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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. CAMPBELL of California).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
May 10, 2006.

I hereby appoint the Honorable JOHN CAMPBELL to act as Speaker pro tempore on this day.

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

PRAYER

The Reverend Ross Thomson, Bammel Church of Christ, Houston, Texas, offered the following prayer:

Lord, as we gather in this city named for him, we remember George Washington's most precious possession: the keys always on his nightstand, the keys given to him by General Lafayette, the keys to the Bastille.

Lord, we thank You that, two centuries later, we still hold the keys of freedom. We are mindful that then and now, our greatest power is our ability to win hearts and minds; our greatest gift to mankind the inspiration of our ideas; our greatest influence that of moral persuasion.

Lord, You have allowed this Nation the honor of being freedom's first line of defense, and her last bastion of hope. Grant that we might live worthy of our calling and worthy of the hope of those who have gone before; that we in this place, might conduct ourselves with honor, courage and integrity, worthy of this great Republic, worthy of the sacrifices of its citizens. 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 gentleman from Michigan (Mr. STUPAK) come forward and lead the House in the Pledge of Allegiance.

Mr. STUPAK 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.

WELCOMING REVEREND ROSS THOMSON

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

Mr. POE. Mr. Speaker, Ross Thomson was born in Scotland in 1956. At the age of 4, his family moved to Toowoomba, Australia, where he was raised. While there, he became a Christian. In 1975, faith took his family to Salisbury, Rhodesia for mission work among the Shona tribe. He worked with his father, and would devote the rest of his life to saving souls.

Having lived the ministry for years, Ross moved to the United States to study. He obtained his bachelor and master's degree in theology from Harding University. He did further postgraduate work at Rice University.

In 1989 he married Christine, who is with us today, and moved his family to southeast Texas, Alice, Texas, where he preached for the Morningside Drive congregation.

He has preached for the Brooks Avenue Church of Christ in Raleigh, North Carolina, and Northlake Church of Christ in Atlanta, Georgia. Currently he is the pulpit minister for the 1,200 member Bammel Church of Christ in Houston.

Christine and Ross are blessed with three children, Joshua, Savannah and Justin.

It is clear Ross, with his proper Scottish background, was not born in Texas, but he got there as fast as he could. He became a U.S. citizen in 2002.

One of my favorite stories about Ross was his first trip to an American grocery story. The first place he went was a southern grocery store called Piggly Wiggly. Puzzled, he didn't quite understand that concept.

He has done much to preach the gospel of Jesus in Texas, and spends time in the people business. So today we welcome Ross here to the United States Congress, and appreciate his determination to practice and live the freedom of religion under the first amendment of the U.S. Constitution.

PRESCRIPTION DRUG BENEFIT

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

Mrs. DRAKE. Mr. Speaker, I rise today to thank our local partners in helping spread the word about the new prescription drug benefit. Southeastern Virginia Senior Services and Eastern Shore Senior Services have worked very diligently to sign people up and to spread information.

Many of our local pharmacists, I would like to thank them as well, have allowed people to drop off their information and return for a list of the plans that cover their drugs.

Remember, Medicare part D is a voluntary program. It is a private sector insurance plan with a reduced premium. Many seniors do not need to sign up at all because their coverage is as good or better than Medicare. That would include our Federal retirees, State retirees, military, and many private sector retirees.

For more information call 1–800–MEDICARE, or go online to www.medicare.gov or call senior services.

Sign up now and begin coverage in June. Otherwise you will have to wait until January to begin this new benefit. Join our over 30 million seniors and begin saving now.

TAX CUTS FOR THE WEALTHY

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

Mr. DEFAZIO. Mr. Speaker, well, it is a big day inside the Beltway here, the long-anticipated Republican tax cuts are here, the fifth of the Bush Presidency. You would think with huge deficits maybe they would reconsider; but no, they are plowing ahead. Tonight, rivers of champagne will flow in corporate board rooms across America.

Under this bill, we will borrow $70 billion and immediately give $50 billion of it to wealthy investors. We will borrow $70 billion and give $50 billion to wealthy investors in big tax breaks to those who clip coupons off dividend-paying stocks and capital gains.

A person who earns $40,000 a year, they might get a $20 break under this bill. But those who earn $5 million, $82,000 off their tax bill. It is a great country. Yet Republicans couldn't find room in this bill for a tuition tax deduction. They had to bump that out. You know, these are tough times, people have to sacrifice; not the people in the board rooms and not the wealthy investors, but middle class America who want their kids to get an education. They couldn't fit it in the bill.

They are discriminating against wages and salary earners and favoring the investors with lower tax breaks. They are borrowing money and handing the bill to people who work for wages and salaries. I don't think that it is that they really hate wage and salary earners, they just favor the wealthy who fund their campaigns.

TACKLING THE NATION'S ENERGY POLICIES

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

Mrs. KELLY. Mr. Speaker, the high gas prices and energy costs that we are experiencing now demonstrate more than ever we have to increase the urgency of achieving U.S. oil independence from foreign sources of oil. Congress needs to work faster to develop new fuel choices and achieve fuel savings.

I am a cosponsor of the Fuel Choices for American Security Act. Our legislation initiates a plan to achieve U.S. oil savings of 2.5 million barrels per day by 2015. That is the amount of oil we currently import from the Middle East every day.

Our plan is committed to developing alternative energy courses and renewable fuels. It will create better market incentives to use the resources and technology already available here in America to develop new fuel choices and bring them to consumers faster.

As long as the U.S. dependence on foreign oil continues to increase, gas prices will continue to increase as well.

Looking backward and using high gas prices to launch political attacks gives us no solution to the Nation's energy problems. Political maneuvers are not an energy policy. Looking forward by passing this bipartisan legislation is the correct approach to implementing the initiatives we need to tackle the Nation's energy problems. Let us commit ourselves to the American consumer and not to politics.

AMT BECOMES ATM

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

Mr. BLUMENAUER. Mr. Speaker, nothing spells out the political cynicism and misplaced Republican priorities better than the tax bill we are about to vote upon. More assistance to the people in the top one-tenth of a percent whose burden has actually fallen 25 percent since Bush took office, the over-million-dollar crowd will get an additional $40,000 a year for the next 10 years.

But the Republican leadership and the Bush administration is playing Russian roulette with the alternative minimum tax and the 15.3 million families whose only sin is to pay taxes, pay their mortgage and raise their families. Every year more of them fall into a trap, and each year the Republican leadership fails to make a long-term fix a priority. They would rather play politics with the favored few.

This misguided priority is shameful, as Medicare and Medicaid deficits widen and the national debt increases. The alternative minimum tax, the AMT, has become an ATM to finance more tax cuts for people who need it least and put at risk 33 million American families who will fall into the AMT tax trap by 2010 when the house of cards comes crashing down.

AL QAEDA DISORGANIZATION

(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, earlier this week the Associated Press reported from Baghdad that recently discovered al Qaeda and Iraq documents demonstrate that the terrorists are ''concerned about disorganization within their cells in the capital area, with one extremist describing them as simply a 'daily annoyance' to the Iraqi government.''

In one document, a terrorist complains that ''the Americans and the Iraqi government forces 'were able to absorb our painful blows,' raise new recruits and 'take control of Baghdad as well as other areas, one after the other.''

Another terrorist complained about ''the strength of brothers in Baghdad and is based mostly on car bombs and groups of assassins lacking any organized military capabilities.''

These documents demonstrate that courageous American troops and Iraqi security forces are breaking the will of the terrorists in Iraq to protect American families.

In conclusion, God bless our troops. We will never forget September 11.

GAS PRICES DIRECT RESULT OF FAILED POLICIES

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

Mr. MORAN of Virginia. Mr. Speaker, today's record gas prices are the direct result of 5 years of failed policies by the Bush administration and this Republican Congress.

We seem to be more interested in giving still more tax breaks to oil executives than providing real relief to American consumers. Rather than proposing policies that would aggressively confront our energy challenges, Republicans are once again pushing to drill in ANWR. They neglect to say that drilling in ANWR would not be possible for another decade and would only provide about 6 months of oil for the American consumer.

House Republicans are also suggesting waiving environmental laws to encourage new refinery construction. But all of the major oil companies have already testified that environmental laws are not what is preventing them from building more refineries. It is more personally profitable to pay out lower-taxed-dividends than invest retained earnings in refineries.

So along with the silly $100 rebate, this is another proposal from House Republicans that will do nothing to reduce prices at the pump today. But the American consumer is beginning to realize it is time to try something new. It is time for a change in leadership.

□ 1015

MEXICO HARSHER ON ILLEGALS THAN U.S.

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

Mr. KELLER. Mr. Speaker, last week, street protests revealed a lot about the hypocrisy of Mexico. With a great deal of bluster and self-righteousness, the protestors objected to the House-approved border security bill.

They said it was ''too harsh.''

They said it was ''draconian.''

They said we shouldn't criminalize 11 million illegal immigrants.

They said we should, instead, give them amnesty and citizenship.

They waved their Mexican flags with great pride.

Well, a new study just released by the Law Library of Congress, reveals that Mexico itself is far harsher on illegal immigrants than the United States. For example, in Mexico, it is a felony punishable by 2 years in prison merely to be an illegal immigrant. In contrast to giving them citizenship, Mexico actually deported 250,000 illegal immigrants last year. Mexico even put their military soldiers on their southern border to stop illegals from going into Mexico from Guatemala.

Hypocrisy has crossed the border. It makes you wonder, were they protesting the wrong country last week?

ALLOW A VOTE ON THE PUMP ACT

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

Mr. STUPAK. Mr. Speaker, this weekend I held four town hall meetings in my vast rural northern Michigan district. I put on over 700 miles as I traveled from small town to small town to meet with my constituents. The number one concern of my constituents was the extremely high price of gasoline.

My constituents can't afford to drive the distances necessary to go to and from work. My constituents know they cannot afford the $50 to fill their gas tank. My constituents know that my PUMP legislation, Prevent Unfair Manipulating of Prices, would end the speculation in the pricing of a barrel of oil. My constituents know the legislation would reduce the cost of a barrel of oil by $20 and would lower the cost of the gas at the pump by one-third.

We could do that today.

My constituents also know that President Bush and the rubber-stamp Republican-controlled Congress will not allow a vote on my legislation.

Mr. Speaker, let's lower gas prices today. Let's lower it by bringing forward the PUMP legislation for a vote in this House, and do the people's work instead of the oil companies' work.

PROGRESS BEING MADE IN IRAQ

(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, this weekend I had the privilege of leading a delegation of Republicans and Democrats to Operation Iraqi Freedom, and despite what you see on television, there is a lot of good news in Iraq, thanks to American and coalition forces and the good people of Iraq.

We were in Mosul, the ancient site of the city of Nineva. And where Mosul, over a year ago, was inflamed with insurgent violence, today Mosul is secure, thanks to the 101st Airborne, but also thanks to a local Iraqi police chief who is leading 1,500 Iraqi police into the streets daily to capture insurgents.

We also met with the new Prime Minister, Nuri al-Maliki, who told us of his plans to appoint a cabinet maybe as soon as this week, a clear agenda for stabilizing his country. He greeted us with the words, ''Welcome to a new Iraq.''

It will be our hope and our prayer that the American people will stand with the good people of Iraq to see freedom's fruition in that ancient land.

NURSE LOAN FORGIVENESS ACT OF 2006

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

Ms. LORETTA SANCHEZ of California. Mr. Speaker, our country is facing an increasing nursing shortage. Currently, in California, we are one of the 30 States that faces significant shortages in full-time registered nurses. But by the year 2020, 44 States are expected to have significant nurse shortages. We are going to need more than 400,000 new nurses nationwide.

We need to take immediate action to recruit and retain nurses for our Nation's medical facilities and address this critical shortage.

Today I am introducing the Nurse Loan Forgiveness Act of 2006. This bill will help recruit and retain more nurses by providing financial incentives for students to enroll in and complete nursing programs. It would forgive up to $17,000 in Federal loans over a 5-year period for people who have been working for at least a year as a full-time registered nurse.

It is time for us to take action and to address this ongoing nursing shortage. I urge my colleagues to help me and cosponsor this bill.

LANCASTER COUNTY, PENNSYLVANIA, GENEROSITY

(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, I rise today to recognize the wonderful generosity of the people of my district, the Pennsylvania 16th. This generosity has been on full display in the aftermath of the hurricanes that hit our gulf coast last year.

The small Mississippi town of Pass Christian is roughly 1,200 miles from Lancaster County, but this hasn't stopped the people of Lancaster County, including many of the Amish community, from providing an outpouring of volunteer help to this devastated gulf coast town.

Organized through a group called Community Aid Relief Effort, dozens of Lancaster County residents have been traveling to the gulf coast every week since Katrina to help out with whatever was needed, and the results are showing. Debris has been cleared, damaged homes are being repaired and new homes are being built.

Mr. Speaker, while this outpouring of compassion warms my heart, it doesn't surprise me. The people of Lancaster County have a long tradition of helping those in need, and this is just the most recent example. I honor their efforts.

TAX POLICY BENEFITING TOP 1 PERCENT OF AMERICANS

(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, some people say this is a do-nothing Congress. They are wrong. This is the rubber-stamp Congress. Every Member of the Republican side is right now looking through his office for where is his rubber stamp, because this is one of the days when they come over here and rubber-stamp the President's tax cuts.

The 13th page of the New York Times today carries the fact that the tax cut for the top 10 percent, 82 percent of the $69 billion goes to the top 10 percent.

Now, that is not do-nothing, that is just forgetting the other 90 percent in this country. And when a decent period has passed by, they are going to come out here and raise the debt limit again. That is in the paper today as well. They raised it in March, and they have given so much away and dug us so deep in debt that they are going to be out here doing it again.

There is nothing in what we will do today that is useful for anybody who is at the middle class or below. This is all for the top 10 percent. That is all these people are for. The time is coming for change in November.

CONTINUED TAX RELIEF NECESSARY

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

Mr. PRICE of Georgia. Mr. Speaker, the evidence is crystal clear: 32 straight months of job growth, 5.3 million new jobs created since August of 2003, the stock market within sight of a record high and homeownership at an all-time high. These are all good things.

So how should we keep the good things going? Continue the policies that brought them about. The House should ensure that we build on this success by supporting the tax conference report. Positive action today will prevent, prevent, a tax hike on millions of hardworking American families and small businesses that would greatly harm our economy.

By extending the reduced rates on capital gains and dividends, all Americans, all Americans, will be able to plan for the future with a greater sense of stability.

Furthermore, we will extend alternative minimum tax relief for Americans. The AMT was created in the 1970s, and times were much different. Today, an unacceptable number of families are exposed to this unfair tax, and this needs to stop.

Mr. Speaker, the facts are crystal clear: The Republican progrowth economic policies adopted by this House and this Congress are leading the way, and I urge my colleagues on both sides of the aisle to put politics aside, vote for the American people, vote today to prevent a tax increase on millions of hardworking American families.

TAX BREAKS NOT WORKING FOR MIDDLE-CLASS AMERICANS

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

Mr. BISHOP of New York. Mr. Speaker, is there any doubt today that this administration's first priority continues to be tax cuts for the wealthiest at the expense of education, health care and homeland security, all of which are being cut to pay for these tax cuts?

We have been promised that extending dividend and capital gains cuts will create a rising tide that lifts all boats. But American families know that it takes so much more than a trickle-down effect for tax cuts to deliver relief from rising gas prices, soaring tuition and skyrocketing health costs.

If the tax cuts had performed as our friends on the other side of the aisle promised, an exploding economy would have offset these strains. Instead, we are now burdened with $400 billion deficits, $3 trillion in new debt since 2001, and deep cuts to hospitals, schools and law enforcement.

How can we possibly justify tax breaks for millionaires worth more than the entire amount President Bush requested for the Department of Education and more than twice his budget for the VA? The answer is that we can't. We just can't.

Instead, Americans who need our help the most must get in line and patiently wait for the Republicans' tax cuts to make any meaningful difference, if they ever do, in their daily struggle.

Mr. Speaker, middle-class Americans deserve much better.

MEDICARE PRESCRIPTION DRUG PROGRAM SAVES MONEY FOR SENIORS

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

Mrs. MYRICK. Mr. Speaker, to date, more than 30 million Americans have signed up for the new Medicare prescription drug program, and that is because it saves them money. An AARP survey found that almost 80 percent of those enrolled in the Medicare prescription drug plan say that the new benefit is meeting or exceeding their expectations. Seniors don't have to choose between prescription drugs and paying their bills or putting food on the table anymore.

And there is still time for seniors who are not currently enrolled to sign up for the program. They have until May 15th to sign up without any penalty.

They simply have to call 1–800–MEDICARE and ask about drug savings, and there will be someone there who will help to walk them through the process.

Again, the deadline to sign up with no penalties is May 15, so call and save today.

PROVIDE REAL TAX RELIEF FOR CONSUMERS AND REPEAT ENERGY TAX BREAKS

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

Mr. CLEAVER. Mr. Speaker, how high do gas prices have to go before this administration is willing to break its ties with the oil and gas company CEOs? For 5 years now, the major oil companies have been bringing in record profits, while the pain at the pump has grown worse for average Americans.

Today, consumers are paying $3 a gallon. If you are making minimum wage, that means your first hour at work is used to buy 1½ gallons of gasoline for your car.

Major oil companies just reported $16 billion in profits for the first quarter alone, and the national response has been moral outrage. Yet last year they pushed through an energy bill that gave oil and gas companies an additional $20 billion in tax breaks and subsidies.

The problem is, those in charge here are not willing to have the courage to stand up and make things right.

TIME FOR ACTION ON ILLEGAL IMMIGRATION

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

Mrs. BLACKBURN. Mr. Speaker, one of my colleagues referenced the study from the Law Library of Congress entitled ''Immigration Law Sanctions and Enforcement in Selected Foreign Countries.'' It evaluates the policies and the practices of Brazil, Egypt, Japan, Mexico, Sweden and Switzerland. The countries were selected specifically to provide a geographically and racially diverse group for comparison purposes.

What the study found is that strong enforcement of immigration law and tough sanctions can effectively reduce illegal immigration.

Mr. Speaker, it is of concern to us that we learned yesterday that the U.S. Government is releasing information on the Minutemen border patrols to the Mexican Government. It is very frustrating that our government would be both willing and able to release information to the Mexican Government on these patrols, yet unable to adequately deter illegal entry into this country.

Mr. Speaker, I want to see a border wall or technology improvements that will actually halt illegal border crossings. There is incredible consensus among Tennesseans that enough is enough on this issue. It is time for action.

DO-NOTHING CONGRESS REFUSING TO ADDRESS NEEDS OF AMERICANS

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

Mr. BUTTERFIELD. Mr. Speaker, today is the 130th day of 2006. Guess how many of those days this House has been in session to address the needs of the American people? Twenty-nine. Twenty-nine. This is only the 29th voting day of the year here in the House of Representatives.

No wonder, Mr. Speaker, the American people have lost confidence in this Congress. The Republican majority would rather recess than tackle the tough issues of our day.

Or could it be that the Republicans are simply incapable of governing? House Republicans have yet to pass a budget for the upcoming fiscal year. Before the April recess, the House Republican leadership brought a bill to this floor, but was forced to pull it from consideration after determining that it would fail.

Regardless of whether or not Republicans are able to pick up enough Republican votes this week, the fact remains that they have presided over the largest fiscal collapse in American history. Five years ago they inherited record budget surpluses, and they have turned those into record deficits.

□ 1030

PORK BOOTLEGGERS

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

Mr. MCHENRY. Mr. Speaker, some say we have no border security. The Associated Press reported that border authorities inspecting a car crossing into the United States from Mexico uncovered a food item in a strange place. Customs and Border Patrol officers searched the man's car, and they found two pounds of raw pork, oh, heaven forbid.

The meat was wrapped in foil inside two disposable diapers. Bringing in pork is prohibited because the ''other white meat'' can carry hog cholera. Some say we have no border security. Authorities seized these items and fined the man $250.

Mr. Speaker, you are telling me, this report tells me that the Border Patrol can stop 2 pounds of pork in a diaper from entering this country, but we can't stop $58 billion worth of illegal drugs and half a million illegals crossing the border each year?

This is crazy. We must fix this problem before people start smuggling themselves in diapers.

ENERGY POLICY IN AMERICA

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

Ms. SOLIS. Mr. Speaker, today I rise in opposition to America's energy policy, which takes from the working class Americans and rewards rich oil companies. Under President Bush's plan more than $20 billion has been waived in royalty fees and more than $5 billion in giveaways to big oil-producing corporations.

Legislation considered by this body last week targeted our States and our communities as the culprits of high gas prices, rather than pointing a finger at oil companies who made more than $110 billion in profits in 2005 and $16 billion in the first 3 months of 2006.

But we know better. Just yesterday, the Environmental Council of States stated that they were not aware of any credible report that our States are denying or lagging behind on permitting of new refineries and the expansion of existing refineries. Documentation to the contrary has not been presented to our committee, Energy and Commerce Committee.

Rather than take on wealthy oil company executives, this administration and this body continue to delay real action to help working class families and small businesses.

I hope that we can resolve this issue soon.

MEDICARE ENROLLMENT

(Mr. BARRETT of South Carolina asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of South Carolina. Mr. Speaker, on December 8, 2003, President Bush signed the Medicare Prescription Drug and Modernization Act of 2003 into law. While I may have a few differences with certain aspects of this legislation, we have come a long way since the bill first became law.

The Centers for Medicare and Medicaid Services have made great strides to make this implementation process as painless as possible. The first enrollment period for Medicare part D will end in just 5 days.

Over 27 million seniors across America now have coverage and are saving money on their prescription drugs. Currently, the State of South Carolina has over 438,000 people with prescription drug coverage. Almost 80,000 of those seniors are living in my district.

As the enrollment deadline of May 15 nears, I urge my constituents to call 1–800–MEDICARE with any questions. It is important to take an active roll in managing your own health care.

CONGRESS SHOULD EXTEND THE MAY 15 DEADLINE ON THE MEDICARE PRESCRIPTION DRUG PLAN

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to address the House for 1 minute.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, the pharmaceutical industry influenced the passage of a Medicare prescription drug plan last year. It is not great, it is just all we got. The deadline is May 15 for seniors to enroll in this program.

If seniors are not enrolled in 5 days, they will face a financial penalty each month for the rest of their lives. Since it took effect at the beginning of this year, the logical problems of implementing this plan have proved enormous. Seniors across the Nation have complained about the confusing number of plans to choose from and the change in prescription benefits each offers.

Research has shown that many of those who contact the Federal Government for help receive incorrect information or no information at all. It is no surprise then that millions of seniors have yet to select a drug plan.

Now with only 5 days to select the right plan or face a steep penalty, these seniors find themselves under pressure to make the best decision for their health and their pocketbook.

Mr. Speaker, serious health decisions require time and information. Our seniors deserve more.

MEDICARE PART D

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

Ms. HART. Mr. Speaker, I rise today to call for a stop to the misleading and dishonest rhetoric from some political circles that has been used to purposefully scare seniors regarding the new prescription drug program that is available through Medicare. These hollow claims that it is too expensive for seniors or doesn't provide good coverage have been repeated by groups across the country.

These couldn't be farther from the truth. By every true measure, the new program is succeeding in its core mission of helping Medicare patients save money on their prescription drugs. Participation in the program has now exceeded its goal of enrolling 30 million by the conclusion of the first year, and it is only May.

In addition, since the beginning of March of this year, seniors have been enrolling in the prescription drug plan at the average rate of 416,000 seniors per week.

The overwhelming reason that so many Medicare recipients have now enrolled is simple. They are seeing real savings on the cost of their prescription drugs. The average senior who signs up for a plan will save more than $1,100 on their prescription drugs this year and low income seniors projected to save about $3,700; the average premium, only $25. Some in my State are paying just over $10.

Mr. Speaker, with so little time left to enroll, I encourage my colleagues help seniors enroll, not scare them.

FIVE DAYS FOR REPUBLICANS TO REJECT BUSH PRESCRIPTION DRUG TAX ON SENIORS

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

Ms. WATSON. Mr. Speaker, we must stand up for America's seniors. As this calendar shows, House Republicans have less than 1 week, only 5 days left to join Democrats in extending the period seniors have to sign up for private prescription drug plans. If this Congress refuses to act, millions of American seniors who have yet to choose a plan will be penalized with the Bush prescription drug tax that will stay with them for the rest of their lives. The Bush administration is trying to force American seniors to make a decision that will impact both their checkbooks and their health in the next 5 days.

Five million seniors have still not chosen a drug plan. But the Bush administration wants to scare all of these seniors into choosing a plan before May 15, regardless of whether or not they are comfortable or ready to sign up for a plan.

Mr. Speaker, it is time House Republicans declare independence from the White House. As we mark off another day, House Republicans must join us in taking action this week.

THE DEMOCRATS TRIED ON MEDICARE

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

Ms. FOXX. Mr. Speaker, you can't say the Democrats haven't tried their hardest. When it comes to the Medicare prescription drug benefit, they have complained, criticized and have held town hall meetings to encourage seniors not to sign up. Luckily for America's seniors, they have decided to listen to the facts instead of the negative spin.

Recently the Department of Health and Human Services reported that more than 30 million Medicare beneficiaries are now getting coverage and saving money on their prescription drugs. This surpasses their expectations of 28 to 30 million enrollees in the first year. I suppose adding to the Democrats' frustration are recent polls showing broad support for the new benefit, as well as amazing success stories of seniors who are now reaping big savings in their prescription drug costs.

For example, a recent AARP poll revealed that nearly 8 in 10, that is nearly 78 percent of those enrolled in a Medicare prescription drug plan, say the new benefit is either meeting or exceeding their expectations.

Mr. Speaker, perhaps if the Democrats put as much effort into encouraging, rather than discouraging seniors, we would have enrolled 30 million much sooner.

ENERGY CRISIS AND PRICES IN AMERICA

(Mrs. DAVIS of California asked and was given permission to address the House for 1 minute.)

Mrs. DAVIS of California. Mr. Speaker, in San Diego, the average price of regular unleaded gasoline is $3.43 a gallon, highlighting the expanding energy crisis in the country and fueling the frustration of many Americans. It is quite clear that the energy policies of President Bush and the Republican majority have failed.

The American people want Congress to come together and fix this crisis. House Democrats are energized in providing quick relief and long-term solutions. Democrats want to provide quick relief by expanding the Low Income Home Energy Assistance Program and expanding tax credits and grants to small businesses. We do this by repealing the $8 billion in Federal giveaways Republicans dished out to the oil and gas companies.

Democrats are committed to funding groundbreaking research and new technologies so that we can be independent of foreign oil by the year 2020. The energy policy of this administration and this majority is draining the wallets of Americans. It is time we implement a comprehensive energy policy that helps consumers and emphasizes alternate renewable energy.

MONSIGNOR EMILIO VALLINA

(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 congratulate the Reverend Monsignor Emilio Vallina in celebration of his 54 years of service. As a servant of God, he has truly made a difference in the San Juan Bosco Church community in my congressional district of Miami, Florida.

San Juan Bosco Church is fortunate to have an individual who gives so generously of his time and energy to improve our area. It is the perseverance and compassion of people like Monsignor Vallina that help in the development of a stronger south Florida.

After fleeing the tyrannical Castro regime in 1961, Monsignor Emilio has dedicated himself to the teaching and the practice of the Catholic doctrine. His church in East Little Havana welcomes the poor immigrants, the homeless and the lonely.

Monsignor Emilio Vallina deserves commendation for his hard work and his continuous effort to improve the welfare of our community. May God continue to bless you, my friend, Monsignor Emilio Vallina.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

RECORD votes on postponed questions will be taken later today.

H-PRIZE ACT OF 2006

Mr. INGLIS of South Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5143) to authorize the Secretary of Energy to establish monetary prizes for achievements in overcoming scientific and technical barriers associated with hydrogen energy, as amended.

The Clerk read as follows:

H.R. 5143

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 ''H-Prize Act of 2006''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTERING ENTITY.—The term ''administering entity'' means the entity with which the Secretary enters into an agreement under section 3(c).

(2) DEPARTMENT.—The term ''Department'' means the Department of Energy.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 3. PRIZE AUTHORITY.

(a) IN GENERAL.—The Secretary shall carry out a program to competitively award cash prizes only in conformity with this Act to advance the research, development, demonstration, and commercial application of hydrogen energy technologies.

(b) ADVERTISING AND SOLICITATION OF COMPETITORS.—

(1) ADVERTISING.—The Secretary shall widely advertise prize competitions to encourage broad participation, including by individuals, universities (including historically Black colleges and universities and other minority serving institutions), and large and small businesses (including businesses owned or controlled by socially and economically disadvantaged persons).

(2) ANNOUNCEMENT THROUGH FEDERAL REGISTER NOTICE.—The Secretary shall announce each prize competition by publishing a notice in the Federal Register. This notice shall include the subject of the competition, the duration of the competition, the eligibility requirements for participation in the competition, the process for participants to register for the competition, the amount of the prize, and the criteria for awarding the prize.

