cathedral of Cleveland, Ohio, as they celebrate one hundred years of fostering faith, hope and heritage for generations of families within our Cleveland community. We also honor the collective commitment to the culture, history, struggles and triumphs of the people of Romania. Moreover, we honor and recognize the commitment to America, as reflected in the lives of thousands of Americans of Romanian heritage—Americans whose contribution and service to our Cleveland community and to our nation are immeasurable.

HONORING BOB AND ELLEN KORTHIUS

HON. MARILYN N. MUSGRAVE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mrs. MUSGRAVE. Mr. Speaker, I rise today to pay tribute to two of my very dear friends, Bob and Ellen Korthius of Roggen, Colorado. These individuals have dedicated their lives to serving others and through their gentle example and wise counsel have enriched the lives of countless men and women.

Faithfully serving Christ has been the focus of Bob Korthius' life since he accepted the Lord at an American Sunday School Union Vacation Bible School near Golden, Colorado when he was 12 years old. Around the same time, 13 year old Ellen Nelson made a similar decision to devote her life to Christ when she attended an old fashioned tent meeting held in Beloit, Wisconsin.

Both would go on to attend Calvary Bible College in St. Louis, Missouri, where they met and married in 1955. After graduating, Bob and Ellen moved to Cortez, Colorado where they became pioneer missionaries with American Sunday School Union in the Four Corners area, ministering to men and women in Colorado, New Mexico, Arizona and Utah. There, they planted churches, held vacation bible schools, started a camp and began a flying ministry to bring the gospel to men and women living in uranium camps.

In 1970, Bob and Ellen, along with their four children, Bob Jr., Daniel Jon, Carolyn and Patricia moved to Denver, Colorado. While living in Denver, the Korthius family was instrumental in reviving many rural churches by flying students from area Bible colleges into small towns to serve as pastors and lay leaders. During the same time, Bob and Ellen directed Camp Salvation at North Lake, west of Trinidad, Colorado.

Always full of enthusiasm and love for young people, in 1973, the Korthius family moved to Bailey, Colorado to take over the directorship of Camp IdRaHaJe, a tremendous undertaking, since the camp included 70 workers and could handle up to 500 campers at one time. Camp IdRaHaJe had something for everyone, Frontier Town for the youngest children, Tepee Camp for the 11 and 12 years old, Ranch Camp for Jr. High students, and a High School Lodge Camp. Building forts, cooking over a fire, backpacking trips, horse

packing trips, rafting, and bicycling through the mountains were all part of the unique atmosphere of this wonderful place.

Every member of the Korthius family took part in running the camp; Bob serving as director and leading many of packing trips, Ellen, Carolyn and Patricia running the bookstore, sweet shop, and craft and ceramic shop, and Dan serving as the camp wrangler. Although he was older, Bob Jr. even spent one summer at the camp acting as the "road runner" making sure everyone had all the supplies they needed. Bob and Ellen Korthius gave their children a very special upbringing in the beautiful Colorado mountains, but perhaps more important was the love that the Korthius family gave in abundance to the countless children that came to the camp each year.

After leaving Camp IdRaHaJe in 1984, Bob and Ellen briefly contemplated serving as missionaries in Alaska, but instead decided to move to Northeastern Colorado to work with American Missionary Fellowship. All of us in Northeast Colorado are glad they made that choice.

My husband, Steve, and I had been campers at IdRaHaJe years earlier, and when Bob and Ellen moved to Northeastern Colorado, we began what has been a very meaningful, lasting friendship. Since 1985, Bob has pastored up to nine small, rural churches, including one almost completely filled with members of my husband's family. Bob and Ellen spent each week traveling to little places like Hoyt, Prairie View, Adena and Hillrose to spread the love of Christ to people in these communities.

Despite their busy schedules, they always managed to find time to run Vacation Bible Schools in the summer, and in July and August, they would run Homestead Bible Camp at Kiowa Crossing. I have many fond memories of that place, where I served as a counselor and watched my children enjoy being campers.

In 1996, Bob and Ellen began a tremendous ministry for abused and abandoned youth at Preston Ranch. This ministry has provided numerous children with the opportunity to grow up in a loving, stable family.

Although they officially retired from ministry on March 31, 2004, Bob and Ellen continue to stay busy, leading Bible studies and encouraging others in the faith.

Their story is truly a testament of the Lord's faithfulness and provision. It has been my privilege to call Bob and Ellen Korthius my friends, and it is my honor to pay tribute to their life of service on the floor of the United States House of Representatives.

AMBASSADOR JOSEPH VERNER REED SPEAKS IN MEMORY OF RONALD REAGAN

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 2004

Mr. SHAYS. Mr. Speaker, on June 5, 2004, our nation lost a distinguished statesman, a world leader and a fine President in Ronald Reagan. President Reagan was a man of his word, and his principles were unquestionable. He had extraordinary faith in the promise of America and the belief that the best of America is yet to come.

On July 2, 2004, Ambassador Joseph Verner Reed, Under-Secretary-General of the United Nations, paid homage to Mr. Reagan at Kyung Hee University in Seoul, Korea. I submit the text of Mr. Reed's address to be entered into the RECORD.

STATEMENT OF AMBASSADOR JOSEPH VERNER REED AT THE GRADUATE SCHOOL FOR PAN PACIFIC INTERNATIONAL STUDIES OF KYUNG HEE UNIVERSITY, SEOUL, REPUBLIC OF KOREA

An event in the United States eclipsed matters in the media recently, and that was the passing of President Ronald Reagan.

I was privileged to have been appointed to three posts by President Reagan. First as Ambassador to the Kingdom of Morocco, then as Deputy Permanent Representative to the United Nations as Ambassador to the Economic and Social Council and lastly as the Under-Secretary-General for Political and General Assembly Affairs of the United Nations.

Several years ago I was privileged to accept on behalf of President Reagan, here at Kyung Hee University, the Great World Peace Award. It was an honor and a privilege.

Ronald Wilson Reagan—father, husband, actor and dedicated public servant—restored the pride, optimism and strength of the United States and earned deep respect and affection of his fellow citizens. When he passed away, we witnessed an outpouring of solemnity, sorrow and reflection in our country. In the view of many people, President Reagan remains the most significant United States President since Franklin Delano Roosevelt. He was a man who changed the course of American politics, culture and world history. He was right on the most important questions of his era: the role of government and the defeat of the Soviet Union. The structure of the American economy was altered profoundly by his term. Top tax rates have never returned to their previously punitive levels. America's current standing in world affairs is also a direct result of President Reagan's calling the Soviet Union's bluff in the 1980s and restoring US military power and self-confidence. This was not evident at the time. Everything President Reagan did was challenged. He was a polarizing figure—more disdained in Europe than President George W. Bush is today. For at least half his presidency he was unpopular at home as well, as most effective Presidents are.

With his Californian optimism, President Reagan transformed conservatism into a progressive force, into a political philosophy that took risks and changed things. President Reagan took conservatism into a reformist, unapologetic governing philosophy. That achievement endures in the United States.

I feel blessed to have been appointed to posts in public service by President Reagan. He inspired; he amused; he gave conviction a sunny disposition. Because of him, millions live in freedom where they once labored under tyranny. Because of Ronald Wilson Reagan, America was recharged and freedom reborn. In life it is rare to live under a political leader who evokes love as well as respect.

President Reagan's extraordinary political gifts carried him through—his talents as a communicator, his intuitive understanding of the average American, his unfailing geniality even after being hit by an assassin's bullet, his ability to build and sustain friendships across partisan lines. Those gifts—and his conviction that words counted for far more in politics than mere deeds—enabled him to convince large majorities that as long

as he was in charge, it would remain "Morning in America". I believe the cool eye of history will place Ronald Reagan in the list of the great Presidents.

President Reagan believed that America was not just a place in the world, but the hope of the world. He came to office with great hopes for America. He was optimistic that a strong America could advance peace, and he acted to build the strength that this mission required. He was optimistic that liberty would thrive wherever it was planted, and he acted to defend liberty wherever it was threatened. And Ronald Reagan believed in the power of truth in the conduct of world affairs. When he saw evil camped across the horizon, he called that evil by its name. Who can ever forget President Reagan in Berlin calling "Mr. Gorbachev, tear down this wall"?

Ronald Wilson Reagan belongs to the ages; a great American story has closed.

A TRIBUTE TO THE USS "RONALD REAGAN" ON ARRIVING AT ITS NEW HOME PORT OF SAN DIEGO, CALIFORNIA

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to the USS *Ronald Reagan* and its crew on their arrival this week at their new home port of San Diego, California.

I am pleased that one of the President Reagan's many legacies is the Navy's newest nuclear carrier, the USS *Ronald Reagan*. The ship recently set sail from Norfolk for its rightful home in San Diego. Throughout his political career, President Reagan always concluded his campaign in San Diego. He called it his "Lucky City." It is only fitting that our shining city on the hill, San Diego, will be home to the USS *Ronald Reagan*.

This ship is perhaps the most fitting tribute to Ronald Reagan's legacy of strength and security, to the imprint he had on our past, and the promise that we hold for the future. The ship's motto, "Peace Through Strength," was borrowed from one of President Reagan's radio addresses and embodies the essence of his vision of national security.

The USS *Ronald Reagan* is the most advanced aircraft carrier in the world. It has the newest hull design, two nuclear reactors, a length of 1,092 feet, a top speed over 30 knots, over 6,000 highly-trained service members, and more than 80 of the world's top aircraft. Finally, its 4.5 acres of flight deck are American territory that can be used to project our presence anywhere in the world.

A United States ship is a powerful symbol and the USS *Ronald Reagan* stands to be the most powerful of all. It will be a welcome sight to many around the world who see it as an example of America's strength and protection of freedom. It will also bring caution to people and nations who would deny that freedom.

Mr. Speaker, I ask that you urge our colleagues to join me in recognizing the outstanding service of the USS *Ronald Reagan* and its crew and wish them the best in all their future endeavors. San Diego anxiously awaits the arrival of the USS *Ronald Reagan* and our opportunity to welcome it home to its "Lucky City."

PAYING TRIBUTE TO JAMIE HASSLER

HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the life and memory of Jamie Hassler of Grand Junction, Colorado. After a courageous battle with cancer, Jamie passed away at the young age of fourteen. I personally knew Jamie, and I was enthralled with his contagious optimism and outgoing demeanor. As his family and friends mourn his passing, I would like to ask my colleagues to join me in remembering Jamie's amazing life before this body of Congress and this nation today.