(c) ADMINISTERING THE COMPETITIONS.—The Secretary shall enter into an agreement with a private, nonprofit entity to administer the prize competitions, subject to the provisions of this Act. The duties of the administering entity under the agreement shall include—

(1) advertising prize competitions and their results;

(2) raising funds from private entities and individuals to pay for administrative costs and to contribute to cash prizes;

(3) working with the Secretary to develop the criteria for selecting winners in prize competitions, based on goals provided by the Secretary;

(4) determining, in consultation with the Secretary, the appropriate amount for each prize to be awarded;

(5) selecting judges in accordance with section 4(d), using criteria developed in consultation with the Secretary; and

(6) preventing the unauthorized use or disclosure of a registered participant's intellectual property, trade secrets, and confidential business information.

(d) FUNDING SOURCES.—Prizes under this Act shall consist of Federal appropriated funds and any funds provided by the administering entity (including funds raised pursuant to subsection (c)(2)) for such cash prizes. The Secretary may accept funds from other Federal agencies for such cash prizes. The Secretary may not give any special consideration to any private sector entity or individual in return for a donation to the administering entity.

(e) ANNOUNCEMENT OF PRIZES.—The Secretary may not issue a notice required by subsection (b)(2) until all the funds needed to pay out the announced amount of the prize have been appropriated or committed in writing by the administering entity. The Secretary may increase the amount of a prize after an initial announcement is made under subsection (b)(2) if—

(1) notice of the increase is provided in the same manner as the initial notice of the prize; and

(2) the funds needed to pay out the announced amount of the increase have been appropriated or committed in writing by the administering entity.

(f) SUNSET.—The authority to announce prize competitions under this Act shall terminate on September 30, 2017.

SEC. 4. PRIZE CATEGORIES.

(a) CATEGORIES.—The Secretary shall establish prizes for—

(1) advancements in components or systems related to—

(A) hydrogen production;

(B) hydrogen storage;

(C) hydrogen distribution; and

(D) hydrogen utilization;

(2) prototypes of hydrogen-powered vehicles or other hydrogen-based products that best meet or exceed objective performance criteria, such as completion of a race over a certain distance or terrain or generation of energy at certain levels of efficiency; and

(3) transformational changes in technologies for the distribution or production of hydrogen that meet or exceed far-reaching objective criteria, which shall include minimal carbon emissions and which may include cost criteria designed to facilitate the eventual market success of a winning technology.

(b) AWARDS.—

(1) ADVANCEMENTS.—To the extent permitted under section 3(e), the prizes authorized under subsection (a)(1) shall be awarded biennially to the most significant advance made in each of the four subcategories described in subparagraphs (A) through (D) of subsection (a)(1) since the submission deadline of the previous prize competition in the same category under subsection (a)(1) or the date of enactment of this Act, whichever is later, unless no such advance is significant enough to merit an award. No one such prize may exceed $1,000,000. If less than $4,000,000 is

available for a prize competition under subsection (a)(1), the Secretary may omit one or more subcategories, reduce the amount of the prizes, or not hold a prize competition.

(2) PROTOTYPES.—To the extent permitted under section 3(e), prizes authorized under subsection (a)(2) shall be awarded biennially in alternate years from the prizes authorized under subsection (a)(1). The Secretary is authorized to award up to one prize in this category in each 2-year period. No such prize may exceed $4,000,000. If no registered participants meet the objective performance criteria established pursuant to subsection (c) for a competition under this paragraph, the Secretary shall not award a prize.

(3) TRANSFORMATIONAL TECHNOLOGIES.—To the extent permitted under section 3(e), the Secretary shall announce one prize competition authorized under subsection (a)(3) as soon after the date of enactment of this Act as is practicable. A prize offered under this paragraph shall be not less than $10,000,000, paid to the winner in a lump sum, and an additional amount paid to the winner as a match for each dollar of private funding raised by the winner for the hydrogen technology beginning on the date the winner was named. The match shall be provided for 3 years after the date the prize winner is named or until the full amount of the prize has been paid out, whichever occurs first. A prize winner may elect to have the match amount paid to another entity that is continuing the development of the winning technology. The Secretary shall announce the rules for receiving the match in the notice required by section 3(b)(2). The Secretary shall award a prize under this paragraph only when a registered participant has met the objective criteria established for the prize pursuant to subsection (c) and announced pursuant to section 3(b)(2). Not more than $10,000,000 in Federal funds may be used for the prize award under this paragraph. The administering entity shall seek to raise $40,000,000 toward the matching award under this paragraph.

(c) CRITERIA.—In establishing the criteria required by this Act, the Secretary shall consult with—

(1) the Department's Hydrogen Technical and Fuel Cell Advisory Committee;

(2) other Federal agencies, including the National Science Foundation; and

(3) private organizations, including professional societies, industry associations, and the National Academy of Sciences and the National Academy of Engineering.

(d) JUDGES.—For each prize competition, the Secretary shall assemble a panel of qualified judges to select the winner or winners on the basis of the criteria established under subsection (c). Judges for each prize competition shall include individuals from outside the Department, including from the private sector. A judge may not—

(1) have personal or financial interests in, or be an employee, officer, director, or agent of, any entity that is a registered participant in the prize competition for which he or she will serve as a judge; or

(2) have a familial or financial relationship with an individual who is a registered participant in the prize competition for which he or she will serve as a judge.

SEC. 5. ELIGIBILITY.

To be eligible to win a prize under this Act, an individual or entity—

(1) shall have complied with all the requirements in accordance with the Federal Register notice required under section 3(b)(2);

(2) in the case of a private entity, shall be incorporated in and maintain a primary place of business in the United States, and in the case of an individual, whether participating singly or in a group, shall be a citizen of, or an alien lawfully admitted for permanent residence in, the United States; and

(3) shall not be a Federal entity, a Federal employee acting within the scope of his employment, or an employee of a national laboratory acting within the scope of his employment.

SEC. 6. INTELLECTUAL PROPERTY.

The Federal Government shall not, by virtue of offering or awarding a prize under this Act, be entitled to any intellectual property rights derived as a consequence of, or direct relation to, the participation by a registered participant in a competition authorized by this Act. This section shall not be construed to prevent the Federal Government from negotiating a license for the use of intellectual property developed for a prize competition under this Act.

SEC. 7. LIABILITY.

(a) WAIVER OF LIABILITY.—The Secretary may require registered participants to waive claims against the Federal Government and the administering entity (except claims for willful misconduct) for any injury, death, damage, or loss of property, revenue, or profits arising from the registered participants' participation in a competition under this Act. The Secretary shall give notice of any waiver required under this subsection in the notice required by section 3(b)(2). The Secretary may not require a registered participant to waive claims against the administering entity arising out of the unauthorized use or disclosure by the administering entity of the registered participant's intellectual property, trade secrets, or confidential business information.

(b) LIABILITY INSURANCE.—

(1) REQUIREMENTS.—Registered participants shall be required to obtain liability insurance or demonstrate financial responsibility, in amounts determined by the Secretary, for claims by—

(A) a third party for death, bodily injury, or property damage or loss resulting from an activity carried out in connection with participation in a competition under this Act; and

(B) the Federal Government for damage or loss to Government property resulting from such an activity.

(2) FEDERAL GOVERNMENT INSURED.—The Federal Government shall be named as an additional insured under a registered participant's insurance policy required under paragraph (1)(A), and registered participants shall be required to agree to indemnify the Federal Government against third party claims for damages arising from or related to competition activities.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) AWARDS.—There are authorized to be appropriated to the Secretary for the period encompassing fiscal years 2007 through 2016 for carrying out this Act—

(A) $20,000,000 for awards described in section (4)(a)(1);

(B) $20,000,000 for awards described in section 4(a)(2); and

(C) $10,000,000 for the award described in section 4(a)(3).

(2) ADMINISTRATION.—In addition to the amounts authorized in paragraph (1), there are authorized to be appropriated to the Secretary for each of fiscal years 2007 through 2016 $2,000,000 for the administrative costs of carrying out this Act.

(b) CARRYOVER OF FUNDS.—Funds appropriated for prize awards under this Act shall remain available until expended, and may be transferred, reprogrammed, or expended for other purposes only after the expiration of 10 fiscal years after the fiscal year for which the funds were originally appropriated. No provision in this Act permits obligation or payment of funds in violation of section 1341 of title 31 of the United States Code (commonly referred to as the Anti-Deficiency Act).

SEC. 9. NONSUBSTITUTION.

The programs created under this Act shall not be considered a substitute for Federal research and development programs.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from South Carolina (Mr. INGLIS) and the gentleman from Illinois (Mr. LIPINSKI) each will control 20 minutes.

The Chair recognizes the gentleman from South Carolina.

GENERAL LEAVE

Mr. INGLIS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include extraneous material on H.R. 5143, as amended, the bill now under consideration.

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

There was no objection.

Mr. INGLIS of South Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H-Prize, an exciting opportunity to do for hydrogen what the X Prize did for entrepreneurial space flight. First of all, it is important for us to get a handle on what our need is, why it is that we are aiming at hydrogen, why we must accelerate the drive for hydrogen.

□ 1045

Probably a picture is worth a thousand words. So here is a picture of a gas line in China. As you can see, if that is the future, our addiction to oil becomes a significant problem for us.

ExxonMobil predicts in their energy report at the end of last year that global energy demand will grow by 60 percent between now and 2030. The challenge, of course, for us in that is that that increase in global energy demand will necessitate a 40 percent increase in OPEC oil production. Even if they have got it, do we really want to be that much more dependent on countries in OPEC?

So the idea is to figure out a way to break our addiction to oil, to move away from this dependence that we are currently in.

The Ansari X PRIZE did for entrepreneurial space flight what the H-Prize can do for hydrogen. As you know, Burt Rattan's spaceship won, became the first private spaceship in commercial use and flew within 2 weeks successfully and back to the Earth. That is the idea; that is the model that we are using here in the H-Prize.

The H-Prize would basically set up three categories of prizes. The first is an every-other-year $1 million prize for breakthroughs in production, storage, distribution and utilization of hydrogen. Every other year, as well, we would issue a prize of $4 million for breakthroughs in prototypes. And

then, within 10 years, a $10 million prize for the team that can transform from well to wheels essentially, or as one of our colleagues pointed out, from water to wheels, if you are thinking about splitting water to create hydrogen. That team that can do that transformation would win a $10 million prize, augmented, we hope, by up to $40 million worth of private money that would be added to the prize amount. That private money would be matched dollar for dollar to the venture capital that was raised by the team that does the transformation.

So it is a way of testing the teams' ability to get us all the way to the government's objective, which is not to declare a winner in a science project, but rather, to get all the way to the marketplace. So if a team can do it, if they can break us through to the hydrogen economy, they would get the $10 million, but then they would get a dollar-for-dollar match of up to $40 million if we can raise that private money for their venture capital. And so they would have $50 million to get to the marketplace.

Now, along the way, we have had helpful suggestions from various members of the committee and other Members not on the committee. And it is true that there are other competing technologies. For example, a breakthrough in better batteries could supplant hydrogen. Better solar cells could replace or win out in this race to the fuel of the future. Those, I see, as the three big competitors: hydrogen, solar cells and then better batteries.

What we hope to do in the H-Prize is incentivize the breakthroughs, the creativity that can get us to a hydrogen economy. Along the way I think I am hearing from other Members of Congress about possible other prizes that would incentivize perhaps solar or perhaps better battery technology.

I think it makes sense to have prizes because the beauty of prizes, as we heard from Peter Diamondes, the founder of the X Prize, is, of course, if nobody wins, you don't pay the prize money. So the government basically gets the research done for free until somebody meets the metrics of the prize, and then we award the prize money. So I am very supportive of other prizes.

It is also true that it has worked before. We have actually done prizes in the past. In fact, the transcontinental railroad essentially had some prizes in it, both dollar-per-mile for the railroad companies rewarded by the Congress, appropriations from this body, and also a great deal of land that was offered to the railroads if they could do this, if they could complete the transcontinental railroad.

And, of course, the thing that I think we all need to be aware of is that this was done in 6 years. The transcontinental railroad was begun in 1863, completed in 1869. And you know, there was a lot going on during that time period. In fact, there was the Civil War under way. But the United States, with the support of the U.S. Congress, united east and west within 6 years. We can, because we have done it before.

Now, in 1927 Charles Lindbergh won a prize for being the first to successfully go in a transcontinental flight across the Atlantic Ocean. That is a transatlantic flight over the Atlantic Ocean. And that prize incentivized him and caused him to go for it. There was a lot of risk involved in that, but he won it; and the face of aviation was changed because of it.

So I submit to my colleagues here today that hydrogen is not as far away as we think it is. When we hear people talking about 10, 20, 30 years away, particularly when they get into the 30 kind of time frame, most Americans start putting that way on the back burner and maybe even off of the stove. But it really is not that far away if we get with it.

And the final example I would use for that is when President Kennedy announced in 1961 his goal of getting to the Moon before the decade was out, we did it in 1969. Within 8 years, the mission was accomplished.

It is important to remember that that mission was accomplished using slide rules, not the computers that we have today. So with the capabilities we have today, there is every reason to believe we can break through if we would but just get with it. And I look forward to the debate from colleagues who will share this view that we can get there faster than we think.

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

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

Mr. Speaker, I rise today in support of H.R. 5143, the H-Prize Act of 2006, an innovative, forward-thinking bill that will spur the application of American ingenuity toward securing our energy future. I applaud Mr. INGLIS for introducing this legislation, and I am proud to have joined him as a chief cosponsor of this bill.

Right now, every American is affected by high energy prices. Working families, small businesses and consumers across the country are feeling the pinch with no end in sight. People aren't just paying more to fill their gas tanks or when they pay for their heating bills for their home; they are paying more at the grocery store, on air travel and for many other daily expenses. Local economies are suffering as people spend more on fuel and less on consumer goods and travel.

The high prices also highlight the fact that the U.S. is too heavily dependent on fossil fuels that we import from unstable parts of the world. To protect our national security, we must become more energy secure.

As we explore ways to bring price relief and bolster our country's energy independence, one significant energy source has emerged as a potential solution, hydrogen fuel cells.

Hydrogen holds great promise to meet many of our future energy needs, and it addresses national security and our environmental concerns. Hydrogen is the simplest, most abundant element in the universe.

Hydrogen fuel cells have already been developed to power cars. Last week I had the opportunity to drive a hydrogen-powered car built by Honda. It did not drive much differently than any other car that we drive, a gasoline-powered car that we have right now, except for the silence of the engine, which I am used to, having driven a Ford Escape hybrid for a couple of years.

Although we do have this car that has been created, we could drive these few on the road, there are significant problems that must still be worked out before we can put a hydrogen car in every garage. For example, the weight of the fuel cells and batteries must be brought down. The range per fill-up must be extended. It is about 200 miles right now on the car that I drove. And most importantly, the price must be lowered very drastically. The car that I drove they told me cost about $1.5 million. So clearly, there are several significant technological advances that we must make. But these are within our reach.

And when these advances are made, hydrogen can fill critical energy needs beyond transportation. Hydrogen can also be used to heat and generate electricity for our homes. The future possibilities of this energy source are enormous.

By utilizing hydrogen, we can and will lessen our dependence on foreign fuels. Right now too much American time and resources are spent dealing with situations caused by our dependence on oil that we import from unstable countries. We must wean ourselves from these unpredictable energy sources while maintaining and strengthening our economy here at home. Hydrogen provides a way to achieve both.

The environmental benefits of hydrogen are also outstanding. When used as an energy source, hydrogen produces no emissions besides water. Zero polluting emissions, an amazing advance over the current sources of energy that we use.

H.R. 5143 seeks the development of needed advances in hydrogen technology by using our greatest national resource, our intelligent and creative workforce. To address our critical energy challenge we must bring our best and brightest to the task, and H-Prize does this.

An economy based on energy outside of fossil fuels is no longer implausible. But to get there, we must invest in research and development. Research grants are the basis of this process, but what we have is a responsibility to find creative and new ways to inspire researchers, business leaders, and our youth to solve the problems that society faces. The H-Prize will help expand the possibilities of hydrogen research,

promoting people not normally involved in Federal research and development to explore avenues for a more secure energy future.

Hydrogen has the potential to reduce our Nation's dependence on foreign oil, improve our air quality and maintain our economic competitiveness. And the H-Prize will help take us there.

I thank Mr. INGLIS for his leadership on this important issue, and I am proud to have joined him in this effort. This legislation has involved much bipartisan cooperation on the Science Committee, which I appreciate, and it exemplifies the usual relationship on our committee under the leadership of Chairman BOEHLERT and Ranking Member GORDON.

I hope that we can continue this cooperation on other critical issues related to America's future technological competitiveness. We must work together to encourage the creative talents that have made our country the world leader in technology.

Mr. Speaker, I urge support of this legislation which will provide some of the encouragement that will better our Nation and the world.

I reserve the balance of my time.

Mr. INGLIS of South Carolina. Mr. Speaker, with great appreciation for his skill and efficiency in moving the H-Prize through the committee, I am very happy to yield 5 minutes to the distinguished chairman of the Science Committee, Mr. BOEHLERT.

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

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of H.R. 5143. And I want to congratulate Chairman INGLIS for bringing forward this initiative and for pursuing it with both energy and open-mindedness.

This bill has moved swiftly through the Science Committee because Chairman INGLIS has been, at the same time, relentlessly focused on his objective and open to compromise. That is how you get things accomplished in this town. We need more Members more able to pair those traits.

The H-Prize this bill creates would similarly allow the government and the Nation to be both focused and open-minded in pursuit of the hydrogen economy.

□ 1100

Establishing an H-Prize would encourage the Nation's most creative scientists and engineers and the public at large to focus on overcoming the many technical challenges that stand between us and a hydrogen economy.

At the same time, the H-Prize does not presume that any particular technological path will lead us to the hydrogen economy. The bill encourages any interested party to take on the technical risk needed to pursue their particular notion of how to improve their production, storage and distribution or use of hydrogen.

The National Academy of Sciences has encouraged the government to experiment with prizes for precisely this reason. Prizes can draw out new ideas from scientists and engineers who may not be willing or able to participate in traditional government research and development programs, while encouraging them, rather than the taxpayer, to assume the risk.

Congress has been following the academy's lead. For example, the NASA Authorization Act that was enacted last year created a prize program, and the space agency has been implementing it. All of these programs draw on several centuries of successfully using prizes to help spur technological development, from the prize to invent a way to measure longitude, a key to improving shipping, to the prize Charles Lindbergh won for his transatlantic flight. Our hope is that the H-Prize will result in a similar landmark achievement in the history of transportation.

I want to emphasize, though, that the prizes are just one tool we need to use to kick our Nation's addiction to oil.

Prizes need to be part of a balanced portfolio of measures to advance technology, a portfolio that needs to include regulations and tax incentives to create demand for new technologies, and traditional R&D programs to ensure a steady stream of work on a range of short and long-term technological questions.

Moreover, prizes are not the best tools to apply to all problems, but they are especially well suited to hydrogen, because we need to solve major long-term puzzles if the hydrogen economy is to become a reality. We need to elicit every possible idea from every quarter to do that, and we know it is going to take time to figure out what might work.

The bill structures the prize program to attack hydrogen questions in several ways: With biannual prizes for advancements to encouraging ongoing efforts and incremental progress, with biannual prizes for prototypes to encourage continuing work on integrating technologies as they develop, and with a grand prize to encourage work on the toughest show stopper, if you will, problems that could prevent us from using hydrogen as a fuel.

No one knows how all of this will turn out. That is the nature of research and the nature of a prize program. But we know that the potential benefits of hydrogen are worth the rather small investment required for a prize program. Hydrogen holds out the promise of becoming a clean, domestically produced fuel that could displace or even replace gasoline as the way we power our cars and trucks.

To achieve this, we still need to figure out how to affordably produce hydrogen using renewable energy, nuclear energy or coal with carbon dioxide sequestration, how to affordably store hydrogen on board a vehicle, how to make fuel cells and batteries more cheaply and have them operate more efficiently and how to distribute hydrogen economically.

That is a tall order, but it is exactly the kind of long-range effort we need. It is an effort that needs to be combined with proven short-range ways to reduce the use of gasoline like tighter fuel economy standards, which this House is likely to debate next week.

Mr. Speaker, I urge support for this bill, which was approved by the committee by voice vote. It is the right way to help see if we can radically change our energy future. Our dependence on foreign oil is a national security threat.

We have ways to use every weapon in our arsenal, and we need to use them to counter it.

Mr. LIPINSKI. Mr. Speaker, I yield 7 minutes to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Speaker, I support this legislation, but there is so much more that we need to be doing. In fact, there is so much more that we should have done already. The task before us, the urgent task before us, is to develop a practical, sustainable energy source or array of sources that will allow this Nation to be energy independent without busting the budget of middle class families just to go to work, to take the kids to school, to go to the grocery store.

We need practical, sustainable energy sources that do not emit the greenhouse gases that many scientists, really most scientists now fear will lead to catastrophic climate change, that will forever alter life on this planet, and we need practical, sustainable energy sources that will not so limit our options in foreign policy that we have to be uncritical friends to some of the most unattractive nations or governments in the world.

Mr. Speaker, we do need to pursue research into hydrogen, but we need an effort comparable to the effort during World War II, the Manhattan Project. We need an effort, to use Mr. INGLIS' analogy, like the effort that this Nation had in the 1960s to reach the Moon.

That is the effort we need to put behind developing alternative fuels and conservation technologies and to move those energy and conservation technologies into widespread commercial use.

I have sponsored legislation that Mr. BOEHLERT, the Chair of the Science Committee who spoke a moment ago, and Mr. MARKEY, my Democratic colleague, have introduced that would increase fuel efficiency requirements for cars and trucks to 33 miles a gallon by 2015.

Mr. Speaker, that goal can be achieved now with existing technologies, without any technological breakthrough. I feel almost embarrassed at how modest that bill is, how lacking in ambition that bill is. But even that the leadership of this House has not been willing to bring to the floor for debate and for a vote.

But, Mr. Speaker, in our hearing on hydrogen technology, in our hearing in the Science Committee on the H-Prize

legislation, one of the witnesses said that we could achieve cars and trucks that average 100 miles a gallon in the relatively near future if we really put our minds to it.

Why on Earth are we not doing that? Why on Earth are we not acting with the urgency that our energy needs require?

Mr. Speaker, I am pleased that the President's budget this year did increase funding for research into sustainable energy sources. Mr. Speaker, I regret that the President's budget found much of that additional funding from cuts to energy efficiency efforts. We need to proceed on several fronts at one time. We need to proceed without bias, without preconception.

A hydrogen economy or hydrogen fuel cells may not be the winning technology. As several of the speakers have said already, there are huge obstacles to overcome. Yes, hydrogen is abundant, but not as hydrogen. We need to find hydrogen sources, and the present source of hydrogen is by stripping it out of other fuels. Yes, when hydrogen is combined with oxygen to produce energy, that is a clean technology, but stripping hydrogen from fuels now is not clean. It is a very dirty technology, and the usual source of fuels from which it is stripped are fossil fuels, not sustainable, renewable energy sources.

Mr. Speaker, hydrogen technology, to have a hydrogen fuel cell car in every driveway, would make useless the infrastructure we now have, the pipelines, the tanks, the pumps, to transport, to distribute a fuel that is liquid on the planet Earth, which hydrogen is not.

So let's proceed. Let's proceed to develop, to provide an incentive to the private sector to develop the kinds of technologies we are going to need if hydrogen fuel cells are ever to be a practical source of energy for us.

But let us proceed on several fronts. I hope this Congress will be back soon. I will vote for this bill today, but I hope that Congress will be back soon to consider other prizes for energy, other alternative energy sources, other prizes for energy conservation, and that this Congress gives the urgent attention to energy independence, to sustainable energy sources that we desperately need, that the middle class families now paying $3 a gallon desperately need.

Mr. INGLIS of South Carolina. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Pennsylvania (Mr. DENT), who is a cochair of the House Hydrogen and Fuel Cell Caucus.

Mr. DENT. Mr. Speaker, I thank Mr. INGLIS for his leadership on this very important issue.

Mr. Speaker, American economic success has been built on innovation and competition. By competing against one another to build a better mousetrap, so to speak, American entrepreneurs have developed many products, from early incandescent lights to the Model T automobile to sophisticated computer hardware and software products of today, that have certainly made our lives better and our quality of life better.

Today in an era of increasing fuel costs the drive to produce energy economically can be advanced through this same kind of innovation and competition. Fossil fuel technology was the impetus for 20th century industrial development, but today hydrogen holds out promise for being the driver of the economy of the future.

Of course, hydrogen is a fuel that can be produced domestically, thus limiting our dependence on foreign petroleum products. I mean, that is why I rise today in strong support of H.R. 5143, the H-Prize Act of 2006.

As a founding member of the bipartisan Hydrogen and Fuel Cell Caucus, along with Mr. INGLIS and Mr. WYNN and Mr. LARSON, I certainly applaud Congressman INGLIS' leadership on this issue.

I also wanted to point out, too, that in my district, headquartered, is the largest producer of hydrogen in the world, Air Products and Chemicals. They have told me on many occasions that they produce about 1.7 billion cubic feet of hydrogen per day, and they are producing that for refineries, for the U.S. Government, the electronics industries and other process industries.

But the bottom line is, they said that that 1.7 billion cubic feet is enough to power seven million cars, hydrogen cars on the roads. That is a lot of hydrogen, and we can do more.

The H-Prize Act, the H-Prize Act rewards those innovators and creative thinkers who develop innovative hydrogen technologies. It establishes four $1 million prizes, awarded every other year, to the best advances in hydrogen production, storage, distribution, and utilization. It authorizes an additional $1 million to that person or group that develops superior hydrogen-powered vehicles or other hydrogen-based products. It establishes a minimum lump sum of a $10 million prize award for the best transformational changes in technologies for the production and distribution of hydrogen.

Now, as I speak these words today some scientist or engineer is out there thinking of new ways to employ hydrogen technology to better address our needs. It is my hope that these prizes will serve as an incentive to those bright people as they push forward and develop these products and thereby help relieve us from our dependence on foreign energy.

Mr. Speaker, that is why I support this bill.

Mr. LIPINSKI. Mr. Speaker, we have no more speakers, and I reserve the balance of my time.

Mr. INGLIS of South Carolina. Mr. Speaker, I yield 2 minutes to my colleague from South Carolina (Mr. BARRETT), whose district has one of the keys to this hydrogen future, Savannah River National Lab.

Mr. BARRETT of South Carolina. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, today I rise in support of H.R. 5143, the H-Prize Act of 2006, and I want to thank the gentleman from South Carolina and my colleague for being such a strong proponent of hydrogen research in this ongoing energy debate.

Representative INGLIS is one of the leaders on this and I know personally I always turn to him when I need some help and advice. He is a cofounder of the House Hydrogen and Fuel Cell Caucus, a caucus dedicated to moving the country away from its dependence on foreign oil, and toward a hydrogen economy.

The need to reduce our dependence on foreign sources of energy is evident, Mr. Speaker. Our supply simply does not meet our ever growing demand, and we are paying the price at the gas pump every day in this country.

Further, our home State of South Carolina is poised to lead the Nation towards a hydrogen-based economy. The State's strong relationship with the automotive industry, Clemson's International Center for Automotive Research, ICAR, USC's expertise with hydrogen full cells, Aiken County's new hydrogen research laboratory, and the Savannah River site's future with hydrogen research are examples of what we are doing today for tomorrow.

Promoting the hydrogen economy will provide the missing component to our country's energy portfolio, effectively making a strong movement toward energy independence.

Public-private partnerships are a key component to accomplishing energy independence. There is no doubt that the private sector is the engine of growth and breeds innovation and ingenuity.

Mr. Speaker, I applaud Representative INGLIS for understanding the role the Federal Government has and not to come up with the idea or the science, but rather to provide incentives and promote an atmosphere that encourages such research to take place.

Mr. Speaker, I once again thank my good friend for introducing the H-Prize Act of 2006 and urge my colleagues to vote in favor of energy independence by supporting H.R. 5143.

Mr. LIPINSKI. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, again I would like to urge my colleagues to vote in favor of this bill.

□ 1115

Our Nation's future depends on finding a solution to our critical energy needs.

America has always been at the forefront of technological breakthroughs. We have responded to great challenges, perhaps most famously John F. Kennedy's challenge to land a man on the Moon by the end of 1960s. And we have seen that prizes have a great effect to inspire technological advances. As Mr.

INGLIS stated earlier, he talked about Charles Lindbergh, a prize was offered and Charles Lindbergh made that first solo flight across the Atlantic.

The X Prize was put out there and we had the team put together a private flight of a spaceship 100 kilometers above the Earth. Challenges and prizes help spark the imagination of scientists, engineers, and entrepreneurs who invest blood, sweat, tears and large sums of money to achieve a great goal. But perhaps the greatest role that the H-prize may serve is in spurring the imagination of our most valuable resource, our youth.

Back in the 1970s there was great interest in solar power as an alternative energy source. This was largely brought in by the OPEC crisis of the early 1970s, the high oil prices, just as we see today. So there is a great demand. We need something different and solar energy was the big thing that we were looking at.

In my 8th grade science fair project I examined solar energy. I was excited about the thought of moving beyond oil and moving to something that would make us more secure and something that would be clean. I read about it, and I moved forward; I did the science fair project.

Now, my science fair project in my own career as an engineer did not ever find that solution to an alternative energy source. And unfortunately it seemed that we got into the 1980s and what happened? We lost that interest. Interest waned in finding alternative energy.