Jamie was born in 1989 in San Jose, California, and soon thereafter, his family moved to Grand Junction where he spent most of his life. Diagnosed with cancer at an early age, Jamie had to overcome many obstacles in his young life. However, he eagerly tackled those challenges head on, and was never discouraged. Jamie had a great love for the outdoors, and jumped at any opportunity to go camping or fishing. He took comfort in listening to music. One of his dreams was to fly in a helicopter, and with the help of the Make-a-Wish Foundation, that dream became a reality.

Mr. Speaker, it is my honor to pay tribute to the memory of Jamie Hassler before this body of Congress and this nation. His passion for life serves as an inspiration to us all, and I am comforted in knowing his memory will live on in the hearts and minds of the Grand Junction community. I wish to offer my deepest condolences to his family and friends during this difficult time of bereavement.

A TRIBUTE HONORING ROGER DURBIN, PETER DURBIN, AND MELISSA GROWDEN OF BLISSFIELD, MICHIGAN

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. SMITH of Michigan. Mr. Speaker, on May 29, 2004, members of the Greatest Generation gathered for the unveiling of the World War II Memorial on the Mall in Washington, D.C. It is right that we, as Americans, commemorate the men and women who selflessly gave their lives on foreign shores to halt the march of tyranny during the darkest days of World War II.

Roger Durbin was a young man and father when he enlisted in the U.S. Army in 1942. After the war, the former tank mechanic went on to work, raised a family, and lived a normal life, but he never forgot what he had seen and experienced in the War. At the Jerusalem Township Fish Fry in 1986, Roger Durbin approached Congresswoman Nancy Kaptur about a memorial to commemorate the sacrifices made by the Greatest Generation. That conversation would be the beginning of a 17-year quest for Roger Durbin, which culminated on May 30, 2004 with the dedication of the World War II Memorial on the National Mall in Washington, DC.

Roger Durbin would not live to see his dream become a reality; he passed away in February of 2000. It would fall to his son, Peter Durbin, and his granddaughter, Melissa Growden, to continue to advance the memorial through to completion. From maintaining Roger's collection of letters and war memorabilia to serving on the Battle Monuments Committee, Peter and Melissa have kept Roger's dream alive.

I rise today to honor the dedication of the Durbin family to the World War II Memorial. Their hard work and determination to honor those who have fallen in service to their country is a testament of what can be accomplished when we persevere in a task to honor not ourselves, but others.

RECOGNIZING MS. DIANE
BROWNING

HON. THADDEUS G. McCOTTER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McCOTTER. Mr. Speaker, I request the House of Representatives join me in recognizing Ms. Diane Browning, who has been chosen the Women of Westland's 2004 Woman of the Year.

Ms. Browning's dedication to Westland led her to serve as the Women of Westland's Secretary this past year, in which role she has participated in every event the group has sponsored—the Relay of Life, a 24-hour charitable walk for the American Cancer Society to promote cancer research; the Respite Relief program to provide for children; countless scholarship programs to promote educational opportunities; and, of course, her long standing devotion to the Huron Valley Girl Scouts.

Honest, intelligent, and intensely involved in the life of her city, Ms. Browning truly represents the transcendent spirit of Westland. Her daughter, Gretchen, and her parents, Bud and Virginia Hassett, are rightfully proud of Diane's undeniable mark on the community; and we are all admiring of and appreciative for her inspired leadership on behalf of our community and our country.

JACKSON VOTED "NO" ON HOUSE
RESOLUTION 713

HON. JESSE L. JACKSON, JR.

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. JACKSON of Illinois. Mr. Speaker, on July 15, I voted "no" on House Resolution 713. As a strong supporter of a negotiated two-state solution in the Middle East—a strong supporter of the State of Israel and a strong supporter of a Palestinian State—it is my view that this resolution will not contribute to a negotiating process that will lead toward peace.

The U.S. must be a credible mediator that maintains the respect and support of both parties in the peace process—the Road Map—so that U.S. conciliation efforts will be effective in achieving a just and lasting peace.

And as a strong supporter of the United Nations and the International Court of Justice

(ICJ), I will not condemn the UN for making the request or the ICJ for issuing an advisory opinion at the request of the General Assembly on the consequences and legality of constructing a security barrier. How can we condemn a democratic process that renders a requested non-binding opinion? We may agree or disagree with the opinion, but we cannot condemn the ICJ for exercising its right to speak freely and render an opinion upon request.

PERSONAL EXPLANATION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. SAXTON. Mr. Speaker, on Tuesday, July 13, I missed rollcall votes No. 363 through No. 370. The reason being that my district was hit with nearly a foot of rain and as a result of this 1000-year flood, my presence was needed in New Jersey to ensure cooperation with and assistance from FEMA during this disaster.

However, had I been present, I would have voted in the following fashion: vote No. 363, "aye"; vote No. 364 "aye"; vote No. 365 "aye"; vote No. 366 "no"; vote No. 367 "no"; vote No. 368 "aye"; vote No. 369 "no"; vote No. 370 "aye."

HONORING SANDRA FELDMAN ON
HER RETIREMENT FROM THE
PRESIDENCY OF THE AMERICAN
FEDERATION OF TEACHERS

SPEECH OF

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 19, 2004

Mr. REGULA. Mr. Speaker, I join my colleagues in honoring the work of Sandra Feldman as she retires as president of the American Federation of Teachers (AFT). Ms. Feldman began her career as a teacher and has committed her life to working with and advocating for teachers across the country.

I want to draw attention today to some of her most recent work and that is her service on a distinguished panel known as the Teaching Commission. The Teaching Commission is a diverse group, comprising 19 leaders in government, business and education. The Commission recently released a Call to Action with specific recommendations to raise student performance by transforming the way in which America's public school teachers are recruited and retained. We know that a high-quality, caring, effective teacher can mean the difference between a lifetime of success or failure in a child's life. Ms. Feldman has dedicated her career to help ensure that every child has such a teacher—and hopefully many such teachers—in his or her life, and I want to personally thank Ms. Feldman for her work on the Teaching Commission.

As the AFT's first female president since 1930, Ms. Feldman has also broken ground for young women to follow in her footsteps. I

want to thank Ms. Feldman for her tireless efforts and wish her all the best in the days and years to come.

CHIEF WADE SETTER NAMED
D.A.R.E. LAW ENFORCEMENT EX-
ECUTIVE OF THE YEAR

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. RAMSTAD. Mr. Speaker, I rise today to proudly pay tribute to Brooklyn Park, Minnesota, Police Chief Wade Setter, who has been named "2004 D.A.R.E. Law Enforcement Executive of the Year."

Nobody is more deserving of this prestigious award than Chief Setter. Nobody has done more to keep kids off drugs, which is what D.A.R.E.—Drug Abuse Resistance Education—is all about.

Chief Setter has been a very special friend of D.A.R.E., and he has done so much to keep our young people on course and away from the destructive influence of drugs. His strong, effective leadership in promoting drug abuse prevention and education initiatives has truly been exemplary.

Chief Setter has been with the Brooklyn Park Police Department his entire professional career. He started as an officer in 1979 and has been Chief since 1996. During his career, Wade has served as a patrol officer, investigator, sergeant, director of investigations and commander of the Hennepin-Anoka Suburban Drug Task Force.

Chief Wade Setter's commitment to serving his community, to children and to prevention education has been inspiring. Chief Setter has served as President of the Hennepin County Chiefs of Police Association and was awarded the 2002 Community Leadership Award by the Hennepin County Attorney's Office.

In addition, Chief Setter has been a member of the International Association of Chiefs of Police since 1996. He is also a member and past president of the Law Enforcement Executive Development Association.

Mr. Speaker, Chief Setter is a board member of Minnesota D.A.R.E., and he has served on the National Law Enforcement Advisory Committee of D.A.R.E. America since 1999. Chief Setter has been a member of the Advisory Board of Minnesota D.A.R.E. since 2000, and a member of my Law Enforcement Advisory Committee since 1996.

Chief Setter is a tireless advocate for the D.A.R.E. program in Brooklyn Park and throughout Minnesota. Since D.A.R.E. began in our state, Chief Setter has encouraged countless officers to participate in the program. Chief Setter truly represents the best in public service!

Mr. Speaker, on behalf of all the people of Minnesota and our nation, I want to thank Chief Wade Setter for his steadfast vigilance to keep kids off drugs and teach them to make smart choices. Clearly, Chief Wade Setter was the smart choice for "2004 D.A.R.E. Law Enforcement Executive of the Year!"

Mr. Speaker, we salute Chief Wade Setter for his outstanding public service and congratulate him on this important national honor.

PAYING TRIBUTE TO JIM
CAFFRAY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, it is my privilege to pay tribute to Jim Caffray and thank him for his work as Archives Technician with the National Personnel Records Center (NPRC). His years of commitment and dedication as a public servant are certainly commendable and worthy of recognition before this body of Congress and this nation today. I, along with my fellow Americans am grateful for all that he has accomplished during his years of service.

Jim Caffray served in the Navy during the Vietnam era and later continued his service to this nation when he became an Intermittent Archives Aid in June of 1992. He was hired full time in the civilian division of the NPRC in February of 1993. Jim was reassigned to Military Personnel Records in April of 1995. As an Archives Technician, Jim has served over 25,000 veterans by responding to requests for records. As an Expert Technician, Jim supports Archives Technicians on his team with his historical knowledge, while responding to the most complex inquiries received by the Center.

During my tenure in the United States Congress, Jim provided exceptional service to constituents of the 3rd Congressional District of Colorado. Jim worked hard to ensure that inquiries on behalf of my constituents submitted to NPRC were addressed in a timely and thorough manner. Jim routinely demonstrated a willingness to assist beyond the standard response, showing a genuine concern for the constituent while upholding the policies of the National Personnel Records Center.

Mr. Speaker, it is clear that Jim has been an invaluable resource to the National Personnel Records Center. It is my honor to recognize his service and dedication before this body of Congress and this nation. I am grateful for the opportunity to work with dedicated public servants like Jim Caffray. On behalf of the citizens that have benefited from the hard work and commitment he has given to the National Personnel Records Center and constituents it serves, I extend my appreciation for his years of dedicated service.

PERSONAL EXPLANATION

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. BONNER. Mr. Speaker, on July 15 and July 19, 2004, I was unavoidably absent for rollcall votes numbered 385, 386, 387, 388, 389, 390, 391, 392, and 393. Had I been present, I would have voted "aye" on rollcalls 385, 387, 390, 391, 392, and 393. I would have voted "nay" on rollcalls 386, 388, and 389.

PERSONAL EXPLANATION

HON. ANDER CRENSHAW

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. CRENSHAW. Mr. Speaker, on Thursday, July 15, 2004, I was unable to vote on the Buyer Amendment to H.R. 4818, the FY2005 Foreign Operations, Export Financing, and Related Programs Appropriations Act (rollcall number 385). Had I been present I would have voted "yes."