We cannot afford to let that happen again. All the focus today on energy prices has probably helped to facilitate bringing this bill to the floor for consideration today. Unfortunately, we often only act during crises, which means we do not take the time to think big, to make big plans and to dream big. America has been built on big dreams and hard work. That is what has made America the greatest Nation on Earth. That is why we need to think big in changing the energy that we use today before it is too late, for our environment and for our security. The H-Prize will help in doing this.

Perhaps there is a student out there today whose imagination will be sparked by the H-Prize and he or she may become an engineer and some day help develop the much-needed answers to today's energy problems. I hope that that opportunity is out there today and this H-Prize provides that inspiration to them.

So I ask my colleagues to join me in supporting this bill today, and perhaps one day we will look back on this day when the House passed the H-Prize, look at it as a catalyst that led to a better, cleaner and more secure America and world.

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

Mr. INGLIS of South Carolina. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, first I would like to thank Mr. LIPINSKI for his cooperative spirit and very helpful comments along the way. Mr. LIPINSKI is our chief cosponsor and someone who has improved the bill as it has worked its way through the process. Perhaps that is because of a pleasant personal relationship and also my respect for his expertise that made it easy for him to work with us, and I appreciate the work that he did to improve the bill.

Along the way we did make improvements through the committee process, and I appreciate the cooperative way that Mr. LIPINSKI and others on the Democratic side of the aisle worked with us in the committee. The result is a better bill and I am very appreciative of that.

Also, Mr. Speaker, I will introduce for the RECORD letters in support of the H-Prize from the National Hydrogen Association, the Hydrogen Advisory Council, the U.S. Fuel Cell Council, SAE International, Shell Hydrogen, BMW, General Motors, Air Products and Chemicals, Inc., Enertech Capital, Ion America, Tiax LLC, Protium Energy Technologies, and professors from USC Davis and Purdue.

Mr. Speaker, I would also like to recognize the great work of our folks on the committee, particularly David Goldston was extremely helpful in making all this happen. He works closely with Chairman BOEHLERT. I also want to thank Mr. GORDON and, again, Mr. LIPINSKI and other members of our staff that made it possible for us to get this quickly to the House floor.

Let me close with this: We have an opportunity to solve America's challenge in energy. It is a Republican problem. It is a Democratic problem. It is an American problem. The good news is, it can have an American solution.

This is an opportunity for a triple play. If we do this right, we can improve our national security by ending our dependence on foreign oil. We will still use foreign oil; of course, we will use oil for a long time, but we can move away from the dependent state that we are in now, dependent on places that are very unstable. So it is an opportunity to improve our national security.

It is also, secondly, an opportunity to create jobs and economic development, because if we can reinvent the car, imagine the jobs we can create.

And then, third, for the third part of the triple play is an opportunity to clean the air. Because whether it is an internal combustion engine, the way that BMW intends to do it, or a fuel cell, the way that General Motors intends to do it, the only emission out of the back of the car is water. We want to incentivize those breakthroughs.

There are some technological hurdles ahead, but with an H-Prize, with the incentive from the Federal Government and the support of the Federal Government saying we are going to do this, we are going to get there, I believe that we will summon the creativity of inventors and investors out there in America and around the world to try to win this prize, and in the process, America will win with a triple play.

Mr. Speaker, the letters I referred to previously are as follows:

HYDROGEN ADVISORY COUNCIL,
May 8, 2006.

Representative BOB INGLIS,
Cannon HOB,
Washington, DC.

DEAR CONGRESSMAN INGLIS: On behalf of the Hydrogen Advisory Council, I want to congratulate you on the movement of H.R. 5143, the H-Prize Act of 2006, through the House Science Committee. We look forward to working with your office in the near future to move this crucial legislation to the President's desk.

As you know, the U.S. spent almost $250 billion on oil in 2005 and 25% of America's trade deficit currently comes from importing oil. These staggering numbers combined with growing instability in the world's oil producing regions is very concerning, and the need for a domestic solution to the nation's future energy needs has never been more apparent.

We believe that the solution is hydrogen. Not only does hydrogen provide a clean and renewable source of energy for the U.S., it will help create thousands of new jobs and enhance our national security.

The H-Prize will help move the nation towards this goal. By incentivizing key breakthroughs in hydrogen technology, storage, production, and distribution, the H-Prize Act of 2006 will help speed the hydrogen economy to fruition. Furthermore, the H-Prize will do this in a fiscally responsible way by only awarding prize monies to technologies that reach set performance metrics and by leveraging a combination of federal dollars and private-sector investment without impeding natural market forces.

The Hydrogen Advisory Council fully supports the H-Prize Act of 2006 and will do all it can to assure its future passage and utilization. Thank you again for your continued leadership on hydrogen policy.

Cordially,

ROBERT S. WALKER,
Chairman, Hydrogen Advisory Council.

THE NATIONAL HYDROGEN ASSOCIATION,
May 9, 2006.

Hon. BOB INGLIS,
House of Representatives, Cannon House Office Building,
Washington, DC.

DEAR REPRESENTATIVE INGLIS: On behalf of the 102 members of the National Hydrogen Association (NHA), I would like to extend our hearty support for your H-Prize legislation, H.R. 5143. For over 17 years, we have been an association dedicated to pursuing the research, development and demonstration of hydrogen and fuel cell technologies, leading to a firm basis for establishing and growing a commercial Hydrogen Economy. We believe that this latest version of the bill will have an important affect upon how needed technical breakthroughs occur.

Your bill promises to generate the drama and excitement of genuine technological feats that might otherwise appear obscure. Above and beyond the steady, devoted work of those many scientists and engineers in our strong RD&D programs, we need to build a sense of excitement, of the high value of pursuing difficult tasks—something to dramatize our nation's willingness to invest in this future. Prizes motivate and inspire—if carefully focused, they can truly move technology ahead.

This is something powerful that the federal government can do together with industry,

by rewarding imagination and creating the climate for the success of innovation. Whole new industries can be built around these ideas, and we can accelerate the pace of achieving them. Celebrate and accelerate—let's put the hydrogen economy on a faster track.

Sincerely,

JEFFREY A. SERFASS,
President.

U.S. FUEL CELL COUNCIL,
Washington, DC, May 8, 2006.

Hon. ROBERT INGLIS,
Cannon HOB,
Washington, DC.

DEAR CONGRESSMAN INGLIS: On behalf of the U.S. Fuel Cell Council, I am writing in support of the ''H-Prize'' Act of 2006 (H.R. 5143). The program proposed under this act represents a creative mechanism to encourage high-risk research and development that will help us commercialize fuel cell and hydrogen technologies. Additionally, the H-Prize will help increase public awareness—a necessary component to improve general education and outreach.

In 2003, President Bush and Congress challenged American industry, academia and other institutions to find new ways to reduce our dependence on foreign sources of energy based on hydrogen fuel cell technology.

Congress recognized the need to bolster federal involvement in developing these technologies last year when it passed the Energy Policy Act of 2005. It is our hope that Congress complements this achievement, passes the H-Prize, and funds both programs accordingly.

The U.S. Fuel Cell Council has long held that the development of fuel cell and hydrogen technologies need not be entirely supported by federal investments. That said, establishing an H-Prize can help leverage federal funding in a way that rewards results and compliments DoE objectives.

America is leading the drive to develop fuel cell and hydrogen technology; however, other countries are pursuing very aggressive programs that may soon rival our own. To that aim, we feel that the H-Prize can help America keep its competitive edge as we work to create a cleaner, more efficient and secure supply of energy.

Thank you for your leadership and consideration.

Sincerely,

ROBERT ROSE,
Executive Director.

SAE INTERNATIONAL,
Warrendale, PA, May 9, 2006.

Representative BOB INGLIS,
Fourth District,
South Carolina.

DEAR REPRESENTATIVE INGLIS: I am writing to strongly support the creation and implementation of the ''H-Prize'' Act of 2006, HR 5143. This Act, creating national prizes for breakthroughs in hydrogen production, distribution, storage and utilization, will greatly enhance the existing work being done in advanced automotive technology research and development and its supporting industries. Being that there is no clear industry consensus on automotive propulsion systems or their fuels for the future, it is clear that a need exists for longer term solutions that will provide energy independence for America, and hydrogen clearly can lead us toward that goal.

It is critically important that research and development activities increase so challenging issues can be resolved sooner than current progress permits, awareness to industry and the public is raised to a much higher level and that preparation for consumer acceptance is advanced beginning in the early phases of hydrogen technology development.

The ''H-Prize'' will support an important initiative toward our longer term goals by providing near term impetus to encourage innovations and solutions to the challenges posed, I urge you to support this important bill.

Sincerely,

DAVID L. AMATI, Ph.D.,
Director, Automotive Business and Automotive Headquarters.

SHELL HYDROGEN,
Houston, TX, May 9, 2006.

Hon. BOB INGLIS,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN INGLIS: I write to you today in support of H.R. 5143, the H-Prize Act of 2006. I would like to commend you for your leadership in introducing this legislation and recognize the members of the Science Committee for endorsing it as well. The creation of an H-Prize will further raise the profile of hydrogen on the national stage and demonstrate more direct and visible leadership from Congress on an important issue for the economy, the environment and from a national security perspective.

The goal of providing hydrogen as a fuel on a significant scale requires a coordinated undertaking within all levels of government, the automotive industry, and energy companies. The federal government has an important role in fostering technological innovation that has societal benefits—the creation of the Hydrogen Prize is an important step because a hydrogen economy will not emerge by virtue of technology alone. Any further developments will be a combination of technology, economics and policy decisions.

One of the strongest points in support of an H-Prize is the ability to stimulate involvement and innovation across a much broader community than is possible with DOE funding alone. For example, student competitions, universities, small labs, start-up companies, even folks in their garages can participate—which has been a hallmark of American ingenuity and competitiveness in so many other pioneering areas. An H-Prize can only accelerate commercialization and increase public awareness in support of the growing global market.

In closing, I would again like to voice my support of this legislation. It is imperative that we find innovative ways to realize the benefits of hydrogen as a clean, competitive and sustainable energy solution.

Sincerely,

PHILLIP T. BAXLEY,
President.

BMW OF NORTH AMERICA,
Woodcliff Lake, NJ, May 9, 2006.

Hon. BOB INGLIS,
House of Representatives, Cannon House Office Building,
Washington, DC.

DEAR REPRESENTATIVE INGLIS: The BMW Group enthusiastically supports the H-Prize Act of 2006 (H.R. 5143).

The BMW Group strongly believes that liquid hydrogen fueled internal combustion engines are a viable clean energy solution. They will also provide the level of driving dynamics that our customers expect. BMW continues to invest in hydrogen technology and to work with other companies and industries on the infrastructure issues that need to be solved in order to make the use of hydrogen a reality in the United States.

While BMW will compete aggressively to win the H-Prize, the award is more important than an individual corporate victory. It is time for everyone in the country—consumers, government leaders, and industry—to expand their horizons to find new and innovative ways to address energy and clean air issues. The answer will not come from one technology or one piece of legislation or regulation, but from providing incentives to let people explore a range of options to achieve the common objective. The H-Prize initiative supports the ''can do'' attitude that is such an important part of the American landscape.

Copies of this letter will be sent to the leadership of the House and the Science Committee urging them to support your effort.

Yours sincerely,

TOM PURVES,
President.

GENERAL MOTORS CORPORATION,
Washington, DC, May 9, 2006.

Hon. BOB INGLIS,
House of Representatives,
Washington, DC.

DEAR MR. INGLIS: General Motors is working aggressively to improve the efficiency of our vehicles through the application of new technologies like flex fuel vehicles and hybrid-electric drives. However, we believe that hydrogen fuel cells offer the opportunity to take a quantum leap in reducing our dependence on foreign oil, and the overall environmental impacts of vehicles. GM's goal is to design and validate a fuel-cell propulsion system for passenger vehicles by 2010 which is competitive with current internal combustion systems on durability and performance, and that ultimately can be built at scale affordably.

We believe that H.R. 5143, the H-Prize Act of 2006, could help us reach that goal, and help to hasten the transformation to a hydrogen economy. The bill would establish a series of prestigious, national prizes to attract the brightest entrepreneurs, scientists, and engineers to hydrogen research. Of particular importance, the bill would provide for up to four $1 million prizes biennially for the most significant breakthroughs in hydrogen storage, production, utilization, and distribution; and a biennial $4 million prize for the most successful prototype use of hydrogen.

Taken together, these prizes can help to attract the interest of new companies and researchers to fields relevant to the hydrogen economy. To ensure that this legislation does not have the unintended consequence of reducing the funding available to the Department of Energy's hydrogen and fuel cell programs, we urge you to consider designating the Department of Commerce, for example, to act as the administrating agency—in consultation with the DOE. However, this concern should not delay the House from moving quickly to pass the bill.

We urge the House to pass the H-Prize Act of 2006.

Sincerely,

KEN W. COLE,
Vice President, Government Relations.

AIR PRODUCTS AND CHEMICALS, INC.,
Allentown, PA, May 8, 2006.

Hon. ROBERT D. INGLIS,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE INGLIS: On behalf of Air Products and Chemicals, Inc., I would like to express our support for the ''H-Prize'' Act of 2006 (H.R. 5143). The program proposed under this act will be instrumental to encourage developments that could lead the United States from our financially draining dependence on foreign oil. Additionally, the projects will be crucial to build public awareness and acceptance of a hydrogen-based fuel economy within the United States.

As the world's leading producer of third-party hydrogen, we at Air Products live the

reality of commercial hydrogen production, storage, and distribution—a world largely unnoticed by the general public. Air Products has been providing hydrogen to the U.S. Government, oil refiners, the electronics industry, and other process industries for decades; we currently produce and deliver over 1.7 billion cubic feet of hydrogen per day. This is enough hydrogen to keep 7 million cars on the road, today. We will bring onstream an additional 240 million cubic feet per day of production in just the next several months, and more capacity will follow.

From our position in today's hydrogen economy, and as a U.S. company, Air Products sees a visible commitment from our federal government as an essential ingredient to accelerate the U.S. toward a more secure future. Our country has established itself as a leader in the hydrogen economy, a justifiable source of national pride that is greatly underappreciated. A critical element in keeping this lead is visible support from the federal government. Moreover, while hydrogen initiatives are advancing, the pace of development could be increased. The fiscally responsible nature of the ''H-Prize'' program will publicize the realities of hydrogen accomplishments, and encourage additional developments. Americans love a good competition.

We support and encourage the efforts of the federal government to work with industry and academia to drive the U.S. toward a larger-scale hydrogen economy. The ''H-Prize'' program could contribute greatly to recognize accomplishments that will improve our environment, enhance energy efficiency, and secure future energy supply needs. We look forward to helping to meet the growing clean energy needs of all Americans. Thank you for your consideration, and we trust that your colleagues will support the ''H-Prize'' initiative.

Sincerely,

THOMAS E. MUTCHLER,
General Manager—Integrated Businesses.

ENERTECH,
Wayne, PA, May 9, 2006.

Representative BOB INGLIS,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE INGLIS: I am writing in support of creation of the ''H-Prize'' act of 2006, H.R. 5143. This act, when implemented, will create a series of national prizes for the most significant breakthroughs in hydrogen production, distribution, storage, and utilization. I am particularly interested in the grand prize that enables a match of any venture capital raised by the grand prize winner. This may aid in the capitalization and commercialization of important new technologies, and lay the foundation for creation of new jobs and potentially enhance national security.

As a managing partner in one of the most established venture capital funds that has targeted energy and clean technologies, I have a strong interest in encouraging our emerging scientists and engineers to develop breakthrough technologies and solutions which may yield some of the most important venture capital investments ever made in this country.

There are numerous challenges that exist in the development of a viable hydrogen economy. They include: (1) the development of safe, light-weight, low-cost hydrogen storage for onboard vehicles and at refueling stations; (2) the development of inexpensive, durable, and efficient fuel cell systems for vehicle propulsion; and (3) the integration of this technology into the infrastructure and respective supply chains. All of these activities could benefit from a well-designed nationally sponsored competition.

I believe that a competition, as envisioned by the act, will have benefit for individual contributors, venture capitalists interested in the emerging energy technology space, and for the country at large. There is a wide gulf today in the beliefs about the timelines for the implementation of important technologies in the hydrogen arena. This competition may raise the interest, and attention of our scientific community, and enable the continued development of technologies that encounter the gulf between scientific advancement and the first steps towards commercialization.

The announcement of these awards should generate significant press and media interest, and will further raise the awareness among the nation's brightest students, scientists and engineers to this critically important area. We have a tremendous opportunity in this country to turn our attention to a critically important and fundamental need. This H-prize can help direct our best minds towards solving some of the most important energy challenges of our time. I encourage you and your colleagues to support this important bill. Thank you.

Sincerely,

BILL KINGSLEY,
Managing Partner.

ION AMERICA,
Sunnyvale, CA, May 9, 2006.

Hon. BOB INGLIS,
Washington, DC.

DEAR CONGRESSMAN INGLIS: I am writing in support of HR 5143. As the CEO of a leading fuel cell company dedicated to utilizing technology to address our nation's energy problems. I applaud and support your efforts to create incentives for the private sector to achieve solutions that will help our country succeed in the 21st century.

As you know, 25 percent of America's trade deficit comes from importing oil and the U.S. spent around $250 billion on oil in 2005 alone. It's time to end our oil addiction and one way to achieve that goal is to begin to transition to a sustainable hydrogen economy. By transitioning to hydrogen, we can leapfrog debates on environment and climate change, create thousands of new high value jobs, and enhance national security. The ''H-Prize'' will help move the Nation towards this transition.

By providing for up to four $1 million prizes biennially for the most significant breakthroughs in hydrogen storage, production, utilization, and distribution; and a biennial $4 million prize for the most successful prototype use of hydrogen, this Act will truly make a difference.

The H-Prize will provide necessary federal leadership to incentivize private dollars without impeding market forces. As with many prizes in the past, the private-sector investment towards winning the prize is often many times the amount of the prize itself.

The H-Prize signals to those of us who are working in clean energy technology that the Federal government is a committed partner in our quest for energy security and a cleaner environment.

Best regards,

KR SRIDHAR,
CEO.

TIAX,
Cambridge, MA, May 9, 2006.

Representative BOB INGLIS,
Washington, DC.

DEAR REPRESENTATIVE INGLIS: TIAX LLC is pleased to offer our support of the ''H-Prize'' Act of 2006 (HR 5143) to establish a series of prestigious, national prizes that would attract leading entrepreneurs, scientists, and engineers into hydrogen research. We believe that the establishment of this prize would accelerate the development of the technologies required for the commercialization of hydrogen fueled vehicles.

The Act would provide up to four $1 million prizes biennially for the most significant breakthroughs in hydrogen storage, production, utilization, and distribution: and a biennial $4 million prize for the most successful prototype use of hydrogen.

TIAX is a leading technology development firm in Cambridge, Mass., with a history of supporting the efforts of DOE and industry in assessing the technologies needed to implement highly efficient hydrogen fuel cell vehicles, as well as other options for improving the fuel efficiency of our transportation system. Our experience in this field suggests that the H-Prize Act of 2006, while certainly not being a substitute for the DOE's current hydrogen program, would greatly help stimulate the creative thinking needed to address the multiple challenges associated with the use of hydrogen.

We believe that the H-Prize would generate significant interest among a wide range of academic institutions and small businesses to accelerate R&D in this complex field. Its existence would likewise emphasize the importance that Congress is placing on addressing our reliance on imported oil with its increasingly negative economic and national security implications.

Please feel free to contact me if I can be of any further assistance.

Best regards,

JOHN M. COLLINS,
President.

PROTIUM ENERGY TECHNOLOGIES,
Emmaus, PA, May 9, 2006.

Hon. BOB INGLIS,
House of Representatives,
Washington, DC.

DEAR CHAIRMAN INGLIS: I applaud you for introducing, and the House Science Committee for moving the H-Prize bill (H.R. 5143) forward for consideration by the full House. Thank you for your vision and leadership in trying to establish a prize program to encourage breakthrough developments in hydrogen technology.

As a hydrogen energy consultancy business owner, and as an individual who has focused his energies over the last 14 years on the development and advancement of hydrogen as an energy option, I can tell you that this legislation will play an extremely important role in accelerating the creation of new energy options for our Nation. That H-Prize Act by establishing a series of prestigious, national prizes will attract the brightest entrepreneurs, scientists, and engineers to hydrogen research. I also believe that the creation of these prizes will serve to invigorate interest on the part of our younger generation, in science and math education, and prepare them to tackle our critical energy supply issues.

The hydrogen economy is not as far away as many think. With key developments in hydrogen technology, we can make our country less dependent on oil and thus more secure; generate jobs and new industry by reinventing the way we power our economy while cleaning up the environment. The $11 million in annual appropriations authorized by this legislation is but a small investment in helping solve one of the major problems faced by society in the 21st century.

In addition to my private business endeavors, I have served voluntarily on numerous public initiatives to promote hydrogen as an energy carrier including serving as a trustee of the National Hydrogen Association (NHA) based in Washington, D.C. and have had the privilege of serving on the Board of Directors for over 10 years including as Chairman during 1997–1999. I respectfully refer you to my

web site for more background, www.protiumenergy.com.

In closing I once again want to thank you for your consideration efforts in moving this idea forward and would wholeheartedly urge the House to pass this important supplement to the ongoing Department of Energy Hydrogen R&D program which must continue. My thanks to you and your colleagues for considering this request.

Sincerely,

VENKI RAMAN, PH.D.,
President, Protium Energy Technologies.

Mr. SOUDER. Mr. Speaker, I rise today in support of H.R. 5143, the H-Prize Act of 2006, a bill that represents a significant step towards our Country's energy independence.

The recent rise in gas prices has only magnified the United States' overwhelming reliance on oil. We cannot allow our economy to be held captive by nations such as Saudi Arabia and Venezuela, whose manipulation of the world oil market can cause massive price disruptions at home. Obviously, we need another way.

The forecasts of future high oil prices make possible other options, and to further transition our economy away from its dependence on foreign oil we must pursue all of them—nuclear, renewables such as ethanol and biodiesel, wind, solar—and expand our domestic oil supplies by drilling in ANWR and offshore. One of the most promising of these alternatives is hydrogen power. Hydrogen's huge advantage is that it can be created from virtually any energy source, both conventional or unconventional. Indeed, in my district a company is planning to build a ''green hydrogen'' plant that will use waste materials that often end up in landfills. Broadening the materials that can be used as primary energy sources increases our chances at reducing our energy imports from overseas. And furthermore, by lowering emissions of pollutants and greenhouse gases, hydrogen power is good for the environment, too.

By establishing a national prize competition for innovations in hydrogen power, the H-Prize Act will summon our Nation's best and brightest to the challenge of overcoming the technical hurdles that stand in the way of the hydrogen economy. Government initiatives are no match for the entrepreneurial power of the private sector to discover a way to make hydrogen a viable alternative to oil.

Mr. Speaker, I commend Messrs. INGLIS, LIPINSKI, and BOEHLERT for their hard work on this bill, and urge my colleagues to support it.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the need for hydrogen energy is vital in a time when our dependence on foreign oil is placing a heavy burden on our economy. H.R. 5143, the H-Prize Act of 2006 will establish a prize competition to encourage the development of breakthrough technologies that would make hydrogen a practical alternative to foreign oil in our transportation sector. Hydrogen holds out the promise of being a non-polluting fuel since water vapor is the only byproduct of consuming it.

Currently, much research is needed in order for hydrogen to be stored, economically distributed, and used efficiently in cars. In order to facilitate this research, prize programs such as this one encourage more work to be done on the matter without putting much money up front. Thus, monetary awards offered for hydrogen production, storage distribution and utilization creation of a working hydrogen vehicle prototype research are essential to promote research in these areas.

Private entities invest far more in research to win a prize than the government pays out in the prize reward. However, making this contest open to all people, especially minorities, women and disadvantaged enterprises, can help contribute significantly to these efforts.

Hydrogen technology seems ideal for a prize contest as long as it is advertised to a diverse segment of the population which includes minorities, women, small and disadvantaged businesses. Since, hydrogen technologies hold the promise of enormous reward, it is wise to encourage all to compete and provide them tools that assist in this area. At the end of the day, the Hydrogen Prize Act will help promote innovative results from a diverse community that will reduce technical and others barriers to the advancement of hydrogen technologies and the betterment of America.

Mr. WELDON of Florida. Mr. Speaker, I rise in strong support of this bill. For several years now, I have been supporting hydrogen research efforts at Kennedy Space Center and at the Florida Institute of Technology. We are making progress, but still have a long way to go if we are to utilize hydrogen as a common source of energy.

The H-Prize Act of 2006, which will advance the research, development, demonstration, and commercial application of hydrogen energy technologies, is a critical initiative in our national efforts to make hydrogen a viable energy alternative.

Hydrogen is a very promising source of energy that is both renewable and environmentally friendly. Most importantly, it is also an energy source that can be generated domestically without relying on imported energy products from unstable regions of the world.

I fully support the format for this initiative, which will award prizes based on the technologies developed. The prize format will save American taxpayers money as compared to the standard funding of research and development programs. Also, The cost to the American taxpayer from the H-Prize program is very minimal as compared to the returns that could be realized through a domestically renewable energy source.

By delivering feasible technologies in the areas of hydrogen production, storage, distribution, and utilization, the H-Prize program will solve the most problematic issues in making hydrogen a workable solution. In addition, the H-Prize program will advance the crucial efforts to develop prototypes of hydrogen-powered vehicles and, eventually, production vehicles.

Taken together, the technological advancements born out of the H-Prize program will deliver transformational changes to our energy and transportation sectors. Creative initiatives like the H-Prize will help us move toward energy independence.

Mr. INGLIS of South Carolina. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CONAWAY). The question is on the motion offered by the gentleman from South Carolina (Mr. INGLIS) that the House suspend the rules and pass the bill, H.R. 5143, 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. LIPINSKI. 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 question will be postponed.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4297, TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 805 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 805

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4297) to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. 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. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 805 waives all points of order against the conference report and against its consideration. The resolution also provides that the conference report shall be considered as read.

Mr. Speaker, in 2001, 2003 and 2004, Congress enacted responsible tax relief to help create jobs, grow America's economy and allow workers, families and small businesses to keep more of their hard-earned money to save, invest and spend for their future. I believe individuals and families are best able to make these decisions, not the Federal Government.

These tax relief policies are clearly working, Mr. Speaker. Over the last 5 years, tax relief has helped spur economic and job growth. The economy has expanded for 18 consecutive quarters, reaching 4.8 percent growth in the first quarter of this year alone, and the forecast for continued growth is positive.

Since enacting tax relief, national unemployment has dropped over a full

percentage point and is now down to 4.7 percent which is lower, Mr. Speaker, than the average of the 1960s, the 1970s, the 1980s and the 1990s. We have experienced 31 consecutive months of job growth, and during that time more than 5 million new jobs have been created.

The Department of the Treasury reported that Federal revenues for fiscal year 2005 totaled $2.15 trillion, the highest level ever; and the increase is 15 percent over last year, which amounts to over $320 billion this year alone. Homeownership is at nearly 70 percent, and the stock market is soaring. Yesterday, the Dow Jones Industrial Average surged within 85 points of its record high, which was reached in January of 2000. A new all-time high could happen any day now.

It is clear that encouraging investment leads to significant job growth which leads to a more prosperous America for America's working families.

The Tax Increase Prevention and Reconciliation conference report before us today protects families, small businesses and investors from tax increases and provides taxpayers with additional certainty. This certainty is vital to continued economic growth.

I would like to take this opportunity, Mr. Speaker, to highlight a few provisions in the conference report that allow small businesses to grow and hire more workers, encourage investment by extending capital gains and dividend income tax relief, and continued relief for millions of middle-income taxpayers from the alternative minimum tax.

Mr. Speaker, small businesses are the backbone of our economy, employing over half of all private sector employees, paying 45 percent of total U.S. private payroll, and generating 60 to 80 percent of net new jobs annually over the last decade.

In 2003, Congress allowed small businesses to keep more of their money through enhanced business expensing. It is vital that we extend tax relief to small business in order for them to grow and hire more workers. This conference report provides small businesses that tax relief.

The alternative minimum tax was originally enacted to ensure that all taxpayers, especially high-income taxpayers pay at least a minimum amount of Federal taxes. However, the alternative minimum tax is not indexed for inflation, and more and more middle-class families are adversely affected by this tax.

In 2001, 1.8 million taxpayers were subject to the alternative minimum tax. And it is estimated, over the next 5 years, 33 million, or one-third of all taxpayers, will be subject to this tax.

This conference report will extend the alternative minimum tax exemption levels through the end of 2006 and at a higher level than 2005. It also will allow taxpayers to claim nonrefundable personal tax credits such as dependent care credit, the credit for the elderly and disabled, and the credit for interest on certain home mortgages against the alternative minimum tax. This will help families continue to receive the full benefit of these tax credits.

This conference report extends reduced tax rates on capital gains and dividend income for an additional 2 years. This extension will continue to encourage investment by lowering the tax burden of 24 million families, including 7 million seniors who depend on dividend income to pay their bills.

□ 1130

Mr. Speaker, the Tax Increase Prevention and Reconciliation Act Conference Report before us today is part of a commitment we made to taxpayers last year when Congress passed a responsible budget that called for spending restraint, slowing the currently unsustainable growth of automatic spending programs and extending tax relief to families and small businesses.

However, let me be clear that this conference report is not our final commitment to taxpayers. Last year, the House and Senate approved extending additional tax provisions that are not part of this conference report, including State sales tax deductibility for those States that do not have an income tax.

I look forward to working with my colleagues to quickly bring a bill to the floor that will extend this important provision as well as others that have expired, such as tax incentives to enhance affordability of higher education and spur innovation in our country through research and development.

Mr. Speaker, I urge my colleagues to support House Resolution 805 and the underlying conference report.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume, and I thank my good friend and namesake from the State of Washington for yielding me the time.

Mr. Speaker, I rise in strong opposition to this closed rule and the underlying legislation. At the outset, Mr. Speaker, let me just say that I truly do not question the motives of my Republican colleagues who genuinely believe, in my judgment, that the legislation they might pass later today will make for good public policy. I do not impugn their motives or question their determination regarding this issue, but I do quite frankly question their fiscal sanity.

It is my belief that cutting taxes to the tune of $70 billion at a time of war and staggering human needs is, well, just financially crazy for a governmental body.

Last week, we debated port security on the floor of this House, and I heard many of my Republican colleagues say that we did not have the money to inspect all incoming containers. Well, here apparently is some extra money for that purpose.

We hear almost daily from the President that the so-called war on terrorism costs a lot of money. In fact, we face emergency spending bills on a near monthly basis in this place. Maybe instead of having the Chinese bankroll us until they call in their chips we should use some of the $70 billion that we are prepared now to give to the wealthiest Americans.

Today's headlines in all three of the biggest papers in south Florida that is represented by Republicans and Democrats, half and half alike, those papers announced the need for more Federal dollars, not a curtailing of services which this bill will ultimately mandate.

The Miami Herald front page says, ''Miami Dade 911 System Experiencing Difficulties.'' Maybe they could use a few of these $70 billion to help upgrade critical emergency communications in the Nation's eighth largest county.

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

Mr. HASTINGS of Florida. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding and, Mr. Speaker, I think my friend makes an extraordinarily good and important point about the need to ensure that we have the resources that are necessary to fight the global war on terror and to make sure that we are able to meet all of these pressing demands that are there.

The point that I think needs to be made here, and I am going to make it in my remarks in just a few minutes, but when the gentleman was talking about it, it led me to come to my feet.

We have seen a surge in revenues to the Federal Treasury in the areas that we are talking about here, in the area of both capital gains and in dividends with that reduction that has taken place, and I know conventional wisdom in the earliest part of this decade was that if we cut taxes we would see a diminution in that flow of revenues, but between 2002 and 2004 we have seen a 79 percent increase in the flow of revenues to the Treasury because of the capital gains cut and a 35 percent increase because of the dividend cut.

So I think, though, my friend makes an excellent point about the need to make sure we reduce the deficit and have the resources to meet the pressing needs in the global war on terror and all, but the best way to do that is to keep the economy growing, and that is exactly what this package is doing.

I thank my friend for yielding.

Mr. HASTINGS of Florida. Mr. Speaker, I would respond to the chairman simply by saying that you ignore the fact that the deficits are sky high in this surge of revenue of which you speak, and the needs, I might add, of those that are most vulnerable in our society have not been reduced. The poor and the near poor are feeling the effects of us, and what we are really

doing is we are taking care of the wealthiest people in our society. As a matter of fact, we fall in that category. Those of us that make $165,000 a year here, we are getting the benefit, and the people at the bottom that we are going to cut the services to are getting hurt.

Mr. DREIER. Mr. Speaker, if the gentleman will further yield, just to take each of the points my friend has mentioned, and I thank him for yielding to me on this.

First, if you look at this issue of the deficit, I do not know if my friend is aware of the fact that we last month saw a monthly budget surplus in the months of December and January, we actually saw a monthly budget surplus, more money coming in than was going out for that month. That is even though we have to deal with the war on terror, the war in Iraq, because of Hurricane Katrina and those very important needs which my friend has addressed so well.

Obviously, meeting the needs of those who are less fortunate is something that is important. I would argue that those in the upper income brackets are paying more, and it is not just my argument. It is actually the facts, and this was pointed out in an op-ed piece the other day.

Americans who are earning in excess of $200,000 a year saw nearly twice, actually more than twice, the amount in tax payments than all other Americans earning less than that, meaning that their payments to the Federal Government, even though they got this tax cut, they were paying more in taxes because of the economic growth that we have seen. Actually, it was nearly 20 percent, and so what has happened is the rich are paying more in tax payments to the Federal Government, and so they are not the great beneficiary of this.

Yes, they are encouraging more investment, but we have seen an increase in the Federal revenues.

Mr. HASTINGS of Florida. Mr. Speaker, reclaiming my time, I have been very generous in yielding, and I hope at some point in the future you will do likewise.

Mr. DREIER. Absolutely.

Mr. HASTINGS of Florida. Mr. Speaker, I hear you, but what you ignore is the fact that when President Bush took office we had a surplus in this Nation and now we have deficits. I mean, we cannot keep swiping the Chinese, Japanese, Saudi Arabian card to pay for the war. You cannot have guns and butter, and I think we have proved that more times than one in this Nation.

Insofar as your argument about the wealthiest paying more taxes, let me just give you today's Washington Post and the analysis that they put forward and just use as a ''for example'' someone making $40,000 to $50,000. Their average tax savings under this particular measure will be $46. That amounts to just a little bit more than a tank of gas if you ain't driving an SUV, but someone who makes $500,000 to $1 million gets $41,000. The persons, Jane Lunch Bucket and Joe Lunch Bucket, who are in the category of $20,000 to $30,000 get $9. They cannot even buy 3 gallons of gasoline.

The Palm Beach Post front page reads today, ''Farm Workers Still Waiting on FEMA Aid,'' and I know that all too well from the calls in my office every day. So maybe some of my constituents in Bell Glade and Pahokee and Clewiston and South Bay and Canal Point might like to see a slice of this $70 billion kickback we are giving to the most well off in this country.

In the South Florida Sun-Sentinel, a large newspaper where CLAY SHAW and DEBBIE WASSERMAN SCHULTZ and I represent that area, are reports on a theft at a homeless shelter which led to $3,000 worth of spoiled food. So while we give roughly $42,000 tax cuts for those in the country making more than $1 million, a footnote right there: People making $1 million have not been flooding our offices with calls saying give me some more money. They are willing to share. But what we have gotten into is an argument here that seems to make it sound like we do not like rich people. All of us wish we were rich people, but what we are saying is that rich people have the same responsibility as all of us do in sharing and caring about the least of us in this society. People in south Florida and throughout this country are going to go hungry tonight while we go about our business here allegedly fixing their problem.

My Republican friends have and will continue to argue all today that these irresponsible tax cuts establish a strong economy and are necessary to continue this myth of growth. That is just plain old hocus-pocus, and the money that you talk about is funny money, phony money, because the deficit absorbs it any way you look at it economically.

Mr. Speaker, I beg to differ. Facts can be stubborn things, but I think we ought to discuss them anyway. Since this President began to work with this rubber-stamp Congress, 1 million more Americans are unemployed today than there were in January 2001.

Last night, I said to the chairman, if this economy is so good, why is it I feel so broke, and I make $165,000 a year, like every other Member of the House of Representatives, and am barely able to have minimum discretionary income.

5.4 million more Americans live in poverty today than they did 6 years ago, and 6 million more Americans are without health insurance. Some 45 million Americans in all are uninsured.

And these are things we should be proud of? These are signs of a strong economy? Where is the shame? Better yet, where is the decency to those that are the least among us in this society?

How dare we absorb resources to our wealthy selves and cut spending when people here and all over the world expect better of the United States of America.

Some of the same money could be used to take care of the impoverished conditions and the significant number of people that have been pushed into lower than middle class or you could argue intent to eliminate the middle class in this country.

Mr. Speaker, I recognize that others want to speak on this critical issue so I will not go on longer right now. I think, however, that the distinguished Senator in the other body, Ms. SNOWE from Maine, summed it up perfectly yesterday when criticizing this bill. After reflecting on the fact that the preponderance of the benefits of this bill go to upper income people, Senator SNOWE said simply, ''It's a question of priorities.''

Indeed, it is, Mr. Speaker. We should prioritize those Americans who have the greatest needs, not those who have the greatest wealth, and when I hear the rest of what my colleagues are going to say, they are going to say all the things we are going to do before we get out of here and go have our death grip fight in November about we are going to fix it for the poor. In the meantime, some more poor just got poorer and some more rich just got richer.

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

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield as much time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Rules Committee.

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

Mr. DREIER. Mr. Speaker, I have to say that my friend in his opening remarks said that he did not question our motives, and I appreciate the fact he did not question our motives. He basically said he thought we were insane. He questioned our sanity. I understand that means slightly insane, but the fact is my friends on the other side of the aisle, Mr. Speaker, appear to be fearless in the face of the facts because the facts clearly are that no matter how you try to obfuscate it we are enjoying tremendous economic growth because of the tax cuts.

I am a proud Republican. I am a proud Republican, and by virtue of being a Republican I was born to cut taxes. I am proud of the fact that I was born to cut taxes because I believe that not only should people be able to keep more of their own hard-earned money, but I believe that cutting taxes is what generates the kind of economic growth that will allow us to deal with the extraordinarily pressing problems that my friend from Fort Lauderdale mentioned.

□ 1145

It is clear we want to do everything we can to help the underclass, the poor,

those struggling to get onto the first rung of the economic ladder. There is no doubt about that. I do not believe we do anything at all to help those who are struggling by trying to penalize the job creators.

The founder of my party, Abraham Lincoln, said it best, although I guess he didn't actually say it, but he is always credited with saying that you can't pull up the wage earner by pulling down the wage payer.

So the standard old argument of class warfare, us versus them, is a tired, worn and failed argument. I believe we need to do everything we can to again look at the facts. The facts are that the first quarter of this year saw a 4.8 percent gross domestic product growth. Virtually unprecedented, very strong, bold, dynamic growth. We are going to see the Federal Reserve have a 250 basis point increase in interest rates. Why? Because they are making sure we do not go into inflation. I am not a proponent of seeing the 16th consecutive increase in rates, but the fact is we do have a growing economy.

As we look at those who are struggling to get onto the first rung of the economic ladder, it is very important to note that they are individuals who frankly are enjoying a higher standard of living than has been the case in the past.

Last night in the Rules Committee, Mr. HASTINGS and I engaged in a discussion on homeownership and the savings rate. We know it is regularly discussed that Americans are not huge savers. We do not have as high a savings rate as some other countries do, but when you look at the level of homeownership in this country, the highest level of minority homeownership that this Nation has ever seen, in excess of 50 percent of those in the minority community own their homes. On a nationwide basis, it is nearly 70 percent of the American people own their own homes. That is forced savings. As people pay down their mortgages, they are seeing their asset, their savings increased. Obviously as we see the increase in value of property, we are also seeing those savings increased. So that is taking place today.

And to the argument, Mr. Speaker, of this lack of revenues to the Treasury, as I said to my friend just a few minutes ago, during the month of April we actually saw a budget surplus. We saw a budget surplus for the month of April that has come about because of the economic growth that was put into place through these tax cuts.

Now we want to encourage investment. We hear Republicans and Democrats alike talk about the need to encourage investment. Frankly, one of the reasons that this measure is so critically important is that we look at the problem of uncertainty out there.

The reduction of the rate on capital gains and dividends to 15 percent is, if we do nothing, set to expire in 2008. What does that mean? It means there will be a tax increase that clearly will slow the economy if we do nothing. So what is it that we have found by making sure that we keep that rate low and extending it for at least 2 years? I and a majority of this House would like to make it permanent. Unfortunately, because of rules in the other body, we have not been able to make it permanent. But we need to make it permanent and at least extend it for these 2 years. Why? So the job creators out there can plan and save for the future, so they can make long-term investments that will create more jobs and opportunities for the American worker.

Mr. Speaker, if you look at what has happened, again we have seen an increase in the flow of revenues to the Treasury because of what it is that we have done here.

My friend raised concern about middle income Americans. That is one of the reasons that we addressed the so-called alternative minimum tax. The alternative minimum tax, because it was not indexed, is a tax that has not just hit the rich, but has hit middle income wage earners. That is exactly why we will be providing relief to millions and millions of middle income workers in this country with the AMT provisions included in this bill.

I think it is also important for us to note that there are some real specifics we can point to that we have seen by virtue of these tax cuts that were put into place.

In the early part of this decade, time and time again we heard our friends on the other side of the aisle say if you cut taxes the economy is going to go right into the tank and we will see the deficit go sky high when in fact the opposite has been the case in both instances. Between 2002 and 2004 we were able to see a 79 percent increase.

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. When you speak of the middle class, what is the income of the middle class?

Mr. DREIER. The income of the middle class, that is people earning $40,000 to $70,000 a year.

Mr. HASTINGS of Florida. If the chairman will continue to yield, in the calculations under the AMT as he proposes they will get between $9 and $14. That person in the middle class, how in the world is that helping them?

Mr. DREIER. Mr. Speaker, I thank the gentleman for his question. It is very clear that we are providing relief to middle income wage earners who would get no relief at all under the AMT provisions that our colleagues were very supportive of putting into effect in the past.

We are providing relief because we are seeing their standard of living increase. Obviously we have a lot of problems. Gasoline prices, we want to do everything we can to help us attain self-sufficiency by increasing refinery capacity, dealing with boutique fuels and other problems that are out there. But we have seen the standard of living for the American people improve dramatically because of these tax cuts.

As I was saying, we have seen a 79 percent increase in the flow of revenues to the Federal Treasury between 2002 and 2004 because of reducing that top rate on capital gains to 15 percent. Similarly, from the dividend tax relief we have seen a 35 percent increase.

Again, I would harken back to the arguments that were made in the early part of this decade when President Bush came forward and this Republican supported the notion of reducing taxes to increase economic growth, and the argument that was made was it would ruin us.

We know we have tremendous costs out there. We have costs like dealing with the war, and thank God we are seeing this week under Mr. Malicki's government a new cabinet go into place in Iraq. We are seeing progress there.

Similarly, if you look at the fact that we have tremendous costs related to Hurricane Katrina, unanticipated. We do have responsibilities there. And yes, as my friend from Fort Lauderdale said, it is essential that we do all we can to provide assistance to those who are truly in need and to help them get onto the economic ladder. That is why when you have a 4.7 percent unemployment rate, virtually full employment in this country, we are doing all that we can to find more opportunities, and that is what this measure is all about, and generating the kind of growth that will allow us to have the resources to meet these very pressing needs is essential as well.

If you don't vote for this bill, you are voting for a tax increase, you are voting for a tax increase on those middle income wage earners who are getting relief from AMT and on the job creators out there who are successful.

So I believe we have a win/win. I hope very much we will see Democrats join with Republicans to keep our economy growing, help us meet the pressing needs that are out there, and make sure we can have the kind of success for which the United States of America is known.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume and remind the chairman just one thing: I think everybody in America knows the difference between $9 and $42,000, and under the AMT provision, persons making $40,000–$50,000 get $9. Under the AMT provisions, people making between $500,000 and $1 million get $42,000. That is not rocket science. That is real money that is not going to middle class people.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Ms. SLAUGHTER), the ranking member of the Rules Committee, who can talk about industrial circumstances in her district.

Ms. SLAUGHTER. Mr. Speaker, let me first say something about the rising standard of living in America. We have

lost over a million manufacturing jobs that were paying good wages with good futures, and many people employed in those jobs, lucky enough to find a second job, found on average they are making $9,000 less a year, plus little or no benefits.

There is no way in the world that can ever translate out to other than a falling of the standard of living in America. Sure, it is better for the guy who retired from Exxon with $400 million, but we are not in that class in Rochester.

Mr. Speaker, leadership is about choices. When this Republican leadership allows a bill to be debated on this House floor, they are in effect telling the American people that this is the most important challenge we face in America today. Why? Because they have chosen this over everything else.

I can tell you with certainty that if Democrats controlled the agenda in the House we would make different choices. Instead of passing yet another tax cut bill that benefits millionaires, billionaires and giant corporations, Democrats would be voting to raise the minimum wage. We would be leading the way to fix our broken health care system, or creating a comprehensive, consumer friendly energy policy.

Today, Democrats would be passing legislation that would ensure a degree of accountability, transparency, integrity and competence in this government, all of which have been missing far too long.

But today, for this leadership, none of these issues which affect the lives of hardworking Americans are as important as providing even more tax cuts for the super-rich, and indeed their record of failure on each of these items I have mentioned is a telling indicator of where their priorities really lie.

There is a widely used saying in the business world that I think is particularly salient this morning. It says the definition of insanity is doing the same thing over and over again and each time expecting a different result.

We have been down this road before and all one needs to do is look around to see exactly where it has taken us. For years this leadership has passed bills that have raised our deficits and increased our staggering debt. And while they give away big tax breaks for the wealthiest corporations in the world and provide more obscene tax relief for the wealthiest 1 percent of Americans, and the rest of America gets left behind holding the check, my friends on the other side will no doubt tell you that this will provide needed tax cuts for the working class and middle class, too. Isn't that what they always say?

But the facts, as usual, tell us a different story. Under this legislation the middle income households receive an average cut of $20, which is less than half a tank of gas.

According to the Brookings Institute which gives figures we use very often here, while 0.02 percent of the households, those with incomes over a million, would receive an average tax cut of $42,000, the bill represents a classic example of what economists call trickle-down economics. By cutting capital gains and dividend taxes and reducing the revenue that the Federal Government receives and redirecting it to the coffers of big business and the superwealthy, the majority tells us they are going to spur investment and create more jobs.

They told us the same thing in the 1980s, too, and it didn't work. Instead of investing that money in our economy, corporations and the super-rich sent our tax dollars overseas, along with our jobs. We ended up with out-of-control deficits and the largest debt in American history, superseded only by the debt we have today.

Ironically, the very man who originally labeled trickle-down theory as ''voodoo economics,'' our current President's father, lost his own Presidency because of the stagnating economy and staggering debt that became the legacy of trickle-down economics in the 1980s.

So why would they be proposing that failed policy once again? Today's Washington Post may have the answer. It described what has truly befallen this majority: a ''bankruptcy of ideas.''

With Republicans, it is the same story again and again no matter the results. What they have given us, Mr. Speaker, is a commitment to a legacy of failure. The only difference is today the American people's eyes are wide open.

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

Mr. DREIER. Mr. Speaker, my friend from Pasco understands this very well, and he has done a great job of providing leadership on these economic growth issues.

Mr. Speaker, my friend from Rochester and my friend from Fort Lauderdale are two people for whom I have the highest regard. I really do. I enjoy working with them on the Rules Committee, and I just had the thrill of participating in the Canada-U.S. Interparliamentary Conference with my friend from Rochester, dealing with areas of concern as it relates to our neighbor to the north.

But I have to say, as I listen to the arguments that are being propounded by both of my friends from the other side of the aisle, they represent little more than what I describe as the ideological baggage of the past.

□ 1200

Now, my friend from Rochester has just talked about the 1980s. It is true that we saw a tremendous increase in spending during the 1980s, a lot of increased spending in the area of national defense. And we saw the demise of the Soviet Union. The Cold War came to an end.

During the 1980s, Mr. Speaker, because of the 1981 Economic Recovery Tax Act, I think I am the only Member on the floor now who was here at that time, and I am very proud to have voted for that. We put into place across-the-board tax rate reductions, marginal rate reductions. And Mr. Speaker, what happened? We saw a doubling of the flow of revenues to the Federal Treasury during the 1980s.

People continue to try and rewrite the history of the 1980s, somehow implying that we saw the U.S. economy go right into the tank. We saw a surge in economic growth and a doubling in that flow of revenues to the Treasury. And so I think that this notion of class warfare, us versus them, is a tired, old, failed one.

Now, my friend just referred to the tax reduction that an American who is earning $40,000 will get juxtaposed to someone who is earning hundreds of thousands of dollars a year, who will get a $41,000 tax reduction. And he referred to the fact that someone will earn $40,000 and get a very small tax cut, and that person in the upper bracket will get a $41,000 tax cut.

I mean, I would ask my friend, does he advocate that the person earning $40,000 a year get a $41,000 tax cut?

Mr. HASTINGS of Florida. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Florida.

Mr. HASTINGS of Florida. Absolutely not.

Mr. DREIER. The point that I am making, Mr. Speaker, is the fact that if you look at someone who is paying taxes, you look at what their tax liability is, and again I get to the point that we raise that we have seen the American people who are earning in excess of $200,000 a year, Mr. Speaker, having a tax payment to the Federal Treasury that is twice that of all other taxpayers, twice that of all other taxpayers, the rate of growth of that.

And so I think that we need to realize it is the job creators who pay taxes and it is the job creators who, with tax relief, will be able to create more opportunity in this country to make sure that those who are less fortunate, those about whom my friend from Ft. Lauderdale and I are concerned.

And to somehow imply that there is not concern on this side of the aisle for those who are trying to have opportunity in this country is a preposterous argument. We care even more, I would argue, because we are the ones who are guaranteeing everything possible to provide them with opportunity will be met.

And so I say, Mr. Speaker, that we are in a position where this measure is going to allow investors to plan and save. It will provide a little certainty. And we need to remember that more than half of the American people, 91 million Americans, are today members of the investment class. One of the things we need to note is that many people who are earning $40–, $50–,

$60,000 a year, in fact, the income for the median shareholder in this country is $65,000 a year, not considered to be very rich, but they will be the beneficiaries of keeping this capital gains rate and the dividend rate at 15 percent.

And so that is why, Mr. Speaker, I believe that this is a measure which is going to be beneficial all the way across the board.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume, in large measure to respond to the distinguished chairman from California, who is my friend.

The arguments that Chairman DREIER makes, among other things, are that Ms. SLAUGHTER's and my arguments are tired in the sense that from an ideological point of view, we somehow or another don't understand the dynamics of wage payers providing for wage earners.

Mr. Speaker, we don't have the time to go into every nuance of persons who make a lot of money. But a lot of people that make a lot of money that are going to benefit from this tax don't hire anybody because they don't own any businesses. They have been legatees. Some of them were born rich, and all they have ever had to do is invest. But some people were born poor and have never had an opportunity to get out of that.

In essence, I believe that most Americans are willing to share. Evidence the fact that until very recently, we have been the greatest givers to charity, not the government, but individuals, and that is small and large contributors to charity. We know that there are great moral standards in this country, and among them is the fact that we, as a community, care about each other.

But you cannot convince me that you have been good economic stewards of the revenue that has come into this country. And, Mr. Chairman, you can't have it both ways.

If, as some would argue, the distinguished late President Ronald Reagan's economic policies were successful, and they were successful, those, in part, would argue because of a reduction in taxes, and at that particular time, you argue everything that happened, and you somehow skip over the success of the 1990s, I question whether or not you are mindful that during that period of time taxes were increased.

I was here, you were here when Marjorie Margolis Mezvinsky walked down this aisle in tears and cast her vote and didn't come back here. But the economy in this country took off, and we had a dynamic surplus when Bill Clinton went out of office.

Now, I don't know how you account for the trickle down of Ronald Reagan and then the fact that there was the gap that you don't allow for. But I am asking you to, at the very least, allow for the success during the Clinton administration that nobody can deny. And you can't deny that when you came into power with this President, we had a surplus, and today we have deficits as far as the eye can see.

The American public will eventually understand that we are going to pay for this stuff. And you know where President Bush is going to be? He is going to be back at his ranch. He is going to be doing good things for America as a civilian in 2009 when the baby boomers hit and all of this stuff hits the fan.

Just one more thing. This chart reflects, and I ask you to refute it if you can, Mr. Chairman, that income in dollars, 2005, the average tax saving for people making 10,000 to 20,000 is $2; 20,000 to 30,000, $9; 30,000 to 40,000, $16; 40,000 to 50,000, $46; 75,000 to 100,000; $403. 100,000 to 200,000, $1,388; $1 million, $41,977.

Now, millionaires have a right to have all the money that they can. But if you ask them, I believe that they want to share it with the poor. I believe they want to see that other 50 percent who do not have affordable housing have affordable housing. I think they want to help to cure the problems of AIDS. I don't think that they want to see people pushed out into the streets in nursing homes. I don't think that they want to see the suffering that is going on in the insufferable triumvirate of inadequate jobs, inadequate education and inadequate housing.

There may be this big boom on Wall Street, but on Main Street, there is hell to pay.

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

Mr. HASTINGS of Florida. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding. And my friend has made several very important points, Mr. Speaker. And let me just go back to his earlier argument about the Clinton years.

The gentleman is absolutely right. We saw a surge in economic growth during the Clinton Presidency. It was economic growth that actually began before he became President. Virtually every economist has acknowledged that economic growth.

Mr. HASTINGS of Florida. Reclaiming my time to ask a question. Are you saying that those tax cuts didn't help this country?

Mr. DREIER. The tax cuts, yes. The tax increases did not help the country.

Mr. HASTINGS of Florida. And are you saying that those tax increases that you voted against and I voted for did not cause this economy to boom?

If we use that argument, my mom used to say something to me that was really interesting. She said, All you all do is go up there and say that the other people did it if it is bad, and if it is good, you did it.

If you use the doctrine of relating back, then if Bush didn't cause the deficit and Clinton didn't cause the surplus, and former President Bush didn't cause anything, and Reagan caused the economy to take off, by that standard, George Washington did it. My goodness gracious, man. The 1990s were real.

Mr. DREIER. If the gentleman would yield, I was just building my argument to talk about the great policies of President Clinton.

Mr. HASTINGS of Florida. I yield to the chairman.

Mr. DREIER. I thank my friend for yielding.

And, Mr. Speaker, what I was arguing is the fact that the economic growth that we saw during the 1990s began before Bill Clinton became President. Virtually every economist has acknowledged that.

Now, in 1993, we saw the largest tax increase at that time in our Nation's history. It was put into place, and I voted against it. I said, I am a Republican and I was born to cut taxes. I am proud of the fact that I voted against that tax increase.

I will never forget, late one night, Bill Clinton, in giving a speech to business leaders in Houston, Texas, said that he believed that that tax increase in 1993 was too much. He said he raised taxes too much. He later regretted that. He said that his mother told him he shouldn't, when he was tired, give a speech like that.

But the fact is I believe the truth came out in that speech that he delivered in 1994. I don't remember exactly when it was. But the tax increase went into effect in 1993.

Then we need to look at what happened in the 1990s. A year after the largest tax increase was put into place by President Clinton, what happened? For the first time in four decades the body that, according to article I, section 7, of the U.S. Constitution has the responsibility for taxing and spending changed hands. And what happened? In 1994, we won our majority, 12 years ago. And we immediately began our quest to cut taxes.

Mr. HASTINGS of Florida. Reclaiming my time, Mr. Chairman.

Mr. DREIER. It was a joint effort with President Clinton is what I am saying.

Mr. HASTINGS of Florida. A joint effort speaking well for divided government, and the precursor to what is coming in November when doubtless we have divided government again.

Mr. DREIER. God forbid.

Mr. HASTINGS of Florida. And we have secured the deficit that you created, or maybe it was George Washington.

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

Mr. HASTINGS of Washington. Mr. Speaker, this has been an absolutely fascinating exchange between my friend from Florida and the distinguished chairman of the Rules Committee, and I have been enjoying it. This is exactly, I think, what our Founders thought the House should be is a time to debate great ideas and come to conclusions and so forth.

Let me make a few points here that were made and just kind of, hopefully, put things into perspective.

I think this rule that will support the underlying bill is a very good rule. I

think the underlying bill is a very good rule.

My friend from Florida talked several times about the deficit. I am concerned about the deficit too. But I think you have to put this into some sort of a historical perspective. Right after the war, Second World War, the percentage of the deficit as it related to GDP was extremely high. I think it was well in excess of 10 or maybe even 15 percent.

This year, according to CBO, the deficit as a percentage of GDP is 2.6 percent. To put that into perspective, during the 1980s it was in excess of 5 percent before the economy started to grow.

If we maintain this policy, and we certainly have a responsibility in this body to control the spending, not only discretionary spending, but mandatory spending, which we did last year in our budget resolution, and which we want to do again this year with our budget resolution, if we stay the course on that, the percentage of debt, as opposed to GDP, will be down to less than 2 percent. I think that is a trend in the right direction.

Mr. Speaker, I think this, as I mentioned, is a good rule. The underlying bill is a good 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 SPEAKER pro tempore (Mr. CONAWAY). The question is on the resolution.

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

Mr. HASTINGS of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

□ 1215

GENERAL LEAVE

Mr. COLE of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on House Resolution 806.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 5122, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Mr. COLE of Oklahoma. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 806 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 806

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. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, 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 Armed 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 Armed Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. Notwithstanding clause 11 of rule XVIII, 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. After disposition of the amendments printed in the report of the Committee on Rules, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. The gentleman from Oklahoma (Mr. COLE) is recognized for 1 hour.

Mr. COLE of Oklahoma. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from California (Ms. MATSUI), 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, on Tuesday the Rules Committee met and reported a rule for consideration of the House report for H.R. 5122, the Fiscal Year 2007 National Defense Authorization Act.

Mr. Speaker, the rule is a structured rule. It provides 1 hour of general debate equally divided and controlled between the chairman and the ranking minority member of the Committee on Armed Services. It waives all points of order against consideration of the bill.

Additionally, it provides that the amendment in the nature of a substitute recommended by the Committee on Armed 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 waives all points of order against the amendment in the nature of a substitute recommended by the Committee on Armed Services and makes in order only those amendments printed in the Rules Committee report accompanying the resolution.