WALMART'S COMMUNITY
INVESTMENT

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. BERRY. Mr. Speaker, I rise today to applaud Wal-Mart's recent investment in community. Wal-Mart has decided to look no further than America's backyard to facilitate the manufacturing of quality products from a quality company here at home, Pinnacle Frames & Accents. Wal-Mart's recent decision to renew its contract with Pinnacle displays the company's desire to help the American worker as well as stimulate the American economy.

Wal-Mart deserves praise for making a conscious effort to employ American workers producing American products. Not only has Wal-Mart supported a superior company manufacturing a superior product, but it has deliberately strengthened the company's own ties within the community.

As a further example of Wal-Mart's commitment to community, as Reservists and members of the National Guard are called up for duty, Wal-Mart has ensured our brave men and women receive 100% of their salary while they are protecting our freedoms abroad. This selfless act on behalf of our troops is rare and sets an example we can only hope the rest of corporate America will follow.

Pinnacle Frames & Accents, who just recently renewed their contract with Wal-Mart, is located in Piggott and Pochontas, Arkansas and maintains a commitment to creating excellent products through their diligent work ethic and professional attention to detail. Pinnacle's employees are hardworking Americans eager and enthusiastic to produce the best products on the market. Wal-Mart, through its recent contract, has proved that one does not have to venture outside of the U.S. to find first-rate, premium products at a fair price like those produced by Pinnacle.

On behalf of the Congress, I recognize Wal-Mart for its decision to continue to invest in its rural roots as well as Pinnacle for their devoted workers and their distinguished business ideals. Wal-Mart's interest in American business practices is apparent through the renewal of this contract with Pinnacle who jointly shares in the company's desire to manufacture superior, quality products.

PERSONAL EXPLANATION

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. COLLINS. Mr. Speaker, I was not present for rollcall vote 391, to promote freedom and democracy in Viet Nam (H.R. 1587); rollcall vote 392, concerning the importance of the distribution of food in schools to hungry or malnourished children around the world (S. Con. Res. 114); rollcall vote 393, to require a report on the conflict in Uganda (S. 2264).

Had I been present, I would have voted "yea" for rollcall votes 391, 392 and 393.

HONORING 130 YEARS OF HISTORY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Dover Fire Department, of the Town of Dover, in Morris County, New Jersey, a vibrant community I am proud to represent! On July 17, 2004, the good citizens of Dover are celebrating the Fire Department's One-Hundred-Thirtieth Anniversary with a parade.

For 130 years, the Dover Fire Department has been protecting and serving the residents of their community. The fire department is made up of eighty-five volunteers, including Fire Chief Kevin Kasko. Mr. Kasko's father was also a fire department volunteer, serving for forty years. Other dedicated members of the fire department include First Assistant Chief Walter Michalski, Second Assistant Chief William Gilbert, and Third Assistant Chief Edward Ridner. The fire department has three grand marshals with over fifty years of dedicated service to the community they are Fred Sharp, William Gardner, and Herbert Swartz.

The Dover Fire Department has a deep history that is evident in their striking collection of antique fire equipment. To commemorate the Dover Fire Department's 130 year anniversary, thirty-five fire departments from nearby communities will join in a parade that follows a route through a historic area of Dover.

From its charter members to its current roster, the membership of the Dover Fire Department, over the last one hundred thirty years, has dedicated itself to the safety and welfare of Dover's good citizens. Dover's firefighters, dedicated public servants, past and present, are to be commended for a job well done!

Mr. Speaker, I urge you and my colleagues to join me in congratulating the members of the Dover Fire Department on the celebration of its one-hundred thirty years protecting one of New Jersey's finest municipalities.

PAYING TRIBUTE TO OLATHE
REBEKAH LODGE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, it is my privilege to rise and pay tribute to the Rebekahs of

Olathe, Colorado for their group's dedication to building a more civil community through strong companionship. Recently, the chapter celebrated one-hundred years of fellowship and service to the community. As they mark this impressive milestone, I would like to recognize their outstanding commitment to promoting the community before this body of Congress and this nation today.

The Rebekahs started nationally in 1851 to encourage loyal relationships with God, while simultaneously building strong relationships in the community. The Rebekah chapter in Olathe was chartered in 1904 by a petition of twenty-seven of the original thirty-two charter members. They created a loyal group that provides companionship for each other as members. Additionally, they created a body committed to a better citizenship by teaching strong moral character. Since 1913, the Rebekahs have been meeting twice a month in the same building of the Olathe Community Center.

Mr. Speaker, I am honored to recognize the staying power and service to others the Rebekahs have demonstrated over the years. Their commitment to a strong community is apparent through their kind work and I congratulate the Rebekahs on their anniversary.

IN LASTING MEMORY OF EUGENE
FARRELL

HON. MIKE ROSS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. ROSS. Mr. Speaker, I rise today to pay tribute to the life and legacy of Eugene Farrell from Dermott, Arkansas who passed away on July 3, 2004. As a dedicated member to the City of Dermott, Mr. Farrell's life was full of honors and achievements.

Mr. Farrell was a selfless public servant, serving not only as Mayor of Dermott from 1988–1999, but also as a Quorum Court member. For his dedication and loyalty to the City of Dermott and Chicot County, I will forever be grateful.

I am deeply saddened by the death of Mr. Farrell. His passing will leave a huge void on the Chicot County Quorum Court, the City of Dermott, and in the lives of many friends. My heart goes out to his wife of 59 years, June Barrett, and their four children, Sheila Brannon, Linda Fowler, Buddy Farrell, and Brian Fowler. I extend my sincerest sympathies to them and can only hope that we find some solace in the lasting legacy of Eugene Farrell as his spirit lives on in each of us.

RECOGNIZING MR. F.E. WHITNEY

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. WHITFIELD. Mr. Speaker, I rise today to recognize Mr. F.E. Whitney of Hopkinsville, Kentucky.

F.E. Whitney has faithfully served his country, his community and his fellow citizens through a lifetime of public service.

Mr. Whitney's family settled in Hopkinsville in 1897. He was born in 1916. He graduated from Kentucky State University in 1937 and returned to Hopkinsville where he still resides today.

Mr. Whitney is a member of what Tom Brokaw termed "The Greatest Generation", serving his country honorably in World War II.

Mr. Whitney has been an involved citizen in Christian County and Hopkinsville, Kentucky for over 50 years. He became a member of the Kentucky Association of Realtors in 1958 and was later accepted as a member of the National Board of Realtors. He was the first African American member.

Some of F.E. Whitney's many accomplishments include serving the public as a Realtor and Small Business Owner when he established F. E. Whitney Real Estate Agency, Inc. in 1948. This business remains in operation today.

F.E. Whitney served 21 years on the Hopkinsville City Council. In 1973, he served as Mayor Pro Tem. In 1977, he was elected to the Christian County Fiscal Court where he served over 20 years. Mr. Whitney has served the Pennyrile Area Development District, the National Association for the Advancement of Colored People, The Pioneer's and his church. He has been an activist for civil rights.

F.E. Whitney was honored by Christian County and the State of Kentucky when the I-24 Welcome Center was named in his honor.

Mr. Speaker, Mr. F.E. Whitney embodies the spirit, commitment and sacrifice that we all should strive for in our daily lives. He has not only made a success out of his life, but he has also been a gift to our community. I am proud to represent him in the Congress. On behalf of the citizens of the First District of Kentucky, we thank him for his service and we bring his accomplishments to the attention of this House.

INTRODUCTION OF H.R. 4855

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. CRAMER. Mr. Speaker, yesterday I was joined by Mr. Boswell of Iowa in introducing legislation to create an Independent National Security Classification Board to review current standards and procedures for the classification of information for national security purposes and make recommendations for needed changes.

Today's classification system is broken. The Executive Branch exerts almost total control over what should or should not be classified. There is no self-correcting mechanism in the system. The Executive Branch has a little known group that can review classification issues, but it is seldom used and open only to Executive Branch employees, not to Members of Congress or the public.

The bottom line is: there is no independent review of the classification decisions by the Executive Branch.

With no chance of unbiased review, classification decisions are ready and ripe for abuse. Agencies wishing to hide their flaws and politicians of both parties wishing to make political points can abuse the existing classification guidelines to their advantage. This needs to change.

William Leonard, Director of the Information Security Office, acknowledged in a recent speech that the classification system for national security has lost touch with the basics; that some agencies don't know how much information they classify, or whether they are classifying more or less than they once did; whether they are classifying too much or too little. He called today's classification system "a patchwork quilt" that is the result of a hodgepodge of laws, regulations and directives. "In reality," he said "the Federal Government has so many varieties of classification that it can make Heinz look modest . . ."

The most recent evidence that the system is broken can be found in the forthcoming 9–11 Commission report and last week's Senate Intelligence Committee Report on Iraq pre-war intelligence. But the problems of declassification also plagued the Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001, on which Mr. Boswell and I both served. All of these reports show the problems that arise from a "need to know" rather than a "need to share" culture of overclassification.

Even more important than the information that is published in these reports is the information withheld from the public and redacted from the reports. These reports demonstrate a serious imbalance of power between the public and the officials who make the classification decisions. They raise troubling questions about whether those who control the classification of information for national security purposes have misused this authority to shield officials from the glare of public accountability and to stifle public debate about politically sensitive parts of the war on terrorism.

This legislation establishes an Independent National Security Classification Board. The Board would be made up of three individuals, knowledgeable in national security classification, appointed by the President with the advice and consent of the Senate.

The task of the Independent Board would be to review and make recommendations on overhauling the standards and process used in the classification system for national security information. The Board would submit proposed new standards and processes to both Congress and the Executive Branch for comment and revision, and then implement the new standards and process once they have had the opportunity to comment. The Board would then begin to implement the new system, reviewing and making recommendations on current and new national security classifications, subject to Executive Branch veto that must be accompanied by a public, written explanation.

The balance in this proposal assures that the public and Congress have access to an independent Board for national security classification matters while leaving undisturbed the Commander in Chief's constitutional prerogative in military and foreign policy matters through the power to appoint the Board and to veto the Board's classification decisions.

This bill was introduced in the Senate by a bipartisan group of Senators and it is our hope that this bill will attract bipartisan support in the House. However, with so little time left in the legislative session and in recognition of the importance of these issues, Mr. Boswell and I, both members of the Permanent Select Committee on Intelligence, felt it was important to get this bill into the process now. I urge Members to support this bill.