Furthermore, it provides that the amendments printed in the report accompanying the resolution 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 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.

The rule waives all points of order against the amendments printed in the Rules Committee report, and the rule provides that after disposition of the amendments printed in the Rules Committee report, the Committee of the Whole shall rise without motion and no further consideration of the bill shall be in order except by a subsequent order of the House.

Mr. Speaker, today I rise in support of the rule for H.R. 5122 and the underlying legislation. This important legislation takes a number of dramatic steps to better the lives of our servicemen and women, increase our defense capabilities, and more aggressively conduct operations in the generational global war on terror that is now under way. It is a bill that fundamentally addresses many of the transformative challenges for the future and provides many of the interim steps to meet those challenges.

Mr. Speaker, as a member on leave from the House Armed Services Committee and a member of the Rules Committee, I firmly believe that this legislation takes the appropriate and necessary steps to better secure America's security and more successfully prosecute the war which we were drawn into on September 11, 2001.

To fully appreciate the significance of H.R. 5122, one most understand the four long-term challenges that we face in the 21st century security environment. Briefly put, these challenges are, first, responding to the dramatic procurement holiday we took in the 1990s; second, responding to the operational demands for the transformation of our forces; third, responding to the operational and strategic demands for increased end strength; fourth, shaping our military for a generational war, the global war on terror.

Mr. Speaker, these challenges are not options. They are requirements that the Armed Services Committee must address on a continuing basis. I am happy to report that there is a bipartisan agreement that the committee has done precisely that in H.R. 5122.

The gentleman from California, Chairman HUNTER, and the gentleman from Missouri, Ranking Member SKELTON, have worked in a good, bipartisan

way to bring forward a legislative package that we may all be proud of. Now it is important that we collectively, as the House, support our deployed servicemen and women by supporting the underlying legislation.

Mr. Speaker, I firmly believe that this legislation responds in a dramatic way to all the long-term challenges that we face. Being specific, the underlying legislation increases the procurement accounts by approximately $9 billion over fiscal year 2006 and effectively replenishes several historically underfunded accounts.

Mr. Speaker, this legislation also takes dramatic steps forward in transforming the nature and the structure of our operational forces by funding the Brigade Combat Team conversions for the Army, addressing the needs of the Navy's future shipbuilding program and increasing the end strength of the Army by 30,000 soldiers and 5,000 Marines to the Marine Corps to better support the war on terror.

Moreover, Mr. Speaker, the underlying legislation takes dramatic steps to better ensure our long-term success in the global war on terror. Specifically, this legislation includes a $50 billion allocation of supplemental funding to support ongoing war-related costs and procurement of replacement equipment.

It significantly increases personnel protection efforts with respect to improvised explosive devices and authorizes support for shipyards to maintain the long-term operational success and stability of the shipping industry critical to all of our services.

Also, the underlying legislation supports troop morale and welfare by ensuring a 2.7 percent pay raise and blocks the Department of Defense's proposed TRICARE Prime and TRICARE Standard fee increases and zeroes out copayments for generic and formulary mail order prescriptions for military beneficiaries.

Mr. Speaker, over the next 2 days, we will hear arguments in favor of specific amendments that do not relate to our four long-term challenges, nor do they address the subject matter of the underlying legislation in any real way.

We will also hear arguments attacking the executive and our progress in the war on terror. Those discussions are appropriate, but they do not really relate to the purpose of this legislation.

I would caution those who would like to politicize the defense authorization bill that this legislation is absolutely essential to our servicemen and women deployed overseas in a wartime deployment. The operational situation will not change through continuing attacks on the choices that we collectively as the House have made in the past.

Our focus should be to advance our Nation's and our servicemen and women's interest by providing them with the tools they require to be successful. The underlying legislation does just that.

Mr. Speaker, additionally, some Members may want to engage in debate that is essentially tangential to the issue at hand. What we must remember is that this bill is a finely crafted piece of legislation that attempts to bridge the policy and political divide to do what is best for our servicemen and women.

Fundamentally this legislation moves us in the proper direction. No bill is perfect. However, this bill is a very good piece of legislation that increases our security, assists in prosecuting our global war on terror, protects our troops and enhances the lives of our servicemen and women.

Mr. Speaker, to that end I urge support for the rule and the underlying bill.

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

Ms. MATSUI. Mr. Speaker, I thank the gentleman from Oklahoma for yielding me this time, and I yield myself such time as I may consume.

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

Ms. MATSUI. Mr. Speaker, the resolution we are now considering allows for general debate of the fiscal year 2007 defense authorization bill and also makes in order a limited number of amendments.

The annual defense authorization is one of the most critical bills Congress considers. It serves two roles. First, for national security, it is a blueprint to ensure our military has the resources and tools to meet any threat from abroad.

Second, and just as important, this bill provides for the men and women standing on the front lines of our Nation's defense. These men and women work tirelessly to protect this country. It gives me great pride to support the most professional and dedicated military in the world.

For all that we ask of them, these individuals, be they members of the Army, Navy, Air Force, Marine Corps, Reserves or National Guard, ask very little of us in return. What they ask is that we provide the equipment they need to get the job done, provide for them and provide for their family.

So, Mr. Speaker, it is with these two key points in mind, our national security and our duty to our troops, that many of us were dismayed by several of the President's proposals for the Defense Department.

Our National Guard is an important source of strength for this country, both overseas and here at home. Whether they are risking their lives in combat or overseas or bringing order to a stressful situation after a natural disaster, it is clear that our National Guard is worthy of our strong support. The twin challenges we faced this year with Iraq and Hurricane Katrina could not have made this point more clearly.

I would like to thank the committee for preserving our Guard strength despite the President's recommendation to Congress to reduce the strength of the Army and National Guard by 17,100 and the Air Guard by 5,000.

From California alone, about 9,100 of our National Guard soldiers have been called to active duty. Almost 3,800 are still deployed, and another 2,300 are expected to be called up. Among those who recently returned after an 18-month tour are 350 soldiers from the 1–184 and 174 members of the 2668th Transportation Company. Both groups are from my hometown of Sacramento. Weakening the Guard in this manner only serves to weaken our security.

The strains of our current force strengths are already evident: In Iraq, too many Guard and Reserve have borne a heavy burden, some with multiple tours of duty. At home, we must have a strong responsive Guard if we are to be prepared for future natural disasters. Louisiana, facing one of the Nation's worst natural disasters, found its response efforts further hamstrung when one-third of its National Guard was serving in Iraq.

I also appreciate the committee's decision to include $300 million for equipment for the National Guard. This is a strong acknowledgment of the very real impact the war in Iraq is having on the Guard, and it is a strong signal that to be prepared in the future current preparedness is essential.

At a time when we are relying so heavily on our Armed Forces, there was also an attempt to urge Congress to allow an increase in premiums and fees for the military's health care plan TRICARE. Thankfully, this bill contains no such ideas, and I applaud the committee's decision to work in a bipartisan fashion to meet the needs of our troops. However, I am deeply concerned about one recommendation made that the committee did accept. This proposal would result in increases in TRICARE prescription drug copays.

□ 1230

If passed without further amendment, this legislation would double copays for generic drugs, and raises the costs of name-brand drugs 75 percent.

This potential increase in copays could be devastating to a young family. It is not enough to exempt mail orders from this hike. Our troops should have a guarantee that as they are serving on the front lines, their families back home are not presented with impossible choices because of financial hardship.

I mentioned the 2668th Transportation Company having recently returned from Iraq. During their deployment, I was privileged to sit down with the family members of these soldiers. They conveyed to me that for their family, the last thing the spouse serving overseas should be worrying about is whether their family is provided for.

The esteemed ranking member on the committee, Mr. SKELTON, proposed an amendment in committee which would have blocked these large copay increases. Unfortunately, it was narrowly defeated, by just two votes. I

hope that the Rules Committee allows the Skelton amendment as part of a second rule on the floor tomorrow. Such an important change should be debated in the most open manner possible on the House floor.

I would also like to highlight an additional Democratic amendment that has not yet been made in order from Mr. ISRAEL. Today's military manual currently includes complete guidelines for the role of military chaplains, who play a critical role in the spiritual lives and health of our troops. Despite this, the underlying bill usurps that local control with language that the rear admiral in charge of Navy chaplains says will ''degrade military chaplains use and effectiveness to the crew and commanding officer.''

Mr. Speaker, I will include the letter from the Department of Navy for the RECORD.

If the language cannot be removed from the bill, the House should at least allow debate on Mr. ISRAEL's amendment. The language should be corrected so that it more closely mirrors current military manuals. I hope this amendment is made in order before we finish the bill.

As I conclude, I would like to commend the committee for their decision to authorize funds for the costs of the first 6 months of the wars in Iraq and Afghanistan in fiscal year 2007. This provision will allow Congress to resume its important oversight responsibility. Its inclusion is also an opportunity for this institution to discuss one of the largest issues facing this Nation, the war in Iraq. While we may all not agree, it is our duty as Members of Congress to discuss and debate our Iraq policy, as I know Ranking Member SKELTON has urged. I hope we may have more opportunity soon. With that in mind, this bill is an important first step.

Mr. Speaker, I include for the RECORD the letter from Rear Admiral Iasiello, Chief of Navy Chaplains.

DEPARTMENT OF THE NAVY,
Washington, DC, May 9, 2006.

Hon. STEVE ISRAEL,
House of Representatives,
Washington, DC.

DEAR MR. ISRAEL: In response to your inquiry regarding the Department of the Navy's position on Section 590 of H.R. 5122, the Department has concerns with the proposed language. It is the Department's position that the proposed section will lead to confusion, compromise, and loss of credibility of religious ministry and chaplains services for the men and women of the sea services.

The chaplain's role in the Navy is as naval officer, counselor and religious advisor. The chaplain is assigned to commands to help commanding officers administer their religious ministries program. The chaplain is a representative of his or her faith group and provides or facilitates for the religious needs of all members of the command. For this reason, it is essential that the chaplain possess the trust and respect of all the crew, not simply the members of his or her own faith group. The proposed language will alter this historic relationship and responsibility of chaplain's to their commanding officer and their crew.

Primarily I have three concerns with the proposed language:

The language ignores and negates the primary duties of the chaplain to support the religious needs of the entire crew and to be a faithful representative of the chaplains endorsing faith group. Current practice carefully balances establishment of religion with free exercise of the chaplain and crew's religion, by providing almost unlimited opportunity for the chaplain to pray according to his conscience and faith and providing safeguards where he or she cannot be forced to violate their conscience in all matters regarding religious ministry. It also ensures a commanding officer can balance religious needs and provide a non-coercive, non-denominational spiritual presence during command functions.

The proposed wording will compromise religious ministry for Sailors and Marines. By allowing chaplains to lead prayers in nearly all situations, potentially independent of the endorsing faith group and legitimate concerns of the command and crew, chaplains will be independent agents operating outside the military command structure. Commanders, who must ensure good order and discipline in their commands, will have no choice but to limit chaplain access to the crew to preserve such good order, discipline and morale. Commanders will have no choice but to limit chaplain access to the crew in order to ensure good order and discipline.

The proposed section will also lead to a loss of credibility for religious ministry and chaplains services to all military members. The U.S. military has always recognized that those given the high privilege of serving as chaplain do so with an obligation to meet the needs of all members of the command regardless of religious preference. It has made chaplains part of the command structure with recognized credibility. The proposed language opens opportunity to drive wedges into the Chaplain Corps due to the emphasis it puts on each chaplain doing that which is right in his or her own eyes. It also offers chaplains a role outside of the command structure, by offering him or her prerogative outside what the command needs for good order, discipline and morale.

This proposed legislation will, in the end, marginalize chaplains and degrade their use and effectiveness to the crew and the commanding officer.

Thank you for the opportunity to comment on this important issue and I appreciate the support you provide the fine men and women of the Department of the Navy.

Sincerely,

L.V. IASIELLO,
Rear Admiral, CRC, U.S. Navy
Chief of Navy Chaplains.

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

Mr. COLE of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentlewoman for her recognition of the National Guard. I share her admiration and appreciation for that splendid service. I certainly appreciate her remarks and the bipartisan way in which we arrived at a common agreement on end strength, and also appreciate her praise for the committee's strong bipartisan work on TRICARE, while recognizing she would prefer to go a little bit further. But I think we certainly went much further in both those areas than the original administration proposal.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I rise today to express my strong support for this rule and the underlying legislation, H.R. 5122. I would like to commend Chairman HUNTER, Ranking Member SKELTON, my colleague on both the Rules Committee and the House Armed Services Committee, Mr. COLE, and thank him for this time; and all of the Members of the Armed Services Committee for their hard work on this legislation in support of our soldiers, sailors, airmen and marines who are bravely defending us at home and abroad.

Mr. Speaker, this bill does a remarkable job covering a wide scope of issues that are vitally important to our armed services, both active and Reserve components. It clearly meets the immediate needs of the warfighter. From a 2.7 percent across-the-board pay raise to an additional $50 billion to prosecute the war on terror, this legislation addresses the most pressing needs of our troops in a very trying time for America.

H.R. 5122 also recognizes the perils of cutting force numbers at a time when our troops are stretched thin by increasing both active duty personnel and National Guard end strength.

For our deployed soldiers, this legislation authorizes additional funding for their force protection and needs and support of Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom, to include up-armored Humvees, Humvee IED protection kits and gunner protection kits, and, perhaps most importantly, improvised explosive device jammers and state-of-the-art body armor to protect our brave men and women from roadside bombs.

Speaking on behalf of my district, Mr. Speaker, I am so grateful for the hard work of the House Armed Services Committee this year in authorizing funding for 20 F–22 Raptors, as well as conditionally approving the multiyear contract. Authorizing funding for the procurement of C–130Js and for the modernization of the C–5 will go a long way toward providing stability for our forces and ensuring that America maintains a modern airlift capability for the foreseeable future.

Finally, Mr. Speaker, I am especially appreciative for the efforts of Chairman HUNTER and subcommittee Chairman MCHUGH in listening to my concerns and addressing the needs of the families of our fallen soldiers.

Mr. Speaker, a brave young man from my district who heroically gave his life for our country, Sergeant Paul Saylor, from Bremen, Georgia, his family was not able to view his remains for a final time when his body was returned. With the help of Chairman HUNTER and Chairman MCHUGH, H.R. 5122 includes a provision requiring the Department of Defense to train health care professionals on the best practices for the preservation of remains following field combat death. With this provision, we are taking steps to ensure that we can honor the remains of

our fallen heroes with the dignity and respect they and their families deserve.

Mr. Speaker, again, I would like to thank the chairman and the ranking member of the committee for their hard work, as well as my colleague, Mr. COLE. H.R. 5122 is a strong bill. We can be proud of it, and it deserves the unanimous support of this House.

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

Mrs. CAPPS. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I rise to urge my colleagues on the Rules Committee to make in order my amendment to save Santa Rosa Island in the second rule. Santa Rosa Island is part of the Channel Islands National Park located in my district. This bill kicks the public off the island, which the public bought for $30 million in 1986.

The bill prohibits the Park Service from carrying out a court-ordered settlement to phase out and shut down the privately run, extremely lucrative trophy hunting operation on Santa Rosa Island, as ordered, by 2011 and requiring removal by that date of nonnative deer and elk. This ridiculous provision has no place in a Defense bill. There have been no hearings, the Pentagon hasn't requested it, and the Park Service strongly opposes it.

Under this provision, the former owners of the island, who were already paid $30 million, will continue this moneymaking trophy hunting operation indefinitely. Since hunting basically closes the island to the public for 5 months a year, taxpayers will keep getting shortchanged.

In addition, the Park Service's plans to expand visitor services will be halted and the huge non-native herds will continue to threaten several endangered species on the island.

It remains unclear why this provision was even in the bill. The chairman has said it was to increase access to the island for veterans. But veterans can visit today, and the park superintendent has offered to work out any accessibility problems, if they are identified.

There is also a fuss about how this will protect the deer and elk from extermination. Nonsense. These privately owned animals are presently required to be removed from the island, not killed. And since when was an effort to keep hunting animals a strategy for protecting animal rights?

I have here a letter from many groups opposing this provision, including the Humane Society, which I will include as part of the RECORD.

Mr. Speaker, this provision is a travesty. It is an affront to all taxpaying Americans. That is why I hope the Rules Committee will make my amendment in order for the second rule. It will give us an opportunity for debate and the ability to strike this shameless provision and let all American taxpayers, including veterans, enjoy their own national park.

Mr. Speaker, I include the letter from the various groups opposing this provision for the RECORD:

MAY 10, 2006.

DEAR REPRESENTATIVE: On behalf of the millions of members represented by our organizations, we write to express our strong opposition to Section 1036 of the FY 2007 Defense Authorization Bill put forth by Representative Duncan Hunter concerning Santa Rosa Island, part ofthe Channel Islands National Park.

Section 1036 would counteract restoration efforts at the national park, as well as decrease public access to the park. The proposal represents a severe threat to the recovery and survival of 3 subspecies of the island fox that are each listed as endangered under the federal Endangered Species Act. This unique fox species is found nowhere else in the world and only 32 wild foxes currently exist on Santa Rosa Island. The proposal would undermine the immense amount of time and resources that have been spent to address the recovery needs of this species on the island.

The provision would close off a portion of the island to the public, and undermine a court ordered settlement that calls for the phase out of hunting on the island over the next five years. The current court settlement regarding hunting on Santa Rosa Island requires that Vail & Vickers Inc., which owned the island since 1902 and sold it to the National Park Service in 1986 for about $30 million, phase out deer and elk hunting by 2011. The hunting currently prohibits full public access to the park as portions open to hunting are closed to the public. Maintaining populations of non-native species for the expressed purpose of hunting is contrary to the intended purpose of the island as a national park.

In short, Section 1036 of the FY Defense Authorization Bill would undermine the ongoing and successful work to restore the island, including the recovery ofthe federally endangered Channel Island fox, and greatly reduce the accessibility and ultimate value of the Channel Islands National Park.

The National Park Service is strongly opposed to this provision and the Defense Department has not requested it. We strongly urge you to oppose this unnecessary provision that will harm both restoration and public access on one of our nation's crown jewels, the Channel Islands National Park.

Sincerely,

Kieran Suckling, Policy Director, Center for Biological Diversity; Mary Beth Beetham, Director of Legislative Affairs, Defenders of Wildlife; Liz Godfrey, Program Director, Endangered Species Coalition; Dr. C. Mark Rockwell, D.C., Vice President, Conservation Northern California Council Federation of Fly Fishers; Nancy Perry, Vice President, Government Affairs, Humane Society of the United States; David K. Garcelon, President Institute for Wildlife Studies; Karen Steur, Vice President, Government Affairs, National Environmental Trust; Blake Selzer, Legislative Director, National Parks Conservation Association; Emily Roberson, Ph.D., Director, Native Plant Conservation Campaign; Karen Wayland, Legislative Director, Natural Resources Defense Council; and Sara Barth, California/Nevada Regional Director, The Wilderness Society.

Mr. COLE of Oklahoma. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from California (Mr. HUNTER), the distinguished chairman of the House Armed Services Committee.

Mr. HUNTER. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I want to talk about this great bill, because it is an important bill for America.

Let me just lead by following my good colleague from California, Mrs. CAPPS, with the statement about Santa Rosa Island, which is a very small part of this bill. It is important that the gentlewoman knows that there was virtually one sentence in our Defense bill with respect to Santa Rosa Island. It doesn't prohibit anybody from enjoying the park or the transfer from taking place or the court-ordered operation or transfer from the private entity to the public entity to take place. It only says one thing: Don't exterminate the deer and elk that are on that island.

The court-ordered plan is to exterminate them, and a number of disabled veterans, if you would read the letter from the Paralyzed Veterans of America, would like to keep that population of deer and elk on the island after it comes over to government ownership. I think that is wise also, because the chronic wasting disease and brain disease in deer and elk is sweeping the western United States right now, and that herd that we have offshore on Santa Rosa Island could be a vital restocking resource if, in fact, we have chronic wasting disease rise to a pandemic proportion in the West.

It is a little, protected group of animals there. This is not any big deal in terms of stopping anybody from using that huge island. It just says, don't exterminate all the deer and elk, and the court order says to shoot the last of them from helicopters. We agreed with the Paralyzed Veterans of America that it would be nice to have a small herd there where veterans, disabled, paralyzed and others, could enjoy that resource.

Let me talk about this bill a little bit, because this is a tremendous bill and it has been put together on a bipartisan basis. I want to thank Mr. SKELTON for all the great work he did. I want to thank the Rules Committee.

This bill provides for the protection of our soldiers in theater, in the shooting wars we are engaged in right now in Afghanistan and Iraq and the global war against terror, and it also looks over the horizon and provides for new equipment, new trucks, tanks, ships, planes and new technology to protect our country.

On the force protection side especially, we put in over $100 million in additional money for jamming devices to handle roadside bombs. We put in new and improved armor. Our laboratories and the private sector are developing new technology all the time. We have new and improved armor, both in platforms and in body armor, that we are bringing to the field to try to give our troops more and more ballistic protection and protection from fragments. So we truly have a troop protection package in this bill that is going to be very important for everyone who cares about folks in uniform.

We also have some long-range proposals in this bill. For example, we think it is important to keep some of the stealth aircraft around for a while longer than the administration thought. Those great stealth aircraft, like the F–117s that did only a couple of percent of the missions in the first gulf operation, yet knocked out over 20 percent of the targets, that combination of stealth and precision munitions is a very, very important capability for the United States and we don't want to retire those birds too early.

We also feel that in this bill retiring our B–52 force to the degree that is recommended by the Air Force is not providing as much insurance as we need for deep strike capability, the capability to deliver precision munitions at great distances. So we have moved to protect more of those bombers from being retired. We think that is important, to keep them in place until we bring on the new bomber program.

We have a great package in here for people. I just thank my colleagues, Mr. COLE and Mr. GINGREY, who did such great work on this bill, and the Rules Committee and Mr. HASTINGS and all the others who really care about national security.

Thank you, gentleman, for the great work that you did, because we have in this bill expansion of medical benefits for our National Guard personnel and for their families.

We have lots of resources in this bill for quality of life, for housing. We have a 2.7 percent pay raise, which now means that we are a little bit under, and I heard this from Mr. GINGREY the other day and Mrs. MILLER, we have provided now in the last 5 years now right at a 30 percent increase in pay for the 2.5 million people that wear the uniform of the United States.

□ 1245

Almost 30 percent. So we have been caring about the troops at the same time we are looking at the warfighting missions that we know are going to come to this country in the future.

So I want to thank all of the members of the Rules Committee for their hard work on this very important bill, and we hope to be able to get it up and down in the next 2 days and truly serve the people who serve America.

Ms. MATSUI. Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Texas (Mr. GENE GREEN).

Mr. GENE GREEN of Texas. Mr. Speaker, I want to congratulate both our ranking member and the Chair of the committee for the bill that they put together. This is a fair reauthorization bill.

Mr. Speaker, I do have some concern, though, that the bill does not do enough to address equipment shortages from our Reserve and National Guard units returning from Iraq and Afghanistan. Many of these units are forced to leave their equipment in the theater when they return home, and this has resulted in some Reserve and National Guard units having less than one-third of the equipment they had prior to being deployed.

Conservative estimates state that it would cost nearly $20 billion for National Guard and Reserves to re-equip to pre-Iraq war levels due to the extensive wear and the extreme conditions and loss of equipment in the theater.

Many areas of the gulf coast are prone to flooding, and with hurricane season less than a month away we need to make certain that the Guard and Reserve have the resources and the equipment necessary to response to natural disasters.

In June 2001, just days into the hurricane season, Tropical Storm Allison caused extensive flooding and damage in our congressional district, and the National Guard and Reserves were instrumental in providing assistance and rescue in high water.

We saw again last year when Katrina and Rita hit the gulf coast how important our Reserve and National Guard units are to natural disaster response. Congress needs to ensure that the equipment necessary to perform these duties is available if similar strikes occur.

Mr. Speaker, we must ensure not only that our troops have the necessary equipment to fight overseas, but that troops serving here at home have the equipment to protect Americans and respond to natural disasters.

Mr. COLE of Oklahoma. Mr. Speaker, I yield 2 minutes to the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I would like to thank my friend and colleague on the Rules Committee, Mr. COLE from Oklahoma, for granting me the time to speak.

Mr. Speaker, I rise today in support of the rule and the underlying legislation. This is a fair rule providing for general debate and consideration of the amendments made in order.

The underlying legislation is one of the most important measures we consider each year. I congratulate the chairman and the ranking member of that committee for their good, hard work. The National Defense Authorization Act is a statement of our support for the troops, the various missions our military are carrying out, and support for the men and women serving in the military once they return from their service.

I have traveled to Iraq and Afghanistan on several occasions and have incredible memories from the discussions I have had with the young men and women serving in our Armed Forces. They are patriotic, capable and determined to complete the mission of spreading democracy throughout the Middle East. We are very proud of them and we must continue to provide them with the necessary equipment to continue this mission.

I am very proud of those West Virginians who serve in the Guard and Reserves who have repeatedly, over time, shown their commitment to our country.

First and foremost, we need to ensure that our troops are properly protected. I am especially pleased that this year's authorization includes additional funding for force protection needs in support of Operation Enduring Freedom, including state-of-the-art body armor for our troops and increased armor and better technology to protect our Humvees from the IEDs.

This legislation also provides for a 2.7 percent pay increase for members of the Armed Forces. While no monetary amount will ever cover the debt of gratitude owed them, this pay raise will help the members of our Armed Forces and their families with their everyday needs.

And finally, and very important to my constituency as well, this authorization blocks the Department of Defense proposed fee increases retirees must pay under the TRICARE standard health program and zeroes out copays for generic and formulary mail order prescriptions.

Mr. Speaker, we must continue to honor the commitment made to provide quality affordable health care to our young men and women serving in the military.

Mr. Speaker, I urge all of my colleagues to support this rule and the underlying legislation.

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

Ms. LEE. Mr. Speaker, I want to thank the gentlewoman for yielding, also for her leadership on the Rules Committee and on so many issues that we are addressing in this body.

Mr. Speaker, let me just say once again I rise in opposition to this misguided $513 billion defense authorization bill.

I ask you, Mr. Speaker, what does it say really about our national security priorities when this bill authorizes a $9.1 billion missile defense program that has consistently failed, will never protect us from terrorists, and continues to siphon funds from other critical security priorities that keep nuclear materials out of the hands of terrorists and protect our ports from terrorist attacks?

What does it say about our priorities when billions of taxpayer dollars are channeled to military contractors with little accountability or oversight for combating waste, fraud and abuse? What does it say when we have another bill that authorizes Cold War era weapons systems?

Mr. Speaker, what does it say about our priorities when Congress once again authorizes nearly $50 billion more for the unnecessary war in Iraq without any accountability, direction or a way out? Every additional day our troops remain in Iraq is an extra day that they feel the insurgency in terms of the attacks. That is why I joined with my friend and colleague, Mr. ALLEN from Maine, in offering an amendment to clearly put Congress on record stating that it is the policy of

the United States not to have permanent military bases in Iraq.

This would take the target off of our troops' backs. Unfortunately this amendment was rejected, along with dozens of others which would have made this bill better. Yes, as the daughter of an Army officer, career Army officer, who consistently has supported our brave troops, I believe in a strong national defense, but this bill provides authorization for too many wasteful programs that fuel military contractors, does nothing to eliminate the waste, fraud and abuse at the Pentagon, and does very little, if you ask me, to put money into 21st century era national security needs that we need at this point rather than building in the continuation of Cold War era weapons systems.

Mr. COLE of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to point out simply for the record that this bill was reported out of committee by a 60–1 margin, a very strong bipartisan indication of support and appreciation for the main points in the bill.

As to the point on missile defense, I think the activities in Iran and certainly North Korea indicate that we would be prudent to think about developing missile defense. So I am very pleased with the bipartisan nature of this legislation. Frankly, I suspect most Members will vote for it in the end.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Speaker, I thank the gentleman for yielding me time. I thank all of the members of the Rules Committee for bringing the rule to the floor today.

As a member of the House Armed Services Committee, Mr. Speaker, I am extremely proud of the bill that we have brought to the floor here today, and I certainly want to congratulate and thank Chairman DUNCAN HUNTER as well for his outstanding leadership and his dedication to a strong national defense and particularly to our troops.

Mr. Speaker, one of the most important parts of this bill, I think, is that we do recognize that the most important asset in our entire arsenal is really not our incredible weapons or vehicles or ships, it is the men and women who bravely wear the uniform. That is why this bill has put such a strong focus once again on supporting our troops.

The bill will provide for an across-the-board increase of 2.7 percent in the base pay for our troops, as has been mentioned numerous times already. It blocks increases in fees for those who are enrolled in TRICARE prime and standard.

It also allows full TRICARE coverage for select Reserve personnel. It provides enhanced pharmacy services for nearly every military beneficiary. In addition, we forcefully attack the persistent problem of improvised explosive devices, or IEDs as they are commonly called, which have caused so many terrible problems for our troops.

The enemy knows that they cannot defeat our forces on the battlefield, so they are resorting to planting bombs along the roadside. This bill authorizes over $100 million for radio signal jamming devices to prevent the detonation of IEDs.

It also provides for another $100 million for 10 or more surveillance aircraft to patrol those areas where the IED activity is most deadly, and we must do certainly more to protect our troops from IEDs so that we can limit the amount, the number of casualties in battle. But in addition we need to learn better really how to defeat these terrible weapons, because, guess what, they could soon be finding their way to our streets here within our own borders in America.

The American people and our troops can rest assured that we understand the problem of IEDs, and with this bill, again, we are taking very forceful action to defeat them.

When we take the oath of office, we swear to uphold the Constitution of the United States, whose preamble actually requires for us to provide for the national defense. This bill not only allows us to live up to our constitutional responsibilities to provide for that defense, it ensures that our Armed Forces will remain the best trained, the best equipped and the most lethal fighting force the world has ever known.

Mr. Speaker, I urge my colleagues to support the rule and the underlying bill.

Ms. MATSUI. Mr. Speaker, I yield 2½ minutes to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I was eating my lunch downstairs, and as a member of the committee I voted for this bill in committee, as did Mr. SKELTON, and I support the bill.

However, Mr. HUNTER's discussion of the provision about Channel Islands National Park, Santa Rosa Island, I thought was incomplete and gave an inaccurate picture of what the situation is. I agree with Mrs. CAPPS. This is a provision, section 1036(c) of the bill, that should never be in the defense bill. You read the one sentence. It has nothing to do with veterans. There is not the word ''veterans'' or ''military'' anywhere in the provision. This should have been a provision that was considered by the Resources Committee.

Having said that, this is the background on this situation. In 1902 a private family owned and took control of the Channel Islands. In 1986 they sold it to the National Park Service as part of the Channel Islands National Park for about $30 million and had an agreement that they could be on the island managing their own private herd of elk and deer for some period of time.

In the late 1990s there was litigation brought by the National Parks and Conservation Association, and a settlement was reached between the National Park Service, the family that owns the deer and the elk, and the National Parks and Conservation Association. Everyone agreed to this settlement that has been going on now for the last decade, that by December 31, 2011, there would be no more hunting on this island because the island is shut down, about 90 percent of it, 4 to 5 months of the year.

But here is the key point. Number one, this is a privately owned herd. It is the same as if Mr. COLE or Mr. SKELTON had a herd of cows. This herd of deer and elk is owned not by the government, not by the National Park Service, this herd is owned by a private group. It is not the government's business to decide what to do.

Second, there is not a plan, as was described by the Armed Services Committee chairman, to exterminate the herd. Here is what the plan is. And several months ago I talked to a member of the family. They love this herd. They have professionally managed this herd for years. They have trophy hunts on the island. Their intent is to move this herd off the island and find a place, they do not know where yet, I do not think, but to move it off of the island.

According to the settlement that was reached, it is what I call the Wiley Rogue provision, if there are a few animals that are left that the company is having trouble, that own it, they are having trouble trapping those animals, the National Park Service has agreed to share in half of the expense of getting those last few animals, including perhaps, perhaps, if necessary, the hiring of professional hunters or helicopters or something to get them. There is not a plan to exterminate this private herd. This is a privately owned herd. It is not up to the government to exterminate it. This provision is only to help this private company get these last few animals. That is only if necessary. This provision should not have been in the defense bill.

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

Ms. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlemen from Rhode Island (Mr. LANGEVIN).

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

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

Mr. Speaker, I rise in support of the rule and H.R. 5122. I thank Chairman HUNTER and Ranking Member SKELTON for their exceptionally hard work on this bill.

□ 1300

This bill helps our men and women serving in the Armed Forces and makes investments to keep our military strong in the future.

Now, I supported this measure in the House Armed Services Committee because it contains a number of provisions to assist our service members and

their families, as well as military retirees. It includes a 2.7 percent pay increase for military personnel. This is higher than what the DOD requested, and much-needed increases to end-strength numbers.

It blocks a controversial DOD recommendation as well to increase TRICARE fees and deductibles for military retirees and also extends TRICARE eligibility for reservists, two issues that have been very important to my constituents.

I thank the committee leadership for their efforts to accomplish all of these important goals.

Now, I am particularly pleased that H.R. 5122 addresses the current crisis in our submarine industrial base. Mr. Speaker, our Navy right now has no plans to develop a replacement for the *Virginia* class which I believe threatens to cause our design and engineering base to disappear. Now, if we lose design capability, we will do irreparable harm to our shipbuilding industry.

The bill also includes $400 million to expedite the construction schedule for the *Virginia* class so that we can start building two submarines per year as early as 2009. This is critically important. The submarines current shipbuilding plan would have our submarine fleet drop to dangerously low levels and this bill clearly states that we cannot allow that to happen.

I commend the chairman and ranking member for all those provisions. That is the good news.

The bad news, however, I remain troubled by provisions regarding fee increases for certain prescription drugs under the TRICARE program as well as controversial language regarding religious expression by military chaplains. I hope that we will be able to consider amendments tomorrow to address these topics.

But overall, however, the underlying bill addresses many urgent needs of our military, and I encourage my colleagues to support it.

Mr. COLE of Oklahoma. Mr. Speaker, I appreciate the gentleman from Rhode Island's bipartisan remarks about the legislation.

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

Ms. MATSUI. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, the bipartisan collaboration between Chairman HUNTER and Ranking Member SKELTON has yielded a thoughtful, balanced defense authorization bill that seeks to meet our current and future defense needs. They should be commended for their hard work. However, there are still areas within this bill that can be improved. As we move to floor consideration, we have an opportunity to make this bipartisan bill even better.

Still pending before the Rules Committee are more than 90 amendments covering a host of critical issues. This includes Ranking Member SKELTON's proposal on TRICARE prescription drug copays and Mr. ISRAEL's correction to the guidelines for military chaplains.

Other amendments not yet allowed on the floor concern our Nation's Iraq policy, abuses of military contracting, and boosts to our critical nonproliferation initiatives.

It is my hope that when the Rules Committee reports out the second and final rule today these amendments will be made in order. Allowing these amendments to be debated on the floor will continue the committee's bipartisan precedent, something this body would benefit from, as well as show the issues addressed in this legislation, so critical to our Nation's well-being, the respect they deserve.

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

Mr. COLE of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

In closing, I want to take this opportunity to remind our Members that this rule and the underlying legislation is not about us or our interests. It is fundamentally about the long-term interests of our Nation, the security and stability of our military, and the welfare of our deployed servicemen and women.

Mr. Speaker, no generation undertakes a war lightly. Certainly, the World War I and World War II generations and the Cold War generations did not do so, and it is clear that historically there is always dissent. That is good and it is American. However, the previous generations understood that if they were not firm in their commitment, unwavering in their support for the troops and sure in their convictions, America would be the worse for future generations.

Mr. Speaker, we face the very same challenges as these previous generations. Today is the day that we must support our forces to secure the peace for our progeny and to spread freedom around the globe.

Mr. Speaker, we are very fortunate at this particular moment in our history to have men like Chairman HUNTER and Ranking Member IKE SKELTON heading and cooperating so closely on this very important committee, one in which whatever our differences may be, we come together as Americans to support those Americans who defend our freedom and who put themselves in harm's way for our benefit.

Mr. Speaker, I would encourage my colleagues to support the rule and the underlying legislation. It is critical for America, for the cause of freedom, and for the success of the brave men and women who proudly wear the uniform of the United States.

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 SPEAKER pro tempore (Mr. JINDAL). The question is on the resolution.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

H.R. 5143, by the yeas and nays;

H. Res. 805, by the yeas and nays;

H. Res. 806, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

H-PRIZE ACT OF 2006

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 5143, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from South Carolina (Mr. INGLIS) that the House suspend the rules and pass the bill, H.R. 5143, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 416, nays 6, answered ''present'' 1, not voting 9, as follows:

[Roll No. 131]

YEAS—416

Abercrombie	Boren	Clyburn
Ackerman	Boswell	Coble
Aderholt	Boucher	Cole (OK)
Akin	Boustany	Conaway
Alexander	Boyd	Conyers
Allen	Bradley (NH)	Cooper
Andrews	Brady (PA)	Costa
Baca	Brady (TX)	Costello
Bachus	Brown (OH)	Cramer
Baird	Brown (SC)	Crenshaw
Baker	Brown, Corrine	Crowley
Baldwin	Brown-Waite, Ginny	Cubin
Barrett (SC)	Burgess	Cuellar
Barrow	Burton (IN)	Culberson
Bartlett (MD)	Butterfield	Cummings
Barton (TX)	Buyer	Davis (AL)
Bass	Calvert	Davis (CA)
Bean	Camp (MI)	Davis (FL)
Beauprez	Campbell (CA)	Davis (IL)
Becerra	Cannon	Davis (KY)
Berkley	Cantor	Davis (TN)
Berman	Capito	Davis, Jo Ann
Berry	Capps	Davis, Tom
Bilirakis	Capuano	Deal (GA)
Bishop (GA)	Cardin	DeFazio
Bishop (NY)	Carnahan	DeGette
Bishop (UT)	Carson	Delahunt
Blackburn	Carter	DeLauro
Blumenauer	Case	DeLay
Blunt	Castle	Dent
Boehlert	Chabot	Diaz-Balart, L.
Boehner	Chandler	Diaz-Balart, M.
Bonilla	Chocola	Dicks
Bonner	Clay	Dingell
Bono	Cleaver	Doggett
Boozman		Doolittle

Doyle
Drake
Dreier
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Foley
Forbes
Ford
Fortenberry
Fossella
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McKinney
McMorris
McNulty
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schmidt
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Sodrel
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—6

Duncan
Flake
Foxx
Manzullo
Paul
Tancredo

ANSWERED ''PRESENT''—1

Biggert

NOT VOTING—9

Cardoza
Evans
Gonzalez
Kennedy (RI)
Kirk
Meehan
Murphy
Osborne
Smith (WA)

□ 1335

Mr. HYDE changed his vote from ''nay'' to ''yea.''

So (two-thirds of those voting having responded in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4297, TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005

The SPEAKER pro tempore (Mr. DANIEL E. LUNGREN of California). The pending business is the vote on adoption of House Resolution 805 on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 228, nays 194, not voting 10, as follows:

[Roll No. 132]

YEAS—228

Aderholt
Akin
Alexander
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—194

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Frank (MA)
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton

Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Bachus
Cardoza
Evans
Gonzalez
Kennedy (RI)
Meehan
Murphy
Nadler
Osborne
Smith (WA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 1344

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5122, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

The SPEAKER pro tempore. The pending business is the vote on adoption of House Resolution 806 on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 351, nays 70, not voting 11, as follows:

[Roll No. 133]

YEAS—351

Aderholt
Akin
Alexander
Andrews
Baca
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Cardin
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Clay
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Costa
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeGette
DeLauro
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Everett
Farr
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Gutknecht
Hall
Harman
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Herseth
Higgins
Hinojosa
Hobson
Hoekstra
Holden
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Israel
Issa
Istook
Jackson-Lee (TX)
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Langevin
Larsen (WA)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Mack
Maloney
Manzullo
Marchant
Marshall
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris
Meek (FL)
Melancon
Mica
Millender-McDonald
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Moore (KS)
Moran (KS)
Murtha
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Ortiz
Otter
Oxley
Pallone
Pascrell
Pastor
Paul
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reichert
Renzi
Reyes
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Saxton
Schiff
Schmidt
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Smith (NJ)
Smith (TX)
Snyder
Sodrel
Souder
Spratt
Stearns
Strickland
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—70

Abercrombie
Ackerman
Allen
Baird
Baldwin
Becerra
Blumenauer
Capuano
Conyers
Cooper
Costello
Davis (IL)
DeFazio
Delahunt
Dingell
Doggett
Fattah
Filner
Frank (MA)
Grijalva
Gutierrez
Hastings (FL)
Hinchey
Holt
Inslee
Jackson (IL)
Jefferson
Kaptur
Kilpatrick (MI)
Kucinich
Lantos
Larson (CT)
Lee
Lynch
Markey
McDermott
McGovern
McKinney
McNulty
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Moore (WI)
Moran (VA)
Nadler
Napolitano
Neal (MA)
Obey
Olver
Owens
Payne
Rangel
Sanders
Schakowsky
Serrano
Slaughter
Solis
Stark
Stupak
Taylor (MS)
Thompson (CA)
Tierney
Velázquez
Waters
Watson
Watt
Waxman
Woolsey
Wu

NOT VOTING—11

Cardoza
Evans
Gonzalez
Gordon
Kennedy (RI)
Lewis (GA)
Meehan
Murphy
Osborne
Reynolds
Smith (WA)

□ 1353

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MURPHY. Mr. Speaker, I regret that I was unable to be present for the following roll-call votes today due to a death in the family. Had I been present, let the RECORD reflect that I would have voted "yea" on H.R. 5143, "yea" on House Resolution 805, and "yea" on House Resolution 806.

GENERAL LEAVE

Mr. HUNTER. 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. 5122.

The SPEAKER pro tempore (Mr. DANIEL E. LUNGREN of California). Is there objection to the request of the gentleman from California?

There was no objection.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Mr. HUNTER. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 5122, pursuant to House Resolution 806, general debate shall not exceed 2 hours equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 806 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. 5122.

□ 1355

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. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, with Mr. GINGREY in the chair.

The Clerk read the title of the bill.

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

Pursuant to the order of the House of today, the gentleman from California (Mr. HUNTER) and the gentleman from Missouri (Mr. SKELTON) each will control 60 minutes.

The Chair recognizes the gentleman from California.

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

Last week the Committee on Armed Services reported out a bill that very clearly reflects our steadfast support for our service members and their families, our deep appreciation for their many sacrifices, and the strong bipartisan spirit that characterizes this committee.

Passing with a committee vote of 60–1, the National Defense Authorization Act for Fiscal Year 2007 provides for both near and long-term military personnel and force structure requirements, and highlights the need for improvements in acquisition processes and cooperation among key Federal agencies.

Mr. Chairman, the legislation provides $512.9 billion for the Department of Defense and the security programs of the Department of Energy. We include a recommendation of active duty growth of 30,000 for the Army and 5,000 for the Marine Corps above the President's budget request.

We also include a supplemental bridge fund of some $50 billion to support our troops operating in Afghanistan, Iraq and other places in the global war on terrorism, and this, Mr. Chairman, is to provide for a seamless continuity in the waning calendar months of this year so that our troops continue to be well supplied before any supplementals in the following year.

Mr. Chairman, we appreciate the National Guard and Reserve, and we have provided for additional end strength up to 350,000, and we also have right now a series of other enhancements that are being looked at by the special commission chartered by this body and the other body and the President to address National Guard issues. We are going to be doing that. We are going to be getting their recommendations shortly, and those recommendations may be manifested in a bill to follow this one.

But this year, taking care of our troops and protecting our troops has been a real priority, and we have included additional money, in excess of $100 million, for jamming devices to handle roadside bombs. We have included additional money for greater armor in our platforms, better armor with our new technology in the body armor units that are issued so our Army and Marine Corps personnel, in fact all personnel who are stationed in this theater, and we are spending a lot of resources protecting our forces, protecting the troops.

Additionally, Mr. Chairman, we look over the horizon and we look at potential trouble spots around the world, security challenges over the next 5, 10, 15, 20 years, and we do a few other things, and our very able chairmen of the subcommittees are going to describe a lot of the things that we do with respect to equipment and personnel in detail. But we keep a little more insurance, perhaps, than the administration has in a couple of areas.

One is stealth attack aircraft. We used just a few percentage of these great F–117 stealth aircraft in the first gulf war, and yet they knocked out over 20 percent of the targets. This combination of stealth and precision munitions has been a very critical and important factor in the American security apparatus. We don't allow the Air Force to move so quickly to retire those stealth aircraft until we get others online.

We also retain a greater part of our bomber force. That has been the backbone of our deep strike for many, many years. We don't have a new bomber program right now and we don't want to let quite as many of those birds go before we are well embarked on this new bomber program.

□ 1400

As you move across the modernization spectrum, Mr. Chairman, our members have done an extraordinary job in putting together packages for our special operators, for our line troops, for our Guard and Reserve. We have also done some great things for people, for families.

We have extended TRICARE. We have completed this movement of coverage of TRICARE to our National Guard personnel. We have made prescription drugs more affordable. We have put an emphasis and an incentive on getting your medicine through the mail, because that is a much lower burden for the taxpayers of the United States and very convenient now for those recipients.

Mr. Chairman, we have great subcommittee chairmen and great ranking members. We are going to be recognizing them to tell us about this bill. I want to give my thanks to them and my special partner and friend, IKE SKELTON, who has put in countless hours leading on issues and developing issues and working to ensure that the people that wear the uniform of the United States have the very finest conditions and the very finest treatment for themselves and their family, and that America's defense remains the envy of the world.

I reserve the balance of my time, Mr. Chairman, with many thanks to all the committee, and all the staff, who helped to put this bill together.

Mr. SKELTON. Mr. Chairman, let me first begin by complimenting the chairman, DUNCAN HUNTER, as well as the subcommittee chairmen and ranking members. This is an excellent bill. I hope it will pass in due course by the substantial vote by this body. It authorizes $462.9 billion for defense programs.

It also authorizes a supplemental authorization for $50 billion that I believe we should go beyond budgeting for foreseeable war costs in a supplemental fund. We should do it the proper way because we know at least within the realm of possibility what they are, and we would authorize those programs and activities. However, it is being done this way, and we will make the most of it, and we are at least following what is correct by authorizing that $50 billion.

This also increases the end strength of the Army, Marines, protective vests, armored Humvees and additional equipment for the National Guard. Though it is still going to be shortchanged, we are making substantial steps in equipping the National Guard. I think that a supplemental does not go far enough in that regard.

The bill also reserves the administration's plan or reverts to the administration's plan with regard to the Army National Guard and it fully funds the end strength at the authorized level. The administration recommended authorizing the full amount of troops for the Army National Guard that are there now, but paying for that number only rather than for the full amount that it should. We changed that in this bill.

We also take a look at the area regarding the Persian Gulf, and it is so very, very important that we take a look at that area. The bill addresses important quality-of-life issues that are at the top of the agenda for members and their families, a 2.7 percent pay raise.

It also does what we should have done some time ago, preserves the retiree benefits by keeping health care premiums under TRICARE at their current levels.

With this bill we take steps to ensure that our troops have the best possible equipment. We take a step toward doing better in the Navy by fully funding the ship steaming days and adding an additional $400 million for advanced procurement for the Virginia class submarine; $300 million more for the National Guard equipment, including the prepositioned stocks.

The bill also includes important bipartisan initiatives to address the future challenges. It directs the Secretary of Defense to provide Congress with a report on the Department's 10-year strategy for addressing threats posed by Iran to our country and to international security. This is terribly important because Iran is on the horizon, and hopefully we can take a good look at this and see what the report from the Department of Defense will say, which specifically addresses Iran's nuclear activities and the destabilizing influence that country has on the entire Middle East. Given the great challenges posed by Iran, that is a very important provision.

The bill also takes the first step at enhancing interagency coordination so that the United States truly is able to engage in a full range of national powers and pursue our national interest.

A number of years ago we passed what is known as the Goldwater-Nichols bill, which created a jointness among the various services. We need one hundred-fold of the coordination between the agencies of our government so we can pursue the national interest far better than we are today. The left hand often does not know what the right hand is doing.

But even with all these positive steps, this bill would be improved by a number of amendments that I am hopeful, Mr. Chairman, the Rules Committee will make in order: My amendment to lower the increased retail pharmacy copay fees for military families; the amendments offered by Mr. HOYER, Mr. UDALL and Mr. GORDON on energy security; the amendment offered by Mr. ANDREWS and other colleagues to increase funding for nonproliferation programs. We are simply not doing enough to deal with the weapons of mass destruction threat. The amendment by Mr. ISRAEL to require that chaplains demonstrate sensitivity, respect and tolerance towards service members of all faiths, that is terribly important.

Mr. Chairman, I sincerely hope that these amendments at the next go-round of the rules decisions will be made in order to make this bill all the better.

Mr. Chairman, let me take this opportunity to say a special thanks to JOEL HEFLEY and to LANE EVANS. JOEL HEFLEY, a subcommittee chairman for many years, LANE EVANS, ranking member of the Veterans' Affairs Committee, will be leaving us. This will be their last bill. We are so grateful for their tireless service through the years. We wish them all the best in the days ahead. We owe a special thanks to JOEL HEFLEY and LANE EVANS.

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

Mr. HUNTER. Mr. Chairman, we are at a crossroads on a lot of our defense weapons systems. There is no one more capable or better trained to lead in these very important decisions than the gentleman from Pennsylvania (Mr. WELDON), who is the chairman of the Tactical Air and Land Forces Subcommittee.

Mr. Chairman, I yield the gentleman from Pennsylvania (Mr. WELDON) 6 minutes.

Mr. WELDON of Pennsylvania. Mr. Chairman, I thank my distinguished chairman and friend for yielding and thank the ranking member for his outstanding leadership, two great Americans.

You know, this city is filled with a rhetoric that we don't work well together, that we are at each other's throats, that we are partisan. This bill passed our committee with a vote of 61 to 1. This bill was done in a bipartisan way and has the support of members from both sides.

I am proud of the fact, Mr. Chairman, that my subcommittee, which has 28 members, for the 12th consecutive year had no votes, no votes or suggested votes that would split our party along or our committee along party lines. My good friend NEIL ABERCROMBIE, my ranking member, and I worked together. He had great ideas. I took his ideas and suggestions and made them a part of the bill.

I want to say to our colleagues in this body and our people around the country, the Congress is working, we are working well together. We are doing good things. Now some would say that we don't have the right thing in the Congress to change what the White House and the Pentagon gives us. Hogwash. That is our job. If we hadn't done our job, we would not have had the Predator armed. It was this Congress mandated back in 1996 that we arm the Predator. It was this Congress in the 1990s, when the Clinton administration didn't request increases for pay for the troops, that plussed up the funding for the pay for the troops.

It is our responsibility to make change, and we have done it. It was this committee that recommended we put the $25 billion up for the supplemental for the war. When the White House didn't want to do it, we led the effort, and everyone else followed.

Mr. Chairman, in this committee, in my mark we have increased $1.5 million for up-armoring Humvees. We have increased $200 million for tactical radios for the troops to use. We have increased to $69 million towards explosive jammers to allow our troops to be able to detonate these bombs before they are in the area or to make them not able to work.

We have increased technology that will reduce the weight of the equipment that our military officers and soldiers and officers have to wear when they are in combat situations in the theater of Iraq or in any place in the world.

This committee has also cut programs. There are some who say all we want to do is keep increasing defense spending. In my subcommittee alone, or our subcommittee, we cut $678 million from programs that we felt the contractors were requesting too many dollars or the services were not properly overseeing. We cut the Joint Strike Fighter Program, Future Combat Systems, even the Presidential helicopter, because as my friend pointed out, Mr. ABERCROMBIE, we want the President to be flying in a safe platform when that helicopter is ready to go.

We took that money and we added $276 million for M1s and Bradley fighting vehicles; $408 million for an additional alternate engine for the Joint Strike Fighter to continue competition. We put hundreds of millions of dollars into our Guard and Reserve troops.

The role that this committee played is an unbelievable role. It is the legitimate role that was thought of in advance by our Founding Fathers when they designed our Constitution, that we just do not rubber-stamp what the White House and the Pentagon tell us.

Mr. Chairman, this committee went through dozens and dozens of hearings. This chairman has had more briefings for us. In fact, Members of Congress walk around with their eyes partly closed because he has us up at 8:00 in the morning attending briefings and our markups and hearings go until late at night. The involvement of both our members from the other side and our members from this side produces a cooperative spirit where the resultant product, I think, is outstanding.

There may be some disagreements on floor. I can tell you, Mr. Chairman, I am so proud of the committee and the work that we did in delivering a 61–1 vote.

But it is not just about our troops. It is not just about giving them the best technology, the best training, the best equipment. We have also taken some bipartisan steps to increase the flexibility of using our cooperative threat reduction dollars, to go after those weapons of mass destruction, whether it is in North Korea or whether it is in Libya. In our bill in a joint bipartisan amendment with Mr. SPRATT, we have put language in providing flexibility for up to $30 million to be used by the Pentagon to go into these areas without having to go back for a reprogram request to allow us to immediately take action against these deposits of WMD when we find them.

We have also put into place the Nuclear Strategy Forum. We happen to think there should be a national debate on what the use of nuclear weapons should be in the 21st century. Again with bipartisan support, we have put together a team of the best thinkers, the best academics in America, who in a bipartisan and nonpartisan way will hold meetings and hearings on what should be our nuclear posture. Should we in fact reduce our nuclear arsenal? Should we in fact look at testing? Should we in fact look to an alternative type of technology away from nuclear weapons totally?

That is a part of this bill. So it is not just about weapons systems. It is about a comprehensive approach that will allow us to maintain security and, in the end, avoid war, which is the ultimate objective I have as long as I am going to be a Member of this institution.

We also reauthorized the EMP Commission. I want to pay particular accolades to ROSCOE BARTLETT, our colleague, who has been out front on that issue for a decade warning us of the threat from the use of electromatic pulse. We have put into place a panel. That panel has now been reauthorized and are advising us on how we can protect America's infrastructure and weapons systems.

Mr. Chairman, there is a personal priority in this bill to me because I am also vice chairman of the Homeland Security Committee and I work on behalf of the Nation's firefighters.

You know our firefighters are our domestic defenders. Our soldiers are international defenders. Much of the technology we developed for the soldiers has direct application to our firefighters, our paramedics and our first responders, but we haven't done a good job in transferring that technology, whether it is thermal imagers or whether it is GPS capability. We need to give our first responders the same kind of protection that we give to our warfighters. In this bill, again with the cooperation of members on both sides, we put in a specific provision that focuses on the need to immediately transfer technology developed by our military people and put it into use for our domestic defenders.

I ask our colleagues to vote ''yes'' on this important domestic bill.

Mr. Chairman, I have the honor of serving as the Vice Chairman of the Armed Services Committee and as the Chairman of the Tactical Air and Land Forces Subcommittee.

I, first of all, want to thank my distinguished chairman for the leadership he continues to provide across the wide range of issues that come before our committee. And similarly, I would like to express my admiration for the ranking member, for the leadership and expertise he brings to the committee. To the gentleman from Hawaii (Mr. ABERCROMBIE), my ranking member, I thank him. He is a great American and it is great to work with him.

We have a great committee. Yes, there are contentious issues, but they get debated, we vote, and then we move on. We address the vast majority of issues in a what is best for the troops and taxpayer, non-partisan way. I cannot tell the Members how proud I am to serve on this committee. Every day that I serve in this institution, I am happy that we work so well together. This committee, I think, sets the example for the entire Congress, demonstrating that we can all work together. I think the best evidence of that is, we again had a vote out of committee of 61 of the 62 members coming together. Where we had areas of disagreement, we have been able to work those out. This is a real credit and testimony to this Congress and those 62 members who are on this committee and to our Chairman.

Those of us in the Subcommittee have two priorities: to take care of the troops and to do our best to hold DOD accountable for its acquisition programs.

This committee did this year what we have done for the prior two years to support our personnel in Iraq and Afghanistan. We have held hearings at the subcommittee and full committee level, pushing the Pentagon's bureaucracy to get the best available equipment to our personnel as soon as it can be properly tested—body and vehicle armor; improvised explosive device jammers, unmanned aerial vehicles, small arms, night vision equipment, and so on. It was this committee that first called for additional funding to up-armor our Humvees and take care of the troops that were in harm's way. It was this committee that led the White House two years ago in getting that first $25 billion supplemental.

This bill makes big changes to programs and it makes seemingly small changes to programs that are yet very meaningful to the average soldier, sailor, marine, and airman. H.R. 5122 provides over $1.5 billion in additional funds to procure up-armor Humvees and body armor to protect our personnel. The bill provides over $200 million in additional funds to procure tactical handheld and small unit radios for ground forces, addressing urgent needs in Iraq. The bill also provides an additional $69.0 million to produce and deploy 10,000 man-portable improvised explosive device jammers that can address a full spectrum of threats in theater.

At the same time increased authorization is provided for small arms and small arms technologies. The basic infantryman or marine entering combat can be required to carry combat configured loads of ammunition and equipment, that combined, can exceed 90 pounds. The bill contains funding to advance technologies that can reduce this carrying load through advancements in lightweight components for existing small arms and caseless ammunition.

With our military personnel at risk each and every day, supporting those personnel by providing them the proper equipment is where our number one priority must continue to be. We cannot shortchange the current force for a promised future capability.

Our military is facing major financial challenges in upgrading tactical aircraft programs, shipbuilding programs, and space programs. And the Army in particular is facing a major budgetary challenge in trying to fund its Future Combat Systems Program—a $200 billion program; along with Modularity—a major restructuring and equipping of its combat brigade structure, a $52.5 billion program; and Reset, repairing and remanufacturing equipment returning from Iraq and Afghanistan, a $72.3 billion program.

The bill is about balancing the health and capability of the current force with the needs of future military capability.

Our concern with several programs is one of excess R&D and procurement concurrency. We have cut $678 million from the Pentagon's request in programs within the subcommittee's jurisdiction. Both the Joint Strike Fighter, F–35, and Presidential Helicopter Program, the VH–71, have been reduced by a total of $280 million because of our concerns that they are not meeting our ''fly before buy'' rule.