THE INTRODUCTION OF A PRIVATE
BILL FOR THE RELIEF OF MALIK
JARNO

HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. VAN HOLLEN. Mr. Speaker, today I am introducing a private bill to make Malik Jarno a permanent resident of the United States and to end the protracted ordeal of immigration removal proceedings that has spanned almost one-quarter of this young man's life.

Malik is a mentally disabled teenage orphan from Guinea whose compelling plight has attracted the concern and involvement of more than 70 members of Congress, countless citizens, the international media and dozens of national, state and local organizations working with the mentally disabled, children and immigrants and refugees.

Deporting Malik to Guinea to face life-threatening circumstances would run contrary to the standard of human rights and decency this country maintains. Members of Malik's family were killed and his home was destroyed in the midst of ethnically and politically motivated violence in Guinea. Immigration authorities have received overwhelming evidence of Malik's shattered life and the serious risk of harm he faces, given his father's status as a prominent political dissident, at the hands of Guinean authorities. The heightened threat associated with Malik's deportation places a special responsibility on this country to consider the well-being and livelihood of this young man.

In addition, as a mentally disabled, homeless orphan, the potential risks of a life in Guinea are aggravated. With no known family or friends to care for Malik, he faces the reality of being relegated to the fringes of a society that has no infrastructure or services to support this young man's special needs. According to information from USAID, UNICEF, UNHCR, WHO and other agencies, there are no government or non-profit programs or legal protections for mentally disabled individuals in Guinea. Given his disability, he will face ostracism and severe discrimination and be extremely vulnerable to physical abuse, oppressive conditions and hostile treatment.

In an act of desperation, family friends that were looking after Malik put him on a plane bound for the United States. Upon his arrival at Dulles International Airport in 2001, Malik was detained by immigration officials and held in adult jails, where his special needs as a mentally disabled child were neglected in the company of adult convicts, for eight months, before he was allowed to appear before a judge to apply for asylum. Only after another two years of detention was Malik transferred from a maximum security prison to a refugee shelter in York, Pennsylvania. His case is now pending before the Board of Immigration Appeals.

This ordeal has dragged on for too many years and the perpetual uncertainty has left Malik anxious and unsettled. He continues to study, make friends, and go to school in York, Pennsylvania, but with the constant threat of being torn away from his life in the United States. Malik has a promising future in the United States and this bill will provide Malik with a permanent immigration status and the path to becoming a productive and contributing citizen.

In these troubled times, where our reputation as a beacon for human rights has been challenged by the situation in Iraq, the United States has a heightened responsibility to guarantee justice and humane treatment to the most vulnerable in society instead of relegating a mentally disabled orphan to such a horrific fate.

CONCERNING THE IMPORTANCE OF
THE DISTRIBUTION OF FOOD IN
SCHOOLS TO HUNGRY OR MAL-
NOURISHED CHILDREN AROUND
THE WORLD

SPEECH OF

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 2004

Ms. MILLENDER-McDONALD. Mr. Speaker, I rise to speak in support of House Resolution 422. Recognizing that more than 300 million children suffer from chronic hunger worldwide, we need to restore funding for this program at levels similar to those of the original pilot program.

Providing nutritious food at schools worldwide is a simple, but effective way to improve literacy rates and help poor children break out of poverty.

I strongly believe this funding is key to combating several root causes of international terrorism. It increases the school attendance of children who may otherwise be susceptible to recruitment by terrorist groups who offer meals.

As a co-sponsor of this legislation, I also believe that by providing financial and technical assistance for school feeding and maternal and child nutrition programs, we help fight HIV/AIDS. Schools provide one of the most effective means to teach children about disease prevention.

These are specific examples of how school feeding operations benefit low-income countries.

The fact that both the initial pilot program and the current McGovern-Dole Program have a proven track record at reducing the incidence of hunger among school-age children, increasing attendance, particularly for girls, and improving literacy and primary education, clearly indicates that we should work with the United Nations and its member states to expand international contributions for the distribution of food in schools around the world.

Mr. Speaker, let us not forget how global school feeding operations benefit low-income countries—education is a path to upward mobility that can help poor children improve their standard of living, and, most importantly, help poor nations develop more productive, self-reliant economies.

PAYING TRIBUTE TO HERB AND
ARA WEIMER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, it is my privilege to rise and pay tribute to Herb and Ara

Weimer of Westcliffe, Colorado. Herb and Ara are valuable members of their community, and volunteer their time and efforts towards bettering their community. In recognition of their service, the Custer County Chamber of Commerce recently recognized them by naming them the 2004 Citizens of the Year for their efforts in the community and I would like to take this opportunity to recognize their efforts before this body of Congress and this nation today.

As members of the Custer County community, the Weimers feel a responsibility to actively volunteer in their community. They have a passion for history and desire to contribute to the preservation of the rich history of their community and gather information to educate future generations about their predecessors. With this interest in history, Herb is the president and Ara is a board member of the Custer County Historical and Genealogical Society. Their positions enable them to coordinate the programs the society puts on each month. They also pursue their interest in history by helping with the annual History and Horses Tour for the Friends of the Library. They are active in volunteering to help those in need, aiding senior citizens, bringing meals on wheels and providing transportation. They have worked with a group to restore the Willow's School and Beckwith Ranch, and remain active members in Valley Bible Church.

Mr. Speaker, Herb and Ara Weimer have shown outstanding dedication to their community, and I am honored to recognize their service before this body of Congress and this nation. The Weimers' humble nature in their pursuits to volunteer and help fellow citizens contributes in the building of a strong community. I congratulate them on receiving the Citizen of the Year Award and wish them the best in their future endeavors.

PERSONAL EXPLANATION

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. MENENDEZ. Mr. Speaker, I rise to offer a personal explanation. On Monday, July 19th, I was unavoidably detained at Newark International Airport, due to both mechanical problems and bad weather, while traveling back for votes on Rollcall Votes 391–393. Had I been present, I would have voted "yea" on Rollcall Votes 391–393.

DEPLORING MISUSE OF INTER-
NATIONAL COURT OF JUSTICE
BY UNITED NATIONS GENERAL
ASSEMBLY FOR POLITICAL PUR-
POSE

SPEECH OF

HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 14, 2004

Ms. DeGETTE. Mr. Speaker, I voted against H. Res. 713 because I believe the intent of this resolution had nothing to do with Israel's best interests, nor with promoting peace in the Middle East. The text was written by the Republican majority with the explicit intent of trying to be as politically divisive as possible.

I strongly believe that Israel has the right to defend itself against terrorism. However, while the resolution expresses support for Israel's right to construct a security barrier, it is clear to me that this measure was a cynical attempt to divide people for political gain here in the United States.

There are legitimate questions as to the propriety and wisdom of the action taken by the International Court of Justice, ICJ, in this matter, and in fact I personally disagree with their decision. However, this resolution goes too far and condemns the ICJ for politicizing an issue, when the very reason the Republican majority brought this issue to the floor is for political purposes.

Over the past four years, the House of Representatives has passed, with my support, at least nine non-binding Resolutions in regards to Israel. I entreat the leadership to now expend the same effort and energy to craft meaningful legislation that actually takes substantive action to further the Middle East peace process rather than paying so much lip service, as we too often do on issues of importance.

Over the years, the United States has been a vital player in facilitating peace negotiations in the Middle East. I have long said that the U.S. should be the first to support Israel's right to protect its citizens. I have also taken the position that Congress should not formally endorse the security fence, nor should we oppose it. To do so, I believe, meddles in internal Israeli affairs and compromises the U.S.'s ability to be a player in future peace negotiations.

The future security of the Middle East depends on negotiating a just, permanent, and peaceful settlement between Israelis and Palestinians that both guarantees Israel's security and establishes a Palestinian state. I cannot support resolutions, such as H. Res. 713, that are detrimental to this process.

I believe that it is the responsibility of those who are pro-Israel, like myself, to support measures that advance the security of Israel. This legislation does not do that. My efforts and advocacy over the years on behalf of Israel speaks for itself, and my support for Israel will continue throughout my tenure as a Member. I urge the Republican majority to get serious about promoting peace in the Middle East and the security of Israel rather than wasting Congress' time with non-binding resolutions intended to make political points in an election year.

IN RECOGNITION OF JOSHUA PHILLIPS OF COCONUT CREEK, FL, WINNER OF THE CONGRESSIONAL ART CONTEST

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. SHAW. Mr. Speaker, I rise today to commend Joshua Phillips of Coconut Creek,

Florida, the 22nd Congressional District's winner of the 2004 annual Congressional Art Competition. When I was first confronted with the complex montage of images that is Joshua's piece, American Aesthetic, I was immediately struck with its creativity and uniqueness. American Aesthetic now adorns the Cannon Capitol tunnel, and I have taken special care to instruct my staff to point it out to tour groups that they lead. Despite being among what is a group of some of the finest pieces of art done by young people in this nation, I am constantly told, and I agree, that Josh's artwork stands alone.

Of course, Joshua's achievement should not come as a surprise since he is a young man who has already made a name for himself through his accomplishments as his school's starting defensive end, and in the highly competitive academic program at his high school, Westminster Academy. It is worth noting that Joshua is Westminster Academy's second winner in this competition, proving that its high-quality academic program works to engender the kind of excellence in youth that our nation values.

Mr. Speaker, again I would like to extend my congratulations to this extraordinary young man.

COMMENDING JACK YANOSOV FOR HELPING DESIGN THE TRANSMITTERS USED 35 YEARS AGO TODAY BY THE APOLLO SPACE MISSION THAT LANDED ON THE MOON

HON. FRANK A. LOBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. LOBIONDO. Mr. Speaker, I rise today to commend Jack Yanosov who helped design the transmitters that were used 35 years ago today in the Apollo mission that landed on the Moon.

It was a humble rise for Jack Yanosov, who began his career on the RCA assembly line, and would eventually become the lead engineer on the Apollo communications project. It was on a transmitter built by Jack Yanosov that the first words were ever spoken on a planetary body other than Earth. It was 35 years ago today, on July 20, 1969 that Neil Armstrong uttered his famous words that would inspire a generation, "One small step for man, one giant leap for mankind." The good news for Neil Armstrong and the rest of the world, Jack Yanosov's transmitter worked just like it was designed to do.

Today is a special day for our Nation. Thirty-five years ago, our country was locked in an arms race during a cold war that threatened to turn hot at any moment. The race for the Moon was more than just a prize in the darkest reaches of space, it symbolized our Nation's commitment to American ingenuity. We

met our goal and made it to the Moon, and we did it first. I am proud that a resident of New Jersey played such an important role in this groundbreaking human achievement. I would like to congratulate Jack Yanosov, and thank him on behalf of the people of New Jersey's Second Congressional District and America for a job well done.