We make other changes that better balance current against promised future capabilities: $276 million has been added for M–1 tank and Bradley fighting vehicle upgrades. Instead of the Army paying $3 million per Bradley upgrade, if done at the minimum economic order quantity rate, the Army is paying $8 million per vehicle—2½ times what we should be paying. Instead of paying $5 million for an M–1 tank upgrade, the Army is paying $7.4 million a tank. Our $276 million recommended increase would fund the economic order quantity for each vehicle.

Finally, we seek to correct major last minute budget decisions by the Pentagon that seemingly make no sense whatsoever. An example is the alternate engine for the Joint Strike Fighter, the F–35. Congress has supported a competitive engine strategy for that program for the past ten years. The Pentagon proposes to terminate that program without having done any substantive analysis. It was a last minute decision to balance the books. We add back $408 million to maintain competition in the F–35 engine development program. The Subcommittee believes engine competition is an important ingredient in fielding an F–35 that is both capable and affordable.

In closing, I again want to thank my distinguished chairman and ranking members of the full committee and our subcommittee. This bill is deserving of a ''yes'' vote from every Member of this body.

□ 1415

Mr. SKELTON. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. ORTIZ).

Mr. ORTIZ. Mr. Chairman, I rise in support of this bill. I want to thank Chairman HUNTER and my ranking member, Mr. SKELTON, for their skills and leadership in addressing the military issues before us today. This bill provides for the needs of our troops and their families. I want to thank the staff also for their hard work and all they have done to get this bill out and get it on the floor today.

One of the most important parts of this bill is the attention given to the immediate readiness needs of our men and women in uniform. The bill takes action in addressing shortfalls in operations, training and maintenance, funding that the Department of Defense failed to address in their budget submission. Over $850 million is moved into vital functions, such as ship steaming days, pre-positioned stocks, depot maintenance and training.

As the ranking member on the Readiness Subcommittee, I have worked very closely with my good friend, Chairman HEFLEY, to address these shortfalls while balancing the need for our military to transform itself to maintain its standing as the world's premier fighting force. We hate to see Chairman HEFLEY leave, who has done a great job and who is retiring.

Thank you for your leadership and commitment in building housing for the families and all you have done for our troops. We will never forget what you have done.

Also leaving is another good friend that came to Congress with me, LANE EVANS, who did a heck of a job looking after the welfare of veterans on this committee.

I thank again Chairman HUNTER and Mr. SKELTON for bringing us to where we are today.

Vote for this bill.

Mr. HUNTER. Mr. Chairman, I yield 6 minutes to the gentleman from Colorado, JOEL HEFLEY, who has done remarkable work in this Readiness Subcommittee, which controls such a big portion of the defense bill. The gentleman is a great friend to everyone who wears a uniform and is probably the best rodeo cowboy who has ever served in this House.

Mr. HEFLEY. Mr. Chairman, I thank you very much. I thank you, Mr. HUNTER, Mr. SKELTON and Mr. ORTIZ for the very kind words. You kind of went over the top when you said I was the best rodeo cowboy. The truth is I was and still am a rodeo cowboy, still enter some charity rodeos, but if there has ever been a rodeo cowboy serving

in this body, I would say that he probably is better than I am. But I appreciate the kind words and I appreciate your yielding me time.

The gentleman from California, our chairman, and the ranking member as well, there is no one in this body that has more of a heart for the soldiers, for the people who dedicate themselves to defending us, than these two gentlemen do, and I think this is exemplified in the bill that you have before you today.

I am very, very proud to endorse and support this bill, because it meets the needs of the men and women in uniform while protecting our national security, and I think we can be very proud of it.

I think also Mr. WELDON emphasized one thing that I think is important as an example, Mr. HUNTER, to our body here. So much of what we do in this body is for political advantage, one party, the other party, to get political advantage. This bill is truly a bipartisan bill. When you have 61–1, for crying out loud, it means that we sat down and tried to solve the problems that we solved. And we didn't solve them as Democrats or Republicans; we solved them as Members of Congress trying to do the right thing for our troops. I think we can be proud of the bill from that standpoint as well.

The gentleman from Texas (Mr. ORTIZ) and the other members of the Readiness Subcommittee and I worked very closely to examine the Department's funding for the military readiness, which includes $129.8 billion in operation and maintenance funds, as well as approximately $16.7 billion for military construction and implementation of the 2005 base closure and realignment round.

The actions we took this year balanced the current operations and maintenance needs of our Armed Forces with the need to transform our military into the force of tomorrow. We looked at the readiness levels of our military units, including the adequacy of training programs, the maintenance of equipment in theater and the service's ability to reset and recapitalize equipment that returns from war.

Our work led us to the conclusion that more needs to be done to support our core readiness needs, and, therefore, the bill before us today fully funds basic requirements such as ship operations, aircraft flying hours and depot maintenance.

The bill also requires the Army and Navy to fund these critical readiness requirements before embarking on costly modernization programs. This requirement is significant as it will ensure that transformation of the services does not come at the expense of today's military readiness.

It is also worth noting that this bill provides more than $10 billion for the construction of structures that range from child development centers to critical readiness facilities. I have seen many of the facilities where the servicemembers live and work, and I must say that these funds are badly needed. It is our responsibility to ensure that our servicemembers and their families live, work and play in modern and well-maintained facilities and homes. To do anything else threatens our Nation's ability to retain the best and the brightest people in the ranks of our military.

Several years ago, we began to look at where our servicemembers live and work, and in many cases it was third-world conditions, and we have been whacking away at this over the years to try to provide a decent place to live and work for everybody who wears the uniform.

Mr. Chairman, the bill before us is certainly worthy of our support, and I urge my colleagues to join me in voting for it.

Mr. SKELTON. Mr. Chairman, I yield 3 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

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

Mr. ABERCROMBIE. Mr. Chairman, I thank Chairman HUNTER and Mr. SKELTON for the opportunity. I stand here today in support of the bill moving forward, but I have a caveat that I hope will be able to be addressed before we come to a final conclusion.

As the chairman knows, my original opposition was to what has been termed the ''bridge fund''; upon reconsideration, I have become a strong advocate of it. For those not familiar with it, the bridge fund is a legitimate methodology for the authorizing committee to deal with the actual cost of deployments of our Armed Forces throughout the world.

Presently, the bridge fund will deal only with approximately 6 months' worth of costs associated, expenditures associated, with these deployments. As a result then we will have to take up yet another supplemental budget, probably just after the first of the year, within a month or so, and that will, in turn, find us dealing with other requests, other emergencies, that will be included in this so-called supplemental budget. It is not an emergency that we need funding for for our deployments overseas, but rather an admission and an acknowledgment of the true costs of these deployments overseas.

So, Mr. Chairman, I most certainly urge that we move the bill along and, at the same time, then take up this question of being straightforward and honest with the American people as to what the true costs are of our deployments and to see to it that the military does not have to cannibalize the existing budget and take us away from what I consider 100 percent support of the troops 50 percent of the time.

I believe, even though I am in opposition to much of what is the foundation for support, the irony in this is that those like myself who did not support the effort in Iraq as undertaken and have serious reservations about how the war is being conducted, the military action is being conducted in Afghanistan, are actually being sustained in our position; rather than finding support for those who originally were for the war in Iraq or think that we are doing the right thing in Afghanistan, that position is being undermined because we are not being straightforward with people as to what the true costs are.

There is a case of unease in the American public, I think, with regard to our present policies in Iraq and Afghanistan because we do not have a straightforward, honest approach with the American people as to what the costs are. I believe the American people will pay any costs to protect our security if they feel that we are being honest and straightforward about it.

We need to do that. We need to bring the bridge fund in our authorization up to the actual cost, and not undermine the good work that has been on this bill this year.

Mr. Chairman, as the ranking minority member of the Air and Land Forces Subcommittee of the HASC, I am pleased to support H.R. 5122. I also want to commend my chairman and partner on the Air and Land Forces Subcommittee, Congressman KURT WELDON, for his nonpartisan approach to our subcommittee's portion' of this bill.

The procurement and research portions of this bill that the Air and Land Forces Subcommittee oversees strikes an effective balance between getting our troops the equipment they need, ensuring that the equipment works, and ensuring that it is all acquired at a price the Nation can afford. Striking this balance is always difficult, but given the pressure on the DOD budget from the war in Iraq, this was an especially challenging year. I am pleased to support the procurement and research aspects of this bill as a good-government approach to making tough decisions when funds are limited.

This bill is a significant improvement over the procurement and research budget presented by the President in two critical ways. First, it is a more straightforward document that lays out what the committee decided the military's priorities should be, and what funding these priorities will actually cost. Second, it shifts funding from programs that are simply not working and moves those funds to programs that are working and are delivering effective equipment to the troops in the field today. With troops in combat the Congress has a non-negotiable obligation to weigh in heavily on the side of immediate and near-term needs of the military.

There are two programs that this bill takes some significant funding away from, and I want to address the committee's reasoning on these reductions, because they were both difficult decisions. The first is the Army's Future Combat System, which this bill cuts by $325 million.

I want to be clear that this is not a move to punish the Army. Everyone on this committee recognizes that the Army is carrying the heaviest burden in the wars in Iraq and Afghanistan in terms lives lost and dollars spent. Every member of this committee also wants to ensure we have an Army that is ready today and prepared for the challenges of the future. The

problem is that the Army simply has too many bills to pay and not enough funding to cover all of them. Difficult choices had to be made.

The second program cut is to the VH–71 ''Presidential Helicopter'' program. This rather modest cut is based on the committee's concern that this program is being pushed too fast and is taking test and development risks that are clearly not appropriate and could be outright dangerous. I want to make it absolutely clear that the goal of this cut and some language in the bill is not to kill the program, or even scale back its size. Instead, it is a reflection of this committee's support for the principle of ''fly before you buy'' that must be followed, especially for a helicopter the President of the United States is going to fly in.

Given the demands of an ongoing war and the need to continue to buy and develop new equipment, this bill strikes an appropriate balance given the funding available.

Despite my support for the bill, I did want to caveat that support in one important aspect: the lack of an authorization in this bill for the full-year cost of the wars in Iraq and Afghanistan.

In each of the past two years, the Congress has put some of the funding for the wars in Iraq and Afghanistan through the normal authorization and appropriations process. The rest of the funding for the year, however, has come through very large supplemental appropriations bills that the Armed Services Committee has been unable to oversee properly.

I have supported all of the Defense authorization and Defense Appropriations bills done under our normal budget procedures since the war in Iraq began. Putting the money in the normal budget would be best, but the ''bridge fund'' mechanism in the legislation before us today is arguably a reasonable middle ground between funding purely through supplementals and the normal budget process. Chairman Hunter deserves credit for coming up with this more honest approach.

This year, for whatever reason, the Administration only requested $50 billion in additional funding in FY 2007 for the wars in Iraq and Afghanistan. This total is reflected in the bill as reported by the committee. During committee consideration of this bill, I had an amendment that sought to increase the amount of the bridge fund to $92 billion so that it would reflect the likely full-year cost of combat operations overseas. Unfortunately this amendment was voted down by the majority.

Having a more realistic full-year figure in this bill would have improved this legislation's relevance and honesty. The troops overseas and the American people deserve to know what our best estimate of the cost of these wars will be in 2007.

Continuing to rely on massive supplemental, so-called ''emergency'' spending bills to pay for the war is both dishonest and fiscally unsound. I believe that the American people are willing to sacrifice to get the troops the funds they need, but instead of asking all Americans to sacrifice we are instead using a budget shell game to hide the real cost of the war. This shell game also allows massive tax cuts for the wealthy during a war which we are borrowing money from other nations to pay for. Funding the war in this manner is saddling our children and grandchildren with a massive debt that they will have to payoff in the future.

Overall, the bill before us today is a good bill, but choosing to only authorize 6 months of funding for the troops in the field is like saying to them that the Congress supports you 100 percent for 50 percent of the year. I do not think that is the message that the House wants to send.

Mr. HUNTER. Mr. Chairman, the heart of this bill is the 2.5 million Americans that wear the uniform of the United States, and the subcommittee that oversees personnel issues and sets the pay raises and does personnel policy is headed by the gentleman from New York (Mr. MCHUGH). This is an enormous job, and he has done a great job. I yield the gentleman 6 minutes.

Mr. MCHUGH. Mr. Chairman, I thank the distinguished chairman for his kind comments and for the very generous allocation of time. I also want to thank my other colleagues who deferred to me to allow me to kind of go out of order because of another appointment I have. Gracious, as always.

Mr. Chairman, the chairman of the full committee is absolutely right. We have the honor on this subcommittee to deal really with what I think all of us believe are the very core issues of fielding any effective military, and that is caring for the men and women who proudly wear this uniform, of course, under our system voluntarily, and, equally important, ensuring that the kinds of programs that are necessary to take care of their loved ones, their families, as they deploy into such dangerous places as Iraq, Afghanistan, and the literally hundreds of other places across this planet in which our military and men and women serve today, protecting our freedoms, find themselves.

This is, as we have heard here, as is reflective of the entire committee, a truly bipartisan effort, and I want to thank, of course, the chairman of the full committee, the gentleman from California, for his amazing leadership in very, very difficult times; the support that he has so graciously acknowledged, and rightfully so, from the ranking member, the gentleman from Missouri, IKE SKELTON; and on the Personnel Subcommittee, for the support, for the leadership, for the guidance of our ranking member, the gentleman from Arkansas, Dr. Snyder.

It is tough in this day and age, as others, including the gentleman from Pennsylvania, have suggested, to put aside partisan politics at all times in this Nation's Capital, particularly in this, an even-numbered year. But if it is being done anywhere, it is being done most successfully, perhaps not perfectly, but most successfully on this Armed Services Committee, and I would argue, most strongly on this Personnel Subcommittee.

The name ''personnel'' can confuse some folks. It doesn't send a very clear message. But what we try to do is the best we possibly can, within limited resources, to care for those folks who have done such an amazing job.

We are all, very collectively, very proud of the fact that when members of this committee come and talk about the achievements, significant achievements, of this bill, they generally more often than not talk about the provisions that first started in this Personnel Subcommittee:

The pay increase, the eighth consecutive year that it exceeds the general average pay increase in the Employment Cost Index, and the help that that provides, closing the gap between the civilian and the military sectors, down to a low now of 4 percent should this pay increase proposal prevail;

The kinds of things we have done in trying to take the next logical step towards controlling and keeping the cost of the military health care system affordable, but not doing it in a way that immediately inflicts what I would argue and I think my colleagues would agree is unnecessary and excessive pain in terms of the hundreds of percent of increase in copay and in enrollment fees and such through the TRICARE program;

The efforts we have made, at great expense, by the way, to add to the military end strength, recognizing that the demands we have placed upon our men and women in uniform are so significant. And one of the challenges we face is to ensure that there are sufficient numbers in the military, in the uniform, to try to assure a better and reasonable level of operations and personnel tempo, so folks who are coming home from theaters like in Iraq and Afghanistan have time to recoup, have time to unwind and spend time with their families.

□ 1430

The only way that can be done is through a reasonable extension and expansion of the numbers that we authorize in terms of putting men and women into particularly the Army, the Guard, and, of course, the Marine Corps as well.

Casualty assistance programs, recognizing that we are in a time of war, that there are difficulties in terms of those programs, and we have to ensure that the remains of military personnel who give their all, their ultimate in times of combat or who die of noncombat-related injuries in the theater of combat are moved and dedicated and brought home by military-leased aircraft and are processed in a timely and a humane and a respectful way, and on and on and on.

This is just a good bill from top to bottom. I would certainly, with a sense of pride, suggest that the 61–1 vote I think clearly illustrates that in the personnel sections this is a truly beneficial and truly progressive bill.

Mr. Chairman, I would urge all of my colleagues to support it.

Mr. SKELTON. I yield such time as he may consume to the ranking member of the Personnel Subcommittee, the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Chairman, I want to acknowledge the work that the

ranking member has done on this bill, to work with Chairman HUNTER, also my Personnel Subcommittee chairman, Mr. MCHUGH, for the work that he has done on this bill. He has given a good summary of the provisions and our concern for our men and women in uniform and their families.

Mr. Chairman, you know, I hope while I rise today in support of this bill, we certainly did have disagreements on the committee, and there are Members who are not on the committee that want to have the opportunity to present their ideas also.

We have approved one rule today that has made eight amendments in order. I hope tonight when the Rules Committee meets that most of the other amendments that have been requested will also be made in order. It would be ironic if while we are supporting our men and women in uniform fighting for democracy in Afghanistan and Iraq that the winds of democracy would be denied on the House floor in the consideration of the remainder of this bill tomorrow.

Mr. Chairman, what I wanted to do is just take a minute of time here today and talk about a provision that is not in the bill. Chairman HUNTER has heard some of these discussions before. But I am one of those, I think there are a fair number now, that believe that we really need to do some work on the Montgomery GI bill.

And we have got some bureaucratic issues that we have to deal with here in the Congress. The GI bill for veterans, those who are in the active component, is handled by the Veterans' Committee. The GI bill for the Reserve component, our Guard and Reserve force, is handled by the Armed Services Committee, and because of that, the active component benefit has had some inflationary increase through the years. We have not done that same kind of thing on a comparable basis for the Reserve component.

We also have a very unfair situation now where a person who is in the Reserve component is activated, serves overseas in a war for 12 months or longer, comes back and their enlistment contract ends. If they do not reenlist and stay in the Guard or Reserve forces, they get no GI bill benefits.

That is just terribly unfair. I say that as someone who many years ago, when I was a young man, enlisted in Marine Corps for 2 years, spent 12 months and 20 days in Vietnam, came back, was discharged from the military and actually received, for my 21½ months of total Marine Corps service 45 months in the GI bill.

Now, we just do not treat our Reserve component forces fairly. They could have spent 18 months in a war zone, get out of the Reserve and get no GI bill benefit. We need to work on that. Chairman MCHUGH has committed himself to holding hearings on this issue. I know that Chairman BUYER on the Veterans' Committee is very interested in this issue. Somehow, Mr. Chairman, we have to get the sides together on this and work through some of these issues. I appreciate your interest.

Mr. HUNTER. Mr. Chairman, the Strategic Forces Subcommittee is extremely important to our country, and the gentleman from Alabama (Mr. EVERETT) does a wonderful job of overseeing this very important dimension of national security.

Mr. Chairman, I yield 6 minutes to the gentleman from Alabama (Mr. EVERETT).

Mr. EVERETT. Mr. Chairman, I thank Chairman HUNTER. I would also like to say that under his leadership we certainly have produced one of the most bipartisan bills in one of the areas that is most important to our national defense, and I appreciate his leadership.

Mr. Chairman, I also appreciate Mr. SKELTON, my friend who is ranking member. And also let me say that we had an extremely bipartisan markup in my subcommittee, and this subcommittee handles some of the most controversial, contentious, complex issues in the defense industry. We could not have had such a bipartisan markup had it not been for my good friend from Texas (Mr. REYES), who is my ranking member of that subcommittee.

So it was an extremely good markup, and as we have seen now, that markup was followed by the full committee markup where the bill passed 61–1.

I want to say a few things about the bill. The need for providing support to ongoing operations in Iraq and the war on terrorism have appropriately been the focus of much of the committee's work this year. It is also important to examine our Nation's strategic posture and our ability to maintain a strong national defense, capable of projecting a powerful and diversified global force.

I am proud that our bill provides investments in the Nation's long-term need for transforming the Nation's capabilities of our strategic forces, and I am also proud that near-term benefits for our Armed Forces deployed around the world protecting our Nation at home is included in this bill.

In the Missile Defense Agency, the bill before you adds $140 million to transition the Army's PAC–2 Patriot missile equipment to the PAC–3 configuration and funds upgrades to the Aegis ballistic defense system. These recommendations shift funds from longer term and less well-defined projects to near-term priorities.

In the area of military space, the bill makes adjustments to the budget request to address concerns about whether space program funds are executable in the year 2007. The bill also includes a provision to establish a Department of Defense Office of Operational Responsive Space to focus and advance the Nation's ability to provide on-demand space capabilities to global military operations.

Within the atomic energy defense activities, the bill funds the Department of Energy programs at the budget request. The bill also includes a provision that requires the Secretary of Energy and the Secretary of Defense to submit to Congress a plan for the transformation of the nuclear weapons complex and authorizes funds for infrastructure upgrades.

In addition, Mr. Chairman, this is a problem that I frankly had gotten tired of seeing come before the subcommittee, and that is the Mixed Oxide, or MOX, fuel fabrication facilities and the agreements that we were trying to have with the Russians. The mark includes information that would uphold the nonproliferation objectives of the committee to begin disposition of weapons grade plutonium in the U.S. The problem is that we do not see any movement among the Russians. For a couple of years now we have been faced with this. I have become frankly a little tired of seeing it come before the Congress when we have seen no movement from the Russians to do away with their plutonium nor to reach any agreement with us to do so.

So an amendment was offered by Mr. WILSON. I asked the staff to look at a way that we can do this. There is an amendment offered by Mr. WILSON to delink the U.S. disposition of its plutonium from that of the Russians. That is also included in the mark.

The bill also adds $40 million to other nuclear nonproliferation programs and $50 million to environmental cleanup activities.

Mr. Chairman, the committee's report addresses administrative objectives, unfunded military requirements, and Member priorities. This is a good bill, as I said earlier. We simply could not have gotten this bill through the committee without the strong help from my good friend, Mr. REYES from Texas, and also from the members of the committee, both the minority members and the majority members, who really worked hard, as I said, on some of the most complex, controversial issues that are included in the entire defense bill.

So I would ask Members to take a strong look at this bill. Much like the subcommittee, it passed out of the full committee on a 61–1 vote. It is a bipartisan bill.

Finally, let me just simply say that much of this was achieved by the extremely hard work in my subcommittee by both staffs on the minority and the majority side.

I urge this bill to be passed. It is a very good bill.

Mr. SKELTON. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Chairman, I rise to thank Chairman HUNTER and Ranking Member SKELTON for the real progress that this legislation represents for our men and women in uniform.

I think this is truly landmark legislation in this regard. I also deeply appreciate the work of the committee

leadership in working with me to include section 311 to improve the management of our unexploded ordnance and munition response programs. This is going to pay dividends for our troops here at home.

In the long run it is going to save money for the taxpayers, and the more progress we make here we are going to develop technology and techniques that are going to make people safer around the world.

I do want to share a troubling story that came forth in my community this weekend of military recruitment abuse, a problem that frankly I thought was behind us.

An 18-year-old autistic high school student who, despite a clear disability, was recruited into the Army, in the calvary as a scout, despite the strong objection of his parents and in apparent violation of military rules.

After news media attention and our office intervened, the Army has recently back-pedaled. But this is an outrageous situation. I have heard from numerous sources that this young man was not even aware that we were fighting in Iraq when he was being recruited in and signed a contract to serve in the Army.

The evidence strongly suggests that the recruiters purposefully withheld information about his disability in order to circumvent the rules. This does not appear to be an isolated incident. Pentagon statistics show accusations of recruitment abuses are at record levels.

I have called upon the Secretary of Defense for an investigation at least in this situation, because we need to get to the bottom of it, and it is likely not just one isolated case around the country. To be the finest fighting force in the world, we must continue to demand the most rigorous standards of conduct at all ranks of the military, including recruiting.

Mr. Chairman, I hope that the Armed Services Committee will work with me as this bill moves forward to make sure that safeguards are in place to make sure what happened to this young student never happens again and, most important, to make sure the integrity of the people he would serve with are protected as well.

Thank you for your courtesy.

Mr. HUNTER. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. BARTLETT), who heads the Projection Forces Subcommittee, which oversees the construction of the platforms and our ships and our bomber forces and our airlift that projects American power around the world.

(Mr. BARTLETT of Maryland asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Chairman, I rise in strong support of H.R. 5122, a truly bipartisan bill that supports our troops.

As chairman of the Subcommittee on Projection Forces, I want to recognize the outstanding service rendered to our great Nation by our men and women in uniform around the globe here, meeting every challenge with true dedication and professionalism.

I also want to thank all Americans, especially the families of the deployed service members, for their unwavering support of our servicemen and women.

□ 1445

I want to thank the gentleman from Mississippi (Mr. TAYLOR), ranking member of the Projection Forces Subcommittee, for his extraordinary partnership and support in completing this bill.

Thank you, sir, so very much. I express my sincere gratitude to all of my colleagues and staff on the subcommittee for their diligence, commitment and hard work. Further, I would like to recognize our chairman, Mr. HUNTER, and ranking member, Mr. SKELTON, for their continued exemplary leadership in bringing this year's National Defense Authorization Act to the floor with unwavering bipartisanship and clear focus to providing our military what it needs to accomplish its mission.

I am pleased to report that the National Defense Authorization Act that we consider today takes bold steps to ensure our Nation's continued ability to safeguard our national interests and, when necessary, project U.S. military power around the globe.

We have taken action to provide our troops with the capabilities they need to meet current and emerging threats. But we also have taken precautions to ensure that current capabilities are not permanently or prematurely retired to fund future replacement capabilities that are either undefined or unaffordable.

Some of the Projection Forces highlights in this bill include: a program to infuse our shipyards with leading-edge manufacturing technology and management systems to reduce shipbuilding costs and return our shipyards to global competitiveness; legislative provisions that will improve the Navy's ability to execute the 313-ship plan envisioned by the Chief of Naval Operations by setting cost limitations at Navy budget estimates for the LHA(R), CVN–21 and LPD–17 programs; force structure initiatives that set a minimum requirement for 48 attack submarines and 299 strategic airlift aircraft and limited retirements of KC–135E and B–52 aircraft; 400 million in advance procurement funds to begin construction of a second Virginia class submarine in fiscal year 2009; $300 million to procure three additional C–17 aircraft; and $200 million to accelerate the DDG–51 destroyer modernization program by 2 years.

While there is much more to do, the National Defense Authorization Act for fiscal year 2007 is an important step in strengthening the Armed Forces of the United States. I urge all of my colleagues to support this bill.

Mr. SKELTON. Mr. Chairman, I yield 7 minutes to the gentlewoman from Georgia (Ms. MCKINNEY), a member of the subcommittee.

Ms. MCKINNEY. Mr. Chairman, I anticipate today that mine will be one of the few votes against this bill, just as I cast the only dissenting vote on the bill in committee. I have submitted a thoroughgoing written statement of the reasons for my dissent.

President Theodore Roosevelt said, ''To announce that there must be no criticism of the President, or that we are to stand by the President right or wrong, is not only unpatriotic and servile, but is morally treasonable to the American public.''

The American public are expressing their criticism of our President and his war in opinion polls showing the President's approval rating is the lowest it has been during his tenure. But Congress continues to march in step with the President's war plans. The wars and military operations we are funding through this defense authorization act are based on a simple use of force authorization passed by this Congress in October of 2001, which was to have been linked to the provisions of the War Powers Act of 1973. Thus, it is Congress that paved the way for the disastrous war in Iraq, and Congress must accept that it too bears responsibility for this war.

No regular review of that authorization has taken place, which has been cited by the President to justify preemptive war, the creation of a dual legal system, military tribunals, imprisoning enemy combatants without due process, the abandonment of the Geneva Accords and U.N. principles relating to war, extralegal secret renditions involving illegal methods of interrogation, including torture, expanded secrecy and attacks on civil liberties at home.

Calls from the executive for ending the principle of separating military and civilian policing by rescinding the Posse Comitatus Act of 1878 should send a chill to all who value civil liberties. We are quick to honor our young men and women in uniform with words and medals, but do we honor them where it really counts, in the pocketbook? In the hospitals for amputees and third-degree burns? We must do a better job of representing the American people and our people in uniform.

Unchecked fraudulent recruitment, failed retention, violation of rights and regulations, stop-loss policies and overrotation, lack of adequate protection for combat troops, protection of rights of conscience, diminished medical care for troops and their families, decreases in veterans benefits, environmental damage done by the manufacture, storage and use of military weapons, falsified benefits and bonuses, and privatization of functions all remain inadequately addressed by the passage of this bill, and in some cases, they are worsened.

By passing this bill virtually without dissent, the Congress is effectively legitimizing these unprecedented actions of the executive.

As we enter a fourth year of war in Iraq, the level of violence in Iraq continues unabated. It is higher than it has been at any time since the U.S.-led invasion of March 2003. As we enter a fifth year in Afghanistan, there is renewed violence and the specter of another drawn-out war. Meanwhile, our military budget continues to grow to unprecedented levels along with the deficits it is creating.

We now have a larger and more lethal military force and a more expanded intelligence budget and consolidation than we did at the height of the Cold War. That threat has receded, but the threat of unconsolidated and ill-equipped terrorist groups has been used to expand the funding of huge corporate contracts for weapons and war while denying the human suffering and needs that face us.

According to Pentagon figures, we are spending $9 billion a month to wage wars in Iraq and Afghanistan. That comes to $300 million a day, $12.5 million an hour, over $200,000 a minute, and $3,500 a second.

After the Second World War, President Truman set up a commission to investigate war profiteering and the government asked that corporations plow their war profits back into social programs to help rebuild the postwar economy. But today, corporations are profiting from war and its related military activities as never before, with a green light from the White House to proceed, despite massive abuse, waste and corruption.

Our current military budget is larger than the budgets of every other major country in the world combined, both allies and perceived enemies. Our nuclear arsenal and other weapons systems are maintained and defended, while new systems with questionable utility are designed and promoted each year.

It is time for these wars to end and for alternative military budgets that reduce the waste on flawed weapons systems to be considered by this Congress. More diplomacy, less Pentagon waste on little or nonused weapons systems; less support for corrupt regimes in the developing world; more support for the judiciary and law-abiding regimes that respect human rights; and most of all, a global plan to eliminate poverty.