PAYING TRIBUTE TO CLIFTON LIONS CLUB

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize the Lions Club Chapter of Clifton, Colorado on their sixty-fifth anniversary. Over the years, this organization has provided an invaluable service to the community, both socially and philanthropically. It is my privilege to acknowledge their service and achievements before this body of Congress and this nation today.

The Lions Club is an international organization that has existed since 1917. The Clifton chapter was chartered in 1939 with the purpose of creating a social group to serve the community. The primary function of the Lions Club is to focus on preventing and fighting blindness and helping people with visual impairments improve their quality of life. They also work more generally to improve the community in any way they can. The chapter is active in the community by holding events that attempt to raise the morale in the community by bringing people together at carnivals or pancake breakfasts, while at the same time raising money for their causes.

Mr. Speaker, the Clifton Lions Club has dutifully served the Clifton community for sixty-five years. Their hard work and dedication makes the community stronger. I congratulate the Clifton Lions Club on their anniversary and wish them all the best in the future.

PERSONAL EXPLANATION

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. HINOJOSA. Mr. Speaker, I regret that I was unavoidably detained in my district. Had I been present, I would have voted "yes" on rollcall Nos. 391, 392, and 393.

Daily Digest

HIGHLIGHTS

The House passed H.R. 3574, Stock Option Accounting Reform Act.

The House passed H.R. 4850, District of Columbia Appropriations Act for FY05.

Senate

Chamber Action

Routine Proceedings, pages S8431–S8493

Measures Introduced: Twelve bills and seven resolutions were introduced, as follows: S. 2689–2700, S. Res. 408–412, and S. Con. Res. 127–128.

Pages S8473–74

Measures Reported:

S. 1996, to enhance and provide to the Oglala Sioux Tribe and Angostura Irrigation Project certain benefits of the Pick-Sloan Missouri River basin program, with an amendment in the nature of a substitute. (S. Rept. No. 108–311)

H.R. 982, to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa.

S. Res. 401, designating the week of November 7 through November 13, 2004, as “National Veterans Awareness Week” to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. Res. 404, designating August 9, 2004, as “Smoky Bear’s 60th Anniversary”.

S. Res. 407, designating October 15, 2004, as “National Mammography Day”.

S. 2677, to implement the United States-Morocco Free Trade Agreement.

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.

S. Con. Res. 109, commending the United States Institute of Peace on the occasion of its 20th anniversary and recognizing the Institute for its contribution to international conflict resolution.

Page S8473

Measures Passed:

Jamestown 400th Anniversary Commemorative Coin Act: Senate passed H.R. 1914, to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement, clearing the measure for the President. **Pages S8490–91**

Marine Corps 230th Anniversary Commemorative Coin Act: Senate passed H.R. 3277, to require the Secretary of the Treasury to mint coins in commemoration of the 230th Anniversary of the United States Marine Corps, and to support construction of the Marine Corps Heritage Center, clearing the measure for the President. **Pages S8490–91**

John Marshall Commemorative Coin Act: Senate passed H.R. 2768, to require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall, clearing the measure for the President. **Pages S8490–91**

Authorizing Legal Representation: Senate agreed to S. Res. 410, to authorize Senate employees to testify and produce documents with legal representation. **Page S8491**

Authorizing Document Production: Senate agreed to S. Res. 411, to authorize document production by the Select Committee on Intelligence. **Pages S8491–92**

Small Business Program Extension: Senate passed S. 2700, to provide an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through September 17, 2004. **Pages S8492–93**

U.S.-Morocco Free Trade Agreement Implementation Act: Senate began consideration of S. 2677, a bill to implement the United States-Morocco Free Trade Agreement. **Pages S8460–67**

A unanimous-consent agreement was reached providing for further consideration of the bill at 11 a.m., on Wednesday, July 21, 2004; that the time

until 11:30 a.m. be equally divided between the Chairman and Ranking Member of the Committee on Finance, and that at 11:30 a.m. the Senate vote on passage of the bill; provided further, that when the Senate receives the companion measure from the House, the Senate proceed to its consideration, the bill be read a third time and passed with no intervening action or debate; and that once the Senate has passed the House companion measure, passage of S. 2677 be vitiated, and the bill then be returned to the calendar. **Page S8467**

Department of Agriculture Appropriations Act—Agreement: A unanimous-consent agreement was reached providing that the Committee on Appropriations be discharged from further consideration of H.R. 4766, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2005, and that the papers be returned to the House of Representatives. **Page S8492**

Nomination: Senate continued consideration of the nomination of William Gerry Myers III, of Idaho, to be United States Circuit Judge for the Ninth Circuit. **Pages S8438–60**

During consideration of this nomination today, the Senate also took the following action:

By 53 yeas to 44 nays (Vote No. 158), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, the Senate rejected the motion to close further debate on the nomination. **Page S8460**

Nomination: Senate began consideration of the nomination of Henry W. Saad, of Michigan, to be United States Circuit Judge for the Sixth Circuit, after agreeing to the motion to proceed to executive session. **Page S8468**

A motion was entered to close further debate on the nomination and, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, a vote on cloture will occur on Thursday, July 22, 2004. **Page S8493**

Appointments:

Congressional Award Board: The Chair, on behalf of the Majority Leader, pursuant to Public Law 96–114, as amended, appointed the following individuals to the Congressional Award Board: Kathy Didawick of Virginia and Michael Carozza of Maryland. **Page S8491**

Nominations Discharged: The following nominations were discharged from further committee consideration and placed on the Executive Calendar:

Juan Carlos Zarate, of California, to be an Assistant Secretary of the Treasury, which was sent to the

Senate on March 11, 2004, from the Senate Committee on Finance.

Stuart Levey, of Maryland, to be Under Secretary of the Treasury for Enforcement, which was sent to the Senate on April 8, 2004, from the Senate Committee on Finance. **Page S8493**

Messages From the House: **Page S8472**

Measures Referred: **Pages S8472–73**

Measures Placed on Calendar: **Page S8473**

Measures Read First Time: **Page S8473**

Enrolled Bills Presented: **Page S8473**

Executive Reports of Committees: **Page S8473**

Additional Cosponsors: **Pages S8474–75**

Statements on Introduced Bills/Resolutions: **Pages S8475–87**

Additional Statements: **Pages S8471–72**

Amendments Submitted: **Pages S8487–89**

Authority for Committees to Meet: **Pages S8489–90**

Privilege of the Floor: **Page S8490**

Record Votes: One record vote was taken today. (Total—158) **Page S8460**

Adjournment: Senate convened at 10 a.m., and adjourned at 7:41 p.m., until 9:30 a.m., on Wednesday, July 21, 2004. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S8493.)

Committee Meetings

(Committees not listed did not meet)

IRAQ SURVEY GROUP

Committee on Armed Services: Committee met in closed session to receive a briefing regarding the activities of the Iraq Survey Group (ISG) in Iraq from Major General Keith W. Dayton, USA, former Commander of the ISG.

COMMITTEE MEETING

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported the nominations of Juan Carlos Zarate, of California, to be an Assistant Secretary of the Treasury, Stuart Levey, of Maryland, to be Under Secretary of the Treasury for Enforcement, and Carin M. Barth, of Texas, to be Chief Financial Officer, Department of Housing and Urban Development.

MONETARY POLICY REPORT

Committee on Banking, Housing, and Urban Affairs: Committee concluded an oversight hearing to examine the Semi-Annual Monetary Policy Report of the

Federal Reserve, after receiving testimony from Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System.

AMERICANS OUTDOORS ACT

Committee on Energy and Natural Resources: Committee concluded a hearing to examine S. 2590, 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, after receiving testimony from P. Lynn Scarlett, Assistant Secretary of the Interior for Policy, Management, and Budget; Scott A. Angelle, Louisiana Department of Natural Resources, Baton Rouge; Charles Jordan, Conservation Fund, Portland, Oregon; and John Baughman, International Association of Fish and Wildlife Agencies, Henry L. Diamond, Americans for Our Heritage and Recreation, Nancie G. Marzulla, Defenders of Property Rights, and Daniel M. Clifton, Americans for Tax Reform, all of Washington, D.C.

BUSINESS MEETING

Committee on Finance: Committee ordered favorably reported the following business items:

S. 2677, to implement the United States-Morocco Free Trade Agreement;

H.R. 982, to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa; and

The nominations of Patrick P. O'Carroll, Jr., of Maryland, to be Inspector General, Social Security Administration, and Paul Jones, of Colorado, and Charles L. Kolbe, of Iowa, both to be Members of the Internal Revenue Service Oversight Board, and Timothy S. Bitsberger, of Massachusetts, to be an Assistant Secretary, all of the Department of the Treasury.

MIDDLE EAST ROAD MAP TO PEACE

Committee on Foreign Relations: Committee concluded a hearing to examine detours and disengagements regarding the Israeli-Palestinian peace process, focusing on world-wide terrorist recruitment efforts, the economic impact of the infitada, Israel's plan for unilateral withdrawal from the Gaza Strip, after receiving testimony from David M. Satterfield, Principal Deputy Assistant Secretary of State for Near Eastern Affairs; and Dennis Ross, Washington Institute for Near East Policy, Abdel Monem Said Aly, Brookings Institution, and Aaron David Miller, Seeds of Peace, all of Washington, D.C.

FEDERAL WORKFORCE

Committee on Governmental Affairs: Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia concluded a hearing to examine governmentwide workforce flexibilities available to federal agencies, focusing on those enacted in the Homeland Security Act, specifically their implementation, use by agencies, and training and education related to using the new flexibilities, after receiving testimony from Clay Johnson III, Deputy Director for Management, Office of Management and Budget; Dan G. Blair, Deputy Director, Office of Personnel Management; J. Christopher Mihm, Managing Director, Strategic Issues, Government Accountability Office; Ed Sontag, Assistant Secretary of Health and Human Services for Administration and Management; Joanne W. Simms, Deputy Assistant Attorney General for Human Resources and Administration, and Chief Human Capital Officer, Department of Justice; and Vicki A. Novak, Assistant Administrator for Human Resources, and Chief Human Capital Officer, National Aeronautics and Space Administration.

SUBSTANCE ABUSE PROGRAMS

Committee on Health, Education, Labor, and Pensions: Subcommittee on Substance Abuse and Mental Health Services concluded a hearing to examine performance and outcome measurement in substance abuse and mental health programs, focusing on the mission of the Substance Abuse and Mental Health Services Administration to build resilience and facilitate recovery, after receiving testimony from Charles G. Curie, Administrator, Substance Abuse and Mental Health Services Administration, Department of Health and Human Services; A. Thomas McLellan, Treatment Research Institute, Philadelphia, Pennsylvania; Howard H. Goldman, University of Maryland School of Medicine, Baltimore; Gary Q. Tester, Ohio Department of Alcohol and Drug Addiction Services, Columbus; and Marsha Medalie, Riverside Community Care, Dedham, Massachusetts.

NEZ PERCE-SNAKE RIVER WATER RIGHTS ACT

Committee on Indian Affairs: Committee concluded a hearing to examine S. 2605, 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, after receiving testimony from Senator Craig; Michael D. Olsen, Counselor to the Assistant Secretary of the Interior for Indian Affairs; Anthony D. Johnson, Nez Perce Tribal Executive Committee, Lapwai, Idaho; Michael Bogert, Office of Idaho Governor Kempthorne, Boise; Roger D.

Ling, Ling, Robinson, and Walker, Rupert, Idaho, on behalf of the Federal Claims Coalition Upper Snake River Water Users; and James S. Riley, Intermountain Forest Association, Coeur d'Alene, Idaho.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

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;

S. Res. 401, designating the week of November 7 through November 13, 2004, as "National Veterans Awareness Week" to emphasize the need to develop educational programs regarding the contributions of veterans to the country;

S. Con. Res. 109, commending the United States Institute of Peace on the occasion of its 20th anniversary and recognizing the Institute for its contribution to international conflict resolution;

S. Res. 404, designating August 9, 2004, as "Smokey Bear's 60th Anniversary";

S. Res. 407, designating October 15, 2004, as "National Mammography Day"; and

The nominations of David W. McKeague, of Michigan, to be United States Circuit Judge for the Sixth Circuit, Richard A. Griffin, of Michigan, to be United States Circuit Judge for the Sixth Circuit, Virginia Maria Hernandez Covington, to be United States District Judge for the Middle District of Florida, Michael H. Schneider, Sr., of Texas, to be United States District Judge for the Eastern District of Texas, and Robert Clark Corrente, of Rhode Island, to be United States Attorney for the District of Rhode Island.

BUSINESS MEETING

Committee on Veterans' Affairs: Committee ordered favorably reported the following business items:

S. 1153, to amend title 38, United States Code, to permit medicare-eligible veterans to receive an out-patient medication benefit, to provide that certain veterans who receive such benefit are not otherwise eligible for medical care and services from the Department of Veterans Affairs;

S. 2483, to increase, effective as of December 1, 2004, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans;

S. 2484, to amend title 38, United States Code, to simplify and improve pay provisions for physicians and dentists, to authorize alternate work schedules and executive pay for nurses, with amendments;

S. 2485, to amend title 38, United States Code, to improve and enhance the authorities of the Secretary of Veterans Affairs relating to the management and disposal of real property and facilities, with amendments; and

S. 2486, to amend title 38, United States Code, to improve and enhance education, housing, employment, medical, and other benefits for veterans and to improve and extend certain authorities relating to the administration or benefits for veterans, with amendments.

INTELLIGENCE REFORM

Select Committee on Intelligence: Committee concluded a hearing to examine reform and reorganization of the intelligence community of the United States, focusing on the report of the 9/11 Commission, and prospective legislation to create a Director of National Intelligence, after receiving testimony from Senator Feinstein; and Lieutenant General William E. Odom, USA (Ret.), Hudson Institute, John J. Hamre, Center for Strategic and International Studies, and James R. Woolsey, Booz Allen Hamilton, all of Washington, D.C.

House of Representatives

Chamber Action

Measures Introduced: 15 public bills, H.R. 4863–4877; 1 private bill, H.R. 4878; and 7 resolutions, H. Con. Res. 475, and H. Res. 728–733, were introduced. **Pages H6126–27**

Additional Cosponsors: **Page H6128**

Reports Filed: Reports were filed today as follows:

Conference report on H.R. 2443, to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard (H. Rept. 108–617);

H. Res. 730, waiving points of order against the conference report to accompany H.R. 2443, to authorize appropriations for the Coast Guard for fiscal year 2004, to amend various laws administered by the Coast Guard (H. Rept. 108–618);

H.R. 2929, to protect users of the Internet from unknowing transmission of their personally identifiable information through spyware programs, amended (H. Rept. 108–619);

H. Res. 731, waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (H. Rept. 108–620);

H. Res. 732, providing for consideration of H.R. 4837, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2005 (H. Rept. 108–621); and

Conference report on H.R. 4613, making appropriations for the Department of Defense for the fiscal year ending September 30, 2005 (H. Rept. 108–622). **Pages H6022–48, H6126 (See next issue.)**

Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Bishop of Utah to act as Speaker pro tempore for today.

Page H5985

Recess: The House recessed at 9:30 a.m. and reconvened at 10 a.m.

Page H5988

Stock Option Accounting Reform Act: The House passed H.R. 3574, to require the mandatory expensing of stock options granted to executive officers, by a yea-and-nay vote of 312 yeas to 111 nays, Roll No. 397.

Pages H6001–22

Agreed to the amendment in the nature of a substitute recommended by the Committee on Financial Services that was considered as an original bill for the purpose of amendment.

Page H6621

Agreed to:

Oxley amendment (printed in H. Rept. 108–616) that clarifies the original intent of the bill to ensure that any company that wishes to voluntarily expense stock options in certain filings required under the securities laws may do so.

Pages H6012–13

Rejected:

Sherman amendment (printed in H. Rept. 108–616) that sought to eliminate the requirement in the bill that an assumption of zero volatility be used when calculating the value of stock option expense for the top-five executives (by a recorded vote of 126 yeas to 296 noes, Roll No. 394);

Pages H6013–14, H6019–20

Maloney amendment (printed in H. Rept. 108–616) that sought to preserve the authority of the Securities and Exchange Commission to establish accounting principles or standards on its own initiative as the SEC deems necessary in the public interest or for the protection of investors (by a recorded vote of 114 yeas to 308 noes, Roll No. 395); and

Pages H6014–16, H6020

Kanjorski amendment (printed in H. Rept. 108–616) in the nature of a substitute (by a recorded vote of 127 yeas to 293 noes, Roll No. 396).

Pages H6016–19, H6020–21

Agreed that the Clerk be authorized to make technical and conforming changes as may be necessary to reflect the actions of the House.

Page H6022

H. Res. 725, the rule providing for consideration of the bill was agreed to by a voice vote.

Pages H5991–98

District of Columbia Appropriations Act for FY05: The House passed H.R. 4850, making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 2005, by a yea-and-nay vote of 371 yeas to 54 nays, Roll No. 399.

Pages H6048–65

Rejected:

Hefley amendment (No. 2 printed in the Congressional Record of July 19) that reduces total appropriations in the Act by 1 percent (by a recorded vote of 113 yeas to 309 noes, Roll No. 398).

Pages H6063–64

H. Res. 724, the rule providing for consideration of the bill was agreed to by a voice vote.

Pages H5998–H6001

Suspensions: The House agreed to suspend the rules and pass the following measures:

Department of Homeland Security Financial Accountability Act: H.R. 4259, to amend the Internal Revenue Code of 1986 to increase the child tax credit;

Pages H6071–74

Amending United States Code to authorize the location of the principal office of the U.S. Court of Appeals for Veterans Claims: H.R. 3936, to amend title 38, United States Code, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, D.C., metropolitan area;

Pages H6076–78

Recognizing the members of AMVETS for their service to the Nation: H. Con. Res. 308, recognizing the members of AMVETS for their service to the Nation and supporting the goal of AMVETS National Charter Day;

Pages H6081–82

Providing for the appointment of Eli Broad as a citizen regent of the Board of Regents of the Smithsonian Institution: S.J. Res. 38, providing for the appointment of Eli Broad as a citizen regent of the Board of Regents of the Smithsonian Institution—clearing the measure for the President;

Pages H6082–83

Permitting the Library of Congress to hire Library of Congress police employees: H.R. 4816, to

permit the Librarian of Congress to hire Library of Congress Police employees; **Pages H6084–85**

Junk Fax Prevention Act of 2004: H.R. 4600, amended, to amend section 227 of the Communications Act of 1934 to clarify the prohibition on junk fax transmissions; and **Pages H6089–93**

Minor Use and Minor Species Animal Health Act of 2003: S. 741, to amend the Federal Food, Drug, and Cosmetic Act with regard to new animal drugs—clearing the measure for the President. **Pages H6093–H6101**

Suspensions—Proceedings Postponed: The House completed debate on the following measures under suspension of the rules. Further consideration will continue on Wednesday, July 21.

Recognizing the 35th anniversary of the Apollo 11 lunar landing: H. Res. 723, recognizing the 35th anniversary of the Apollo 11 lunar landing; **Pages H6065–71**

Bob Michel Department of Veterans Affairs Outpatient Clinic Designation Act: H.R. 4608, to name the Department of Veterans Affairs outpatient clinic located in Peoria, Illinois, as the “Bob Michel Department of Veterans Affairs Outpatient Clinic”; **Pages H6074–76**

Veterans Compensation Cost-of-Living Adjustment Act of 2004: H.R. 4175, amended, to increase, effective as of December 1, 2004, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans; and **Pages H6078–80**

Sense of the House regarding the postponement of Presidential elections due to terrorist actions: H. Res. 728, expressing the sense of the House of Representatives that the actions of terrorists will never cause the date of any Presidential election to be postponed and that no single individual or agency should be given the authority to postpone the date of a Presidential election. **Pages H6085–89**

Tax Relief, Simplification, and Equity Act of 2003—Motion To Instruct Conferees: The House debated the Stenholm motion to instruct conferees on H.R. 1308, to amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit. Further consideration of the motion will continue on Wednesday, July 21. **Pages H6101–04**

Late Conference Report: Agreed that the managers on the part of the House have until midnight on July 20 to file a conference report on H.R. 4613,

making appropriations for the Department of Defense for the fiscal year ending September 30, 2005. **Page H6048**

Senate Message: Message received from the Senate today appears on pages H5988–89.

Senate Referral: S. 2385 was referred to the Committee on Transportation and Infrastructure; S. 2277 and S. 2398 were held at the desk. **Page H6124**

Quorum Calls—Votes: Two yea-and-nay votes and four recorded votes developed during the proceedings of today and appear on pages H6019–20, H6020, H6020–21, H6021–22, H6064, H6064–65. There were no quorum calls.

Adjournment: The House met at 9 a.m. and adjourned at 10:59 p.m.

Committee Meetings

FOREST LAND ENHANCEMENT PROGRAM

Committee on Agriculture: Held a hearing to review the Forest Land Enhancement Program. Testimony was heard from Mark E. Rey, Under Secretary, Natural Resources and Environment, USDA; and public witnesses.

VA, HUD AND INDEPENDENT AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on VA, HUD and Independent Agencies approved for full Committee action the VA, HUD and Independent Agencies appropriations for fiscal year 2005.

DEPOT MAINTENANCE

Committee on Armed Services: Subcommittee on Readiness held a hearing on Depot Maintenance—Capacity and Resources for Future Work. Testimony was heard from the following officials of the Department of Defense: MG Mitchell Stevenson, USA., Deputy Chief of Staff, Logistics and Operations, U.S. Army Materiel Command, Department of the Army; the following officials of the Department of the Navy: RAD Mark A. Hugel, USN, Deputy Director, Fleet Readiness Division; and LTG Richard L. Kelly, USMC, Deputy Commandant, Installations and Logistics, U.S. Marine Corps; and LTG Donald J. Wetekam, USAF, Deputy Chief of Staff, Installations and Logistics, Department of the Air Force.

SPECIAL OPERATIONS COMMAND PERSONNEL ISSUES

Committee on Armed Services: Subcommittee on Terrorism, Unconventional Threats and Capabilities held a hearing on Special Operations Command Personnel Issues. Testimony was heard from the following officials of the Department of Defense: COL

Kenneth J. Cull, USA, Director, Manpower and Personnel (J1), U.S. Special Forces Command; and CSM Michael T. Hall, USA, Senior Enlisted Advisor, U.S. Army Special Operations Command, both with the Department of the Army; CMSgt. Robert V. Martens, Jr., USAF, Senior Enlisted Advisor, U.S. Special Operations Command; and CMSgt. Howard J. Mowry, USAF, Senior Enlisted Advisor, Air Force Special Operations Command, both with the Department of the Air Force; and FORMC Clell Breining, USN, Senior Enlisted Advisor, Naval Special Warfare Command, Department of the Navy.

“ARE COLLEGE TEXTBOOKS PRICED FAIRLY?”

Committee on Education and the Workforce: Subcommittee on 21st Century Competitiveness held a hearing entitled “Are College Textbooks Priced Fairly?” Testimony was heard from public witnesses.

PIPELINE SAFETY

Committee on Energy and Commerce: Subcommittee on Energy and Air Quality held a hearing entitled “Pipeline Safety.” Testimony was heard from the following officials of the Department of Transportation: Samuel G. Bonasso, Deputy Administrator, Research and Special Programs Administration; and Kenneth M. Mead, Inspector General; Katherine Siggerud, Director, Physical Infrastructure Issues, GAO; and public witnesses.

CREDIT UNION REGULATORY IMPROVEMENTS

Committee on Financial Services: Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Credit Union Regulatory Improvements.” Testimony was heard from JoAnn Johnson, Chairman, National Credit Union Administration; and public witnesses.

MULTIFAMILY HOUSING

Committee on Financial Services: Subcommittee on Housing and Community Opportunity held a hearing on a GAO report entitled “Multifamily Housing: More Accessible HUD Data Could Help Efforts to Preserve Housing for Low-Income Tenants.” Testimony was heard from David C. Wood, Director, Financial Markets and Community Investment, GAO; John C. Weicher, Assistant Secretary, Housing/Federal Housing Commissioner, Department of Housing and Urban Development; and public witnesses.

FIXING FEDERAL LAW ENFORCEMENT PAY AND BENEFITS

Committee on Government Reform: Subcommittee on Civil Service and Agency Organization held an over-

sight hearing entitled “Time to Bite the Bullet: Fixing Federal Law Enforcement Pay and Benefits.” Testimony was heard from Ronald Sanders, Associate Director, Strategic Human Resources Policy, OPM; and public witnesses.

“WHAT IS THE ADMINISTRATION’S RECORD IN RELIEVING BURDEN ON SMALL BUSINESS?”

Committee on Government Reform: Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs and the Subcommittee on Regulatory Reform and Oversight of the Committee on Small Business continued joint hearings entitled “What is the Administration’s Record in Relieving Burden on Small Business?—Part II.” Testimony was heard from John D. Graham, Administrator, Office of Information and Regulatory Affairs, OMB; Jesus Delgado-Jenkins, Acting Assistant Secretary, Management and Budget and Chief Financial Officer, Department of the Treasury; Felipe Mendoza, Associate Administrator, Office of Small Business Utilization, GSA; and public witnesses.

DOD FINANCIAL MANAGEMENT PROBLEMS IMPACTING ARMY RESERVE PAY

Committee on Government Reform: Subcommittee on Government Efficiency and Financial Management held a hearing entitled “Are Financial Management Problems at the Department of Defense Impacting Army Reserve Pay?” Testimony was heard from Gregory D. Kutz, Director, Financial Management and Assurance, GAO; the following officials of the Department of Defense: LTG James R. Helmly, USA, Chief, Army Reserve; and Ernest H. Gregory, Acting Assistant Secretary, Financial Management and Comptroller, both with the Department of the Army; and Patrick T. Shine, Director, Military and Civilian Pay Services, Defense Finance and Accounting Service, Department of Defense; and public witnesses.

PUBLIC SAFETY INTEROPERABILITY

Committee on Government Reform: Subcommittee on National Security, Emerging Threats and International Relations held a hearing entitled “Public Safety Interoperability: Look Who’s Talking Now.” Testimony was heard from William Jenkins, Jr., Director, Homeland Security and Justice Issues, GAO; David Boyd, Program Manager, SAFECOM, Department of Homeland Security; John Muleta, Chief, Wireless Telecommunications Bureau, FCC; Stephen T. Devine, Patrol Frequency Coordinator, Communications Division, State Highway Patrol General

Headquarters, State of Missouri; Glen S. Nash, Telecommunications Division, Department of General Services, State of California; and public witnesses.

VOTING MACHINE TECHNOLOGY

Committee on Government Reform: Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census held a hearing entitled "The Science of Voting Machine Technology: Accuracy, Reliability, and Security." Testimony was heard from Randolph Hite, Director, Information Technology Architecture and Systems, GAO; Hratch Semerjian, Acting Director, National Institute of Standards and Technology, Department of Commerce; Terry Jarrett, General Counsel, Secretary of State, State of Missouri; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Held a hearing on the following bills: H.R. 1787, Good Samaritan Volunteer Firefighter Assistance Act of 2003; H.R. 3369, Non-profit Athletic Organization Protection Act of 2003; and H.R. 1084, Volunteer Pilot Organization Protection Act. Testimony was heard from public witnesses.

CHILD CUSTODY PROTECTION ACT

Committee on the Judiciary: Subcommittee on the Constitution held a hearing on H.R. 1755, Child Custody Protection Act. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks, Recreation and Public Lands held a hearing on the following bills: H.R. 3176, Ojito Wilderness Act; and H.R. 4593, Lincoln County Conservation, Recreation, and Development Act of 2004. Testimony was heard from Senators Ensign and Reid; and Representatives Wilson of New Mexico and Porter; Rebecca Watson, Assistant Secretary, Land and Minerals Management, Department of the Interior; and public witnesses.

CONFERENCE REPORT—COAST GUARD AUTHORIZATION

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2443, Coast Guard and Maritime Transportation Act of 2004, and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Representatives LoBiondo and Filner.

SAME-DAY CONSIDERATION OF RESOLUTION REPORTED BY THE RULES COMMITTEE

Committee on Rules: Granted, by voice vote, a rule waiving clause 6(a) of rule XIII (requiring a two-

thirds vote to consider a rule on the same day it is reported from the Rules Committee) against certain resolutions reported from the Rules Committee. The rule applies the waiver to any special rule reported on the legislative day of July 21, 2004, providing for the consideration or disposition of a conference report to accompany the bill (H.R. 1308) to amend the Internal Revenue Code of 1986 to accelerate the increase in the refundability of the child tax credit, and for other purposes.

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2005

Committee on Rules: Granted, by voice vote, an open rule providing 1 hour of general debate on H.R. 4837, Military Construction Appropriations Act, 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. No testimony was heard.

GSA'S FISCAL YEAR 2005 CAPITAL INVESTING AND LEASING PROGRAM

Committee on Transportation and Infrastructure: Subcommittee on Economic Development, Public Buildings and Emergency Management approved for full Committee action the GSA's Fiscal Year 2005 Capital Investment and Leasing Program.

ENSURING VALUE FROM EPA GRANTS

Committee on Transportation and Infrastructure: Subcommittee on Water Resources and Environment held an oversight hearing on Ensuring Value from EPA Grants. Testimony was heard from The following officials of the EPA: Nikki Tinsley, Inspector General; and David J. O'Connor, Acting Assistant Administrator, Office of Administration and Resources Management; John B. Stephenson, Director, Environmental Issues, GAO; and public witnesses.

U.S.-MOROCCO FREE TRADE AGREEMENT IMPLEMENTATION ACT

Committee on Ways and Means: Ordered reported H.R. 4842, United States-Morocco Free Trade Agreement Implementation Act.

PUBLIC SERVANT RETIREMENT PROTECTION ACT

Committee on Ways and Means: Subcommittee on Social Security held a hearing on H.R. 4391, Public Servant Retirement Protection Act. Testimony was heard from Martin H. Gerry, Commissioner, Disability and Income Security Programs, SSA; and public witnesses.

BRIEFING—RED CROSS INTERNATIONAL COMMITTEE—REVIEW DOCUMENTS ON DETAINEE INTERROGATION

Permanent Select Committee on Intelligence: Met in executive session to receive a briefing to Review the International Committee of the Red Cross Documents on Detainee Interrogation. The Committee was briefed by departmental witnesses.

ROLE OF BIOMETRICS IN COUNTERTERRORISM AND HOMELAND SECURITY EFFORTS

Permanent Select Committee on Intelligence: Subcommittee on Terrorism and Homeland Security met in executive session to hold a hearing on the Role of Biometrics in Counterterrorism and Homeland Security Efforts. Testimony was heard from departmental witnesses.

Joint Meetings

DEMOCRACY IN ALBANIA

Commission on Security and Cooperation in Europe (Helsinki Commission): Commission concluded a hearing to examine the prospects for advancing democracy in Albania, after receiving testimony from Osmo Lipponen, Organization For Security and Co-operation In Europe, Erion Veliaj, MJAFT! (“Enough!”)/Balkans Youth Link, Kreshnik Spahiu, Albanian Coalition Against Corruption, and Fatmir Mediu, Albanian Republican Party, all of Tirana, Albania; Nicholas C. Pano, Western Illinois University, Macomb, Illinois; Fatos Tarifa, Republic of Albania Ambassador, Washington, D.C.; Edward Selami, Former Member Albanian Parliament, Virginia Beach, Virginia.

COMMITTEE MEETINGS FOR WEDNESDAY, JULY 21, 2004

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services: to hold hearings to examine the nominations of Vice Admiral Timothy J. Keating, USN, for appointment to the grade of admiral and to be Commander, United States Northern Command/Commander, North American Aerospace Defense Command;

Lieutenant General Bantz J. Craddock, USA, for appointment to the grade of general and to be Commander, United States Southern Command; Peter Cyril Wyche Flory, of Virginia, to be an Assistant Secretary of Defense for International Security Policy, and Valerie Lynn Baldwin, of Kansas, to be an Assistant Secretary of the Army, 9:30 a.m., SR-222.

Subcommittee on Personnel, with the Committee on Health, Education, Labor, and Pensions, Subcommittee on Children and Families, to hold joint hearings to examine how states have responded to military families' unique challenges during military deployments and what the Federal Government can do to support states in this important work, 2 p.m., SD-430.

Committee on Banking, Housing, and Urban Affairs: to hold hearings to examine regulation NMS and developments in market structure, 10 a.m., SD-538.

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests, to hold hearings to examine S. 738, 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, S. 1614, to designate a portion of White Salmon River as a component of the National Wild and Scenic Rivers System, S. 2221, to authorize the Secretary of Agriculture to sell or exchange certain National Forest System land in the State of Oregon, S. 2253, to permit young adults to perform projects to prevent fire and suppress fires, and provide disaster relief, on public land through a Healthy Forest Youth Conservation Corps, S. 2334, to designate certain National Forest System land in the Commonwealth of Puerto Rico as components of the National Wilderness Preservation System, S. 2408, to adjust the boundaries of the Helena, Lolo, and Beaverhead-Deerlodge National Forests in the State of Montana, and S. 2622, to provide for the exchange of certain Federal land in the Santa Fe National Forest and certain non-Federal land in the Pecos National Historical Park in the State of New Mexico, 2:30 p.m., SD-366.

Committee on Finance: to hold hearings to examine bridging the tax gap, 10 a.m., SD-215.

Committee on Foreign Relations: to hold hearings to examine combating multilateral development bank corruption, focusing on the U.S. Treasury's role and internal efforts, 9:30 a.m., SD-419.

Committee on Governmental Affairs: business meeting to consider pending calendar business, 10 a.m., SD-342.

Committee on Health, Education, Labor, and Pensions: Subcommittee on Children and Families, with the Committee on Armed Services, Subcommittee on Personnel, to hold joint hearings to examine how states have responded to military families' unique challenges during military deployments and what the Federal Government can do to support states in this important work, 2 p.m., SD-430.

Committee on Indian Affairs: business meeting to consider pending calendar business; to be followed by a hearing to examine S. 519, to establish a Native American-

owned financial entity to provide financial services to Indian tribes, Native American organizations, and Native Americans, 10 a.m., SR-485.

Full Committee, to hold an oversight hearing to examine the proposed reauthorization of the Indian Health Care Improvement Act, 2 p.m., SR-485.

Committee on the Judiciary: to hold an oversight hearing to examine the Radiation Exposure Compensation Program, 10 a.m., SD-226.

House

Committee on Agriculture, Subcommittee on General Farm Commodities and Risk Management, hearing to review the Federal Crop Insurance System, 10 a.m., 1300 Longworth.

Committee on Armed Services, to continue hearings on Army Transformation: Implications for the Future, II, 10 a.m., 2118 Rayburn.

Subcommittee on Tactical Air and Land Forces, hearing on Small Business Innovation and Technology, 3 p.m., 2118 Rayburn.

Committee on Education and the Workforce, to mark up H.R. 4496, Vocational and Technical Education for the Future Act, 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Energy and Air Quality, hearing entitled "Methyl Bromide: Update on Achieving the Requirements of the Clean Air Act and Montreal Protocol," 11 a.m., 2322 Rayburn.

Subcommittee on Telecommunications and the Internet, hearing entitled "The Digital Television Transition: What We Can Learn from Berlin," 10 a.m., 2123 Rayburn.

Committee on Financial Services, hearing on Monetary Policy and the State of the Economy, 10 a.m., followed by a hearing entitled "Shell Games: Corporate Governance and Accounting for Oil and Gas Reserves," 2 p.m., 2128 Rayburn.

Committee on Government Reform, to consider the following measures: H.R. 2449, Civil War Sesquicentennial Commission Act; H.R. 2528, Hudson-Fulton-Champlain 400th Commemoration Commission Act of 2003; H.R. 4324, To amend title 5, United States Code, to eliminate the provisions limiting certain election opportunities available to individuals participating in the Thrift Savings Plan; H.R. 4556, To designate the facility of the United States Postal Service located at 1115 South Clinton Avenue in Dunn, North Carolina, as the "General William Carey Lee Post Office Building"; H.R. 4618, To designate the facility of the United States Postal Service located at 10 West Prospect Street in Nanuet, New York, as the "Anthony I. Lombardi Memorial Post Office Building"; H.R. 4632, To designate the facility of the United States Postal Service located at 19504 Linden Boulevard in St. Albans, New York, as the "Archie Spigner Post Office Building"; H.R. 4657, District of Columbia Retirement Protection Improvement Act of 2004; S. 2415, To designate the facility of the United States Postal Service located at 4141 Postmark Drive, Anchorage, Alaska as the "Robert J. Opinsky Post Office Building"; H. Res. 695, 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; and H. Res. 717, Honoring former President William Jefferson Clinton on the occasion of his 58th birthday, 10 a.m., 2154 Rayburn.

Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census, hearing entitled "Where's the CIO? The Role, Responsibility and Challenge for Federal Chief Information Officers in IT Investment Oversight and Information Management," 2:30 p.m., 2154 Rayburn.

Committee on International Relations, Subcommittee on Asia and the Pacific, hearing on HIV/AIDS in Asia, 1:30 p.m., 2172 Rayburn.

Committee on the Judiciary, to mark up the following measures: H. Res. 700, Directing the Attorney General to transmit to the House of Representatives documents in the possession of the Attorney General relating to the treatment of prisoners and detainees in Iraq, Afghanistan, and Guantanamo Bay; H.R. 4646, To amend title 28, United States Code, to provide for the holding of Federal district court in Plattsburgh, New York; H.R. 112, To amend title 28, United States Code, to provide for an additional place of holding court in the District of Columbia; and H.R. 4586, Family Movie Act of 2004, 10 a.m., 2141 Rayburn.

Subcommittee on Commercial and Administrative Law, oversight hearing on the Administration of Large Business Bankruptcy Reorganizations: Has Competition for Big Cases Corrupted the Bankruptcy System? 3 p.m., 2141 Rayburn.

Committee on Resources, to mark up the following bills: H.R. 1662, Sound Science for Endangered Species Act Planning Act of 2003; and H.R. 2933, Critical Habitat Reform Act of 2003; 10 a.m., followed by an oversight hearing on the Guam War Claims Commission Report, 12 noon, 1324 Longworth.

Committee on Rules, to consider H.R. 3313, Marriage Protection Act, 4 p.m., Capitol.

Committee on Science, hearing on Cybersecurity Education—Meeting the Needs of Technology Workers and Employers; followed by a markup of H.R. 4107, Assistance to Firefighters Grant Reauthorization Act of 2004, 10 a.m., 2318 Rayburn.

Committee on Small Business, Subcommittee on Rural Enterprises, Agriculture and Technology, hearing entitled "Tax Incentives for Homeland Security Related Expenses," 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, to mark up the following: GSA's Fiscal Year 2005 Capital Investment and Leasing Program Resolutions; U.S. Army Corps of Engineers Survey Resolution; H.R. 784, amended, Water Quality Investment Act of 2003; H.R. 4470, To amend the Federal Water Pollution Act to extend the authorization of appropriations for the Lake Pontchartrain Basin Restoration Program; H.R. 4688, To amend the Federal Water Pollution Control Act to reauthorize the Chesapeake Bay Program; H.R. 4731, To amend the Federal Water Pollution Control Act to reauthorize the National Estuary Program; and H.R. 4794, To amend the

Tijuana River Valley Estuary and Beach Sewage Cleanup Act to extend the authorization of appropriations, 11 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, to mark up the following bills: H.R. 4768, Veterans Medical Facilities Management Act of 2004; H.R. 4658, Servicemembers Legal Protection Act of 2004; H.R. 1318, To name the Department of Veterans Affairs outpatient clinic in Sunnyside, Queens, New York, as the "Thomas P. Noonan, Jr., Department of Veterans Affairs Outpatient Clinic;" and H.R. 4836, to name the Department of Veterans Affairs medical center in Amarillo, Texas, as the "Thomas E. Creek Department of Veterans Affairs Medical Center," 1 p.m., 334 Cannon.

Subcommittee on Oversight and Investigations, hearing on the VA's progress in its third party collections pro-

gram and implementation of the Patient Financial Services System, 10 a.m., 334 Cannon.

Committee on Ways and Means, to mark up H.R. 2971, Social Security Number Privacy and Identity Theft Prevention Act of 2004, 10:30 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, Subcommittee on Human Intelligence, Analysis and Counterintelligence, executive, Briefing: Counternarcotics: Latin America and Southeast Asia, 10 a.m., H-405 Capitol.

Joint Meetings

Commission on Security and Cooperation in Europe: to receive a briefing on the current state of religious freedom in the Caucasus due to recent events in Azerbaijan, Armenia and Georgia, 11 a.m., 340 CHOB.

Next Meeting of the SENATE
9:30 a.m., Wednesday, July 21

Senate Chamber

Program for Wednesday: After the transaction of morning business for statements only (not to extend beyond 90 minutes), Senate will continue consideration of S. 2677, a bill to implement the United States-Morocco Free Trade Agreement, with a vote on final passage thereon to occur at approximately 11:30 a.m.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Wednesday, July 21

House Chamber

Program for Wednesday: Consideration of Suspensions:

- (1) H.R. 4840—To amend the Internal Revenue Code of 1986 to simplify the taxation of businesses;
- (2) H.R. 4841—To amend the Internal Revenue Code of 1986 to simplify certain tax rules for individuals;

(3) H. Res. 647—Supporting the goals of National Marina Day and urging marinas to continue providing environmentally friendly gateways to boating;

(4) H.R. 3884—Hipolito F. Garcia Federal Building and United States Courthouse Building Designation Act;

(5) H.R. 4056—Commercial Aviation MANPADS Defense Act of 2004;

(6) H.R. 4011—North Korean Human Rights Act of 2004;

(7) 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;

(8) 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;

(9) 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;

(10) H. Con. Res. 436—Celebrating 10 years of majority rule in the Republic of South Africa; and

(11) H. Con. Res. 469—Condemning the attack on the AMIA Jewish Community Center in Buenos Aires, Argentina, in July 1994.

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