Those who commit acts of terrorism may not themselves be motivated by poverty, but they are able to thrive where they can exploit the hopes and dreams of the poor and the oppressed. As many have said, terrorism is a tactic, not an enemy. The victory over terrorism will not come through war, but through peace and prosperity.

Mr. HUNTER. Mr. Chairman, from the mountains of Afghanistan to the desert country of Iraq to the jungles of many hemispheres, Special Operations and Special Forces personnel in the U.S. military are cognizant of an individual in this House who works for them night and day, and that is JIM SAXTON, who is the chairman of the Terrorism and Special Operations Subcommittee, and I want to recognize the gentleman for 4 minutes.

Mr. SAXTON. Mr. Chairman, I want to thank my great friend, Chairman HUNTER, for yielding me time and for those very kind words.

Mr. Chairman, I rise in strong support of H.R. 5122, the National Defense Authorization Act for the Fiscal Year 2007. Last week, the Committee on Armed Services approved this bill by an overwhelming bipartisan vote which was, as has been said here before, 60–1. It is not that we do not have policy disagreements, but when it comes to the final vote on a great bill that supports the troops, Members of both parties come together and vote in a resounding, positive way.

Our committee well knows that we are a Nation at war, and that the brave young men and women of America who have volunteered for military service are in danger every day in Afghanistan and Iraq and in other places in the world. Those infantrymen who venture from the base and patrol the street are truly valorous, but all of those who are in the line of fire and even in the most secure bases, they take an occasional mortar or rocket attack. And for risking themselves in this way, this country says, ''Thank you.''

Yet, we are making progress. I was privileged just a few short weeks ago to be on the floor of the fledgling Iraqi Parliament as the government was formed. They have a long way to go. But as a veteran legislator myself, it definitely had the feel of a legitimate and promising legislative body.

As matters in Iraq progress, we have taken measures to ensure that our broader efforts in the war on terrorism are improved and reinforced. To that end, we have begun to explore ways to improve interagency coordination process and included several items to improve the capabilities of the Special Operations Command.

We included two legislative measures to improve Pentagon processes. One would provide for more effective test and evaluation procedures, bringing them into synch with the rapid acquisition authorities which have already been provided to DOD; and the other would speed the development of information technology systems, putting a 5-year limit on the development of new business systems.

We continue our successful initiative of last year to develop novel chemical and biological countermeasures, and have supported programs for the equally important medical research and development programs.

We continue our scrutiny of the Department's information technology programs, though not as severely as in past years. In fact, our recommended reductions are barely 1 percent of the requested $31 billion in IT budget requests.

The bill recommended by the committee recognizes that we remain a Nation at war, but builds upon our capability to fight a more protracted, global war against unseen adversaries, the difficult-to-pinpoint, but nonetheless deadly and real, war against the small number of truly evil terrorists who wish to cripple Western Civilization.

We do not like to think about it, but this war came upon us on September 11 and will come to us again if we do not persevere. The enemy is clever, growing desperate, and must be taken seriously by the American people. This bill will help our soldiers keep the enemy on the defensive.

In closing, Mr. Chairman, I want to express my appreciation to the members of the Terrorism Subcommittee who contributed to this bill, and particularly the ranking member, Mr. MEEHAN. This is an excellent bill, and I urge all Members to vote ''yes'' on H.R. 5122.

Mr. SKELTON. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from Missouri and congratulate him on his award that we announced on the floor yesterday.

Mr. Chairman, as the ranking member of the Strategic Forces Subcommittee, I rise in strong support of this bill and want to thank our chairman, Mr. HUNTER, and ranking member, Mr. SKELTON.

The Strategic Forces Subcommittee has jurisdiction over several complex and contentious issues, including ballistic missile defense and nuclear weapons. I want to recognize and thank our subcommittee chairman and my good friend from Alabama, Mr. EVERETT, for his leadership and all the effort that he puts into making this a truly bipartisan bill. I also want to thank the staff on both sides of the aisle for the truly great job they do and the tremendous work that goes into a bipartisan bill like this.

Sometimes we do not see eye to eye on every single matter, but I am pleased to report that this subcommittee reached bipartisan accord on several major issues.

In the short time that I have, I want to highlight three areas of bipartisan agreement: ballistic missile defense, conventional global strike capability, and operationally responsive space.

H.R. 5122 redistricts missile defense funding from longer-range programs, such as a multiple-kill vehicle, to near-term needs, such as buying upgrades for the Patriot and Aegis interceptors that can protect our servicemembers and allies today.

□ 1500

While we might disagree about whether further adjustments or reductions are possible from within the $10.4 billion for missile defense programs, I commend the subcommittee chairman

for this good-faith effort and great work on this bipartisan agreement. This bill clearly reflects a bipartisan desire to obtain effective missile defense capabilities aimed at defeating real threats.

The bill also slows down development of an advanced global strike capability using the Trident missile in a conventional capacity. While not precluding development of this capability, the subcommittee has concerns that basing a conventional Trident missile on a traditionally nuclear platform could lead to misinterpretation by both our friends and potential adversaries of a launch of a conventional missile. There are real strategic implications of pursuing this capability. We must ensure that we have done all we can to avoid the potential for conflict escalation through misinterpretation.

Finally, the bill as reported contains a $20 million add for operationally responsive space to encourage the Pentagon to pay more attention to the potential of smaller and less expensive satellites that might complement or supplement current expensive satellite systems designed for both military and intelligence purposes. We cannot expect small satellites to meet all mission requirements, but we need a more robust, focused effort to seriously explore their potential given the spiraling acquisition costs of our major satellite programs.

Mr. Chairman, there are differences in the way we approach some of these issues, but as we have seen this afternoon everyone gets an opportunity to express their views. Time does not permit me to describe in detail the rest of our subcommittee's mark and important issues, but I again want to thank our chairman, Mr. EVERETT, for his bipartisan leadership, our chairman of the committee and ranking member, and I commend this bill to my colleagues and hope that everyone will support this.

Mr. HUNTER. Mr. Chairman, I might add the gentleman who just spoke, the gentleman from Texas, has been to the warfighting theaters more than any other Member of either body in this Congress and we appreciate his great efforts.

Mr. Chairman, I yield 4 minutes to the gentleman from South Carolina (Mr. WILSON), who took the place of the great Floyd Spence, former chairman of this committee, and nobody has devoted more in terms of their personal effort toward national security or, in Mr. WILSON's case, more of their family members. The Wilson family wears the uniform of the United States.

Mr. WILSON of South Carolina. Mr. Chairman, thank you, and I appreciate your leadership and the cooperation of Ranking Member IKE SKELTON for developing the Defense Authorization Act. I am grateful that both of you have had family members as service members overseas in the global war on terrorism.

My support of this bill is as a Member of Congress, very proud to represent Fort Jackson, the Marine Air Station at Beaufort, Parris Island, the Beaufort Naval Hospital.

Additionally, I am very grateful to have a background as a veteran of the National Guard for 30 years, but I am particularly proud, as the chairman has referenced, that in August my fourth son will be serving in the military of the United States. So our family is very, very proud of what the military means in protecting American families.

Mr. Speaker, in 2000, leaders from Russia and the United States announced a strategic agreement designed to dispose of tons of surplus weapons grade plutonium by turning it into mixed oxide, MOX, fuel for use in existing commercial nuclear reactors.

After this agreement was announced, the Savannah River Site near Aiken, South Carolina, which is located in the district I represent and Representative GRESHAM BARRETT, was chosen to fulfill the U.S. side of this important mission. Throughout the past 6 years, our country has demonstrated that we are ready to move forward with our part of the nonproliferation agreement.

Last week, my colleagues on the committee, with the leadership of Chairman TERRY EVERETT, supported the amendment to delink the U.S. and Russia MOX programs to ensure that the pace of the Russia MOX program will not dictate the progress of the U.S. MOX program. Described by CQ Today as perhaps the most significant amendment adopted at Wednesday's markup, this provision enables SRS to immediately begin construction of a MOX facility. We remain confident that our progress will encourage Russia to proceed with the same momentum.

In addition to fulfilling our agreements to nuclear nonproliferation, this crucial piece of legislation will help create hundreds of jobs in South Carolina and Georgia. By passing the National Defense Authorization Act, Congress will continue to lead the effort to reduce our excess plutonium supply. I urge my colleagues to support passage.

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

Mr. SKELTON. Mr. Chairman, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, on the whole this is a good bill. I commend the ranking member and the chairman for the excellent work they have put into it, and I intend to support it.

This bill gives strong support to our troops in the field by continuing to give them the equipment they need and the compensation they deserve. In particular, due to an amendment that I offered, it provides for the waiver of premiums for those soldiers in combat, Iraq or Afghanistan, on $400,000 of Servicemen's Group Life Insurance, the maximum amount available to our troops, so that all of our troops in combat can take full advantage of what is available without being concerned about the cost. We put them there. The least we can do for them and their families is give them the security of more life insurance. This bill, I am happy to say, does just that.

On an issue closer to my domain, this bill adds $30 million to the cost of cleaning up some of the most radioactive waste in the country precariously stored in 51 steel tanks at the Savannah River Site in South Carolina. It also contains provisions that will allow work to begin on a facility to fabricate 34 tons of weapons grade plutonium into mixed oxide fuel.

In 2002, as a result of agreements with Russia, South Carolina agreed to accept 34 metric tons of plutonium at Savannah River Site to be fabricated into MOX fuel and burned in light water reactors. Russia agreed likewise to dispose of 34 tons of plutonium with a similar MOX fuel plant.

For 4 or 5 years, this agreement to move in parallel tracks was awaiting the outcome of disagreements and discussions of the liability for the plant. These were finally resolved last year only to find out that these were not Russia's only concerns, and now they have indicated a reluctance to pursue the parallel track of building a MOX fuel plant.

So this bill provides that South Carolina can proceed on its own on a separate track, subject to DOE's agreement of course, and subject to several conditions which have been imposed by the bill. One is that DOE certifies to us that they are still convinced that this is the best way to dispose of weapons grade plutonium. Secondly, DOE will have to indicate to us in a report that they have made adjustments and addressed the criticisms of this particular project, particularly its cost escalation, that were mentioned by the IG the last time they took a look at the project. Thirdly, we ask for a report on the disposition of off-spec plutonium, plutonium that cannot be processed into MOX fuel.

These provisions are important for South Carolina, but they also are important for our national security and nonproliferation and for the workers that will build and operate the MOX fuel plant.

Mr. Speaker, the Department of Energy has an important program called Megaports, which is to help foreign countries install radiation detection equipment so that we can interdict radioactive material in cargoes headed for the U.S. before they reach our shores. For some reason, the administration this year cut the program by $33 million. Many of us have argued for some time that we need to do a lot more to protect our ports.

This bill recognizes the gravity of that problem by authorizing an additional $15 million for the purchase of radiation detectors. By helping foreign countries bolster port and border detection, we help ourselves.

The bill contains one other notable provision on nuclear nonproliferation.

The Global Threat Reduction Initiative is a comprehensive initiative to secure and remove high risk nuclear materials, many times in insecure places, from around the world, typically in research reactors. By working with the committee, we have been able to increase the GTRI budget by $20 million over the President's budget and allow the Department of Energy an additional $30 million of previously appropriated but as yet unobligated funds. This amounts to an almost 50 percent increase in funds available for this important program.

Lastly, Mr. Chairman, this bill contains important language which restricts spending on space-based missile defense interceptors. We now have five ballistic missile interceptor systems in various phases of development. I think it is important that we stick to our plan, that we keep focusing this system and that we bring further along these five systems before we start up another, particularly one with the complications that the space-based interceptor will entail.

All things considered, it is a good bill. I intend to support it. I commend those who have crafted it and helped bring it to the floor.

Mr. HUNTER. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. DAVIS), who brought his experience as an officer of the 82nd Airborne to the Armed Services Committee.

Mr. DAVIS of Kentucky. Mr. Chairman, I also thank the chairman. It is a privilege to serve on a committee chaired by a fellow Army Ranger.

Today, I rise in strong support of H.R. 5122 and to speak about a matter of importance to our men and women who serve in the Reserve component, in the National Guard and our Armed Forces. As a former enlisted soldier, West Point graduate and 11-year veteran of active duty, and serving a number of years in Reserve, this is an important issue and one of particular interest and concern to me.

The bill which we are considering today includes an important provision that will for the first time establish equity in the computation of retired disability pay for all servicemembers, regardless of whether they were serving in the active military, Reserve or National Guard.

I thank Chairman HUNTER and Personnel Subcommittee Chairman MCHUGH for their support of my amendment in committee which ensured inclusion of this vital amendment in today's legislation.

Earlier this year on one of my trips to Walter Reed Hospital, I visited a severely wounded member of the Kentucky Army National Guard from my district, Sergeant Carlos Farler of Tollesboro, Kentucky. I was stunned in talking with this great American, whose home is not far from mine, as he told me that his disability pay would be computed at a different level for Reservists and for Guardsmen than it is for active servicemembers who have the same wounds from the same battle.

After meeting Sergeant Farler, I researched how military disability and retirement pay is computed. I learned that this computation is often based on the years of service. Under current law, a Reservist gets credit only for the time he actually spends in uniform. For example, a soldier who has spent 13 years in the Kentucky National Guard may have only 4 years of service when his or her duty days are added up. With a 30 percent disability this soldier gets about 8 percent less disability retirement pay than their regular Army counterpart.

In other words, two personnel with identical disabilities, incurred in the same Iraqi fire fight, will end up with a different disability retirement benefit with the citizen soldier coming up short. A lifetime difference of 8 percent in disability pay can have a significant impact on a retiree's standard of living.

The amendment which I offered and which was accepted in committee will change the law so that the actual number of years spent in the Reserves will be used. Any servicemember who earns the Purple Heart for being wounded in action and who was medically retired as a result of that action will be entitled to the same compensation for his or her disability retirement pay as somebody serving in the regular military.

A bullet does not discriminate between an active and Reserve servicemember and neither should we. Now is the time to correct this long-standing inequity. With passage of today's bill, we will do so.

In closing, I thank Sergeant Farler for bringing this inequity to my attention and for his service to our Nation, and also, more importantly, to his fellow veterans in the Guard and Reserve, and again I thank Chairman HUNTER, Ranking Member SKELTON, Chairman MCHUGH for their support of this important provision to do right by America's soldiers, sailors, airmen and marines, truly making the regular Reserve and Guard forces one force to defend this Nation.

Mr. SKELTON. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Chairman, I rise in support of this bill. I want to commend all of my colleagues. In particular, I want to commend a former colleague, Congressman Sonny Montgomery, who is under the weather, who is probably watching, and we want him to know that all of us are thinking of him, and in this bill, in particular, I think Congressman Montgomery after his years of avidly serving the National Guard would be very pleased to know that a provision in this bill will extend to our Guardsmen and Reservists the exact same TRICARE benefits that are extended to the regular force. It is long overdue and I want to thank the chairman of the subcommittee, Chairman MCHUGH, and all the other people who helped make this happen.

I also want to mention on the TRICARE for retirees that there will be no increase in their copays. That is an issue of great importance to the people who have already served us. Great people and great nations keep their word, and we need to keep our word to them to keep their premiums low.

I would also like to commend my colleague JOEL HEFLEY. We are going to miss him very much. He has been a very honorable Member of this body. I think the committee did the right thing in naming the housing complex off of Fort Carson after him. He is going to be missed greatly.

Mr. Chairman, a couple of things in the limited time I have left that I would ask you to consider for the remaining time on this bill. First is the amendment by the gentleman from Virginia (Mr. TOM DAVIS) that would elevate the Chief of the National Guard Bureau to Joint Chiefs of Staff. There are over 400,000 National Guardsmen, and the events of the hurricane in south Mississippi last fall really convinced me that should there be an attack on the American homeland it is going to look a lot like Hurricane Katrina.

□ 1315

You are going to have a lack of electricity, food and water, no place even to put the bodies of the dead, and the National Guard did a magnificent job in responding to that. They will in all probability do a magnificent job should there be a terrorist event in this country.

But the person who should be at the table with the President in the event of that is the Chief of the National Guard. I would ask that the Members of this body be given an opportunity to vote on the Davis amendment.

Second is an amendment of my own that would provide that 100 percent of the wheeled vehicles in the Iraq and Afghanistan theaters that leave a base have an IED jammer. I voted to send those young men and women over there. We are now in the third year of this conflict. Well over half of all of the casualties, well over half of all deaths are caused by IEDs. Just as the Department early on did not think it was necessary for every soldier to have body armor, or every vehicle to be uparmored, I think the Department has been slow in seeing to it that every vehicle has an IED jammer. I would ask for a vote on that amendment. I think it is important.

I do not think any of us want to go to a funeral and tell the moms and dads that we are visiting that their son, their daughter, husband, brother happened to be in the last vehicle in Iraq that we failed to put a jammer on.

We are going to spend $10 billion this year on missile defense. We have not been attacked by a missile. Thousands

of young Americans have died in Iraq. Half of those young Americans died as a result of IEDs. It is, unfortunately, the weapon of choice and, unfortunately, a very efficient weapon that our enemy is using. We need to take that weapon away from them, and the IED jammers can contribute to that. I ask for an opportunity for a vote on that amendment. It is in the best interest of our troops.

Again, this is a good bill and I encourage my colleagues to vote for it.

Mr. HUNTER. Mr. Chairman, I want to thank the gentleman who just spoke. I share his focus on IEDs, and we will work together.

Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. HAYES), who represents so many great people in uniform in North Carolina and has spent so much time working for their quality of life and for their effectiveness on the battlefield, and also for all of the people who work in the defense industry so we can make sure when the American taxpayer pays for defense items, since we defend the free world, that those items are made by Americans and represent American jobs.

Mr. HAYES. Mr. Chairman, I thank Chairman HUNTER and I thank the minority member, Mr. SKELTON, for a truly outstanding piece of bipartisan work. This is all about the men and women in uniform. It reflects the commitment, the dedication, the timing and the absolute perseverance of two fine leaders in our committee in wholeheartedly supporting the incredible effort that our men and women in uniform are putting forward in winning the war on terrorism. I thank them for their hard work and support and their unanimous approval of this bill.

I am very proud to have Fort Bragg, the epicenter of the universe, home of Joint Special Operations Command, in my home district.

As we are all aware, Special Operations Forces, SOF, are playing an increasingly essential role as we continue to fight and, more importantly, win the war on terror. Due to their importance in winning this fight, the 2006 Quadrennial Defense Review called for a 15 percent increase in Special Operations Forces beginning in fiscal year 2007. This would increase Army Special Forces battalions by one-third, raise SEAL team manning, and grow Civil Affairs and Psychological Operations.

Some of the very best ways to begin growing the SOF force is to retain those highly trained individuals already serving under Special Operations and attract like-minded warriors to the command. That is why my provision requiring a DOD study on improving retention of special operators is so essential.

I would again like to thank Chairman HUNTER and Chairman SAXTON of our subcommittee for their support and for working with me on this, and supporting me by including it in the manager's amendment.

The report will give us better data on the cost and investment that goes into training and maintaining a special operator. It will include cost of training and how much has been invested in the average SOF operator after two deployments. It will also speak financially to the special operators who have accumulated over 48 months of hostile fire pay and the percentage who have accumulated over 60.

I will soon introduce a bill to provide a new retention incentive for Special Forces soldiers, and look forward to continuing to work with Chairman HUNTER and my colleagues on this critical national security issue.

As we look towards the future, winning the war on terror, securing the freedom for America and other like-minded folks around the world, I want to emphasize this is about every man and woman in uniform whom we are so proud of and appreciate for their service, and for their families' support, and we will continue to say prayers for their continued safety and success.

As we look forward to freedom, the shining city on the hill and the best days of America lying ahead, it is the men and women in uniform who protect, defend and make us proud to whom we should look and give thanks every night.

Mr. SKELTON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. UDALL).

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of this bill. As a relatively new member of the Armed Services Committee, I am grateful to the ranking member, Mr. SKELTON, and Chairman HUNTER for working with me on parts of the bill that are particularly important for Colorado, including report language about the importance of the High Altitude Army Aviation Training Site, which is located in Eagle, Colorado, and its need for enough aircraft to fulfill its mission.

I am also grateful for the chairman's support of a provision to name a housing facility at Fort Carson, Colorado, in honor of Mr. HEFLEY, who as my colleagues know is retiring this year. During his 20 years of representing Colorado's Fifth District, Mr. HEFLEY has served with integrity and honor, and he has been a fair and effective lawmaker. I have learned a great deal from Mr. HEFLEY in my years in Congress, and along with everyone else here, I will miss him.

I am also pleased with many other provisions in the bill, including the extension of TRICARE coverage to all Reservists, the blocking of the proposed plan to raise certain TRICARE fees, the authorization of additional active duty Army and Army National Guard personnel, added funds for up-armored Humvees and IED jammers, and the 2.7 percent pay increase for military personnel, among other provisions.

I hope that the Rules Committee will allow debate on many important amendments not made in order in today's rule, including one I proposed that will bring us further towards our goal of energy independence, and therefore national security.

In conclusion, I think this is a good bill, a carefully drafted and bipartisan bill, and I urge its support.

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

Mr. SKELTON. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LORETTA SANCHEZ).

Ms. LORETTA SANCHEZ of California. Mr. Chairman, I thank the ranking member for yielding me this time. I would like to thank all of my colleagues on the committee and the committee staff for their hard work on what I believe is a very good bill.

In particular, I would like to thank our Personnel Subcommittee chairman, Mr. MCHUGH, for working with me this year on several issues pertaining to sexual assault and harassment of military women, and Chairman EVERETT of the Strategic Forces Subcommittee for his cooperation in ensuring that we do not put technology ahead of policy in the realm of military space.

I am also very happy to report that this bill includes language to strengthen congressional oversight of detainees issues, particularly with regards to the issue of command responsibility. The Department of Defense wants to say that they are holding people accountable whenever detainee abuse occurs, but where does the ultimate responsibility lie?

A full 95 percent of the courts martial cases of detainee abuse involve the enlisted personnel. As of last month, only five officers had been criminally charged in connection with abuse cases, none of them above the rank of major, and I do not believe that that is command responsibility. It is clear that this committee and this Congress take the issue of detainee abuse seriously, but we cannot fool ourselves into thinking the problem is solved until this issue of command accountability has been effectively addressed.

Our work on detainee issues is far from over, but the language in this bill is definitely a step in the right direction.

The budget we received from the Department of Defense this year had many major flaws, misguided increases and out-of-pocket health care costs, severe cuts to National Guard funding, and other budgetary shell games that have sacrificed the well-being of our servicemembers to avoid the pain of cutting big ticket items, but this committee came together in a very bipartisan way to address these problems and we ended up with a bill that we are proud of. It is not a perfect bill and I hope that the next rule will allow for my colleagues' amendments that will make this bill even better.

Mr. HUNTER. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. GINGREY), a former member of the Armed Services Committee, who is

still very devoted to national security and exercises that role as a member of the Rules Committee.

Mr. GINGREY. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the 2007 National Defense Authorization Act. I would like to thank all of the members of the Armed Services Committee for their hard work on this vital legislation, and I am especially appreciative for the efforts of Chairman HUNTER and the subcommittee chairman, Mr. MCHUGH, and of course the ranking member, Mr. SKELTON, in listening to the families of our fallen soldiers.

A brave young man from my district who heroically gave his life for our country, SGT Paul Saylor, was not able to be viewed for a final time upon being returned to his family. Sergeant Saylor's family is extremely patriotic in support of our troops and has worked tirelessly to ensure that other military families are able to gain closure when a family member dies in defense of our Nation.

H.R. 5122 includes, thanks to the chairman, a remains preservation provision which takes steps to ensure that we can honor our fallen heroes with the dignity and respect that they deserve.

Mr. Chairman, I would like to personally thank you, as well as the ranking member, Mr. SKELTON, and the subcommittee chairman, Mr. MCHUGH, for proving that one soldier and one family can truly make a difference. I urge support of the legislation.

Mr. SKELTON. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Chairman, I thank my friend for his very gracious yielding of time.

I rise in support of a piece of legislation that I think deserves the support of each Member of this body. I thank Chairman HUNTER and Mr. SKELTON and the various subcommittee chairmen and members for their hard work on this bill.

My reasons for supporting this bill are both local and global. Locally, I would like to thank my friend and colleague, Mr. SAXTON, chairman of our subcommittee, for his excellent work, along with Mr. LOBIONDO, for inserting language which will put a stop to what I believe is an unwise and poorly thought out plan to dispose of the residue of VX nerve agent in the Delaware River adjoining our districts. I thank them for their leadership on that.

More globally, the role of the Armed Forces of the United States is to act in conjunction with our diplomatic and other leaders to shape the world in which we live so it is safer for our people.

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And I think by any measure, this bill measures up to that very high standard. Most importantly, I am proud to support this bill because it significantly exceeds the pay increase for the people in uniform that was originally proposed.

The original proposal under the President's budget was for a 2.2 percent increase in the base pay of those who serve our country. I commend both the majority and minority for finding the right ways to alter that request and increase it to 2.7 percent, far more in line with pay raises being received by people in the private sector in lines of work that are obviously less risky and stressful for the defense of our country.

I also believe that this bill wisely invests in the information technologies and the intelligence gathering technologies that will serve us well in dealing with the asymmetric threats that our country faces and will surely face in the years ahead. I think this is a very positive foundation for the enactment of this bill.

I will say that I hope that the Rules Committee finds it within its purview to permit the full House to debate some other measures about shaping the environment in which we live, with specific reference to the question of limiting the proliferation of weapons of mass destruction. There is an amendment presently before the Rules Committee which speaks to that issue, which I would urge the Rules Committee to adopt so that we can have an argument about the best way to shape the future in which we find ourselves.

But I will say this. There is unanimity that the best way to shape that future is to recruit, retain, reward, equip and take care of the brave Americans who step forward to serve this country and their families. I am very pleased that this has not become a partisan issue, that Members on both sides of the aisle have worked very hard to try to a achieve that promise, the recognition of that promise for the people who serve.

So I am proud to support this bill because of what it does for the anonymous young Americans whose names we do not know usually, until something terrible happens to them. I hope that we never learn their names if that is the reason that we would hear them.

But what they will learn from us is that their compensation, the care for their families will improve as a result of this bill that we support today.

Mr. SKELTON. Mr. Chairman, may I ask, does the gentleman from California have additional speakers?

Mr. HUNTER. I would say to my good colleague, I have just one additional thing that I would like to mention about a provision in the bill. But outside of that, we are ready to wrap up the general debate. So I have got just maybe a minute or two.

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

Mr. HUNTER. Mr. Chairman, I just wanted to say to my colleagues that this, the story of this global war against terror with the special focus in Iraq and Afghanistan, is a story of families. It is a story of enormous sacrifice, not just by the people that wear the uniform in the theater, but by their families back home, their moms, their dads, their wives, their husbands, their children.

And there is a particular family, the Holley family from San Diego, California, that brought an issue to the attention of the Armed Services Committee here over this last year when their great 101st Airborne Trooper, Matthew Holley, was killed in the Iraq theater. And they pointed out that in the present chain of transportation of our fallen heroes home, where they come through Dover, Delaware, and ultimately go to their final resting place at their particular hometown or community in America, that part of that chain of transportation has been carried out by commercial airlines. And despite the best wishes and the best efforts on the part of those people who operate the commercial airlines, the proper amount of respect, the extreme respect that should be afforded those fallen heroes is in some cases, has in some cases been lacking.

And that came to the attention of the Holley family. And they talked to me and to other members of the committee, and we looked at the issue and as a result of that, we have, in the law, in this bill or in the proposed law, some very clear and strong directives to the administration to utilize military aircraft in taking our fallen heroes from Dover, Delaware, from where they land on American shores, to the military base that is closest to their hometown, unless otherwise directed by the family, and to use those military aircraft and to accompany those fallen heroes with American military personnel, and to greet that military aircraft when it arrives at that military base closest to their hometown with an honor guard.

And so we have laid out very directive language, very clear language for the administration. And I want to thank John and Stacy, who really brought this to our attention in honor of their son, Matthew Holley. And I think that we have talked to the other body and I think that this will have clear support all the way through.

But this is an important part of this bill because part of this bill is about respect. And this particular provision is about respect for those people who have given that last full measure of devotion to our country.

Mr. Chairman, I yield back the balance of my time.

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

I want to add one more word about this bill. It is an excellent bill, reflects the best of bipartisanship. I thank the chairman, DUNCAN HUNTER, all of the subcommittee chairmen and ranking members for the very, very hard work that they did. I certainly hope that we are able to return tomorrow with some amendments that need to be debated

and discussed, including the prescription drug amendment that I have offered.

Mr. FOSSELLA. Mr. Chairman, today I rise in support of H.R. 5122, the 2007 Defense Reauthorization.

In February 2006, I introduced legislation that would allow military families to mail packages postage-free to their loved ones serving in Iraq and Afghanistan. With the help of Chairman HUNTER, Sub-Committee Chairman MCHUGH, and Chairman TOM DAVIS, this legislation has been included in the underlying legislation we are currently debating.

I drafted the legislation in response to concerns expressed to me by many military families that it was becoming too costly for them to send regular care packages to their loved ones overseas. I heard story after story of families that were already finding it hard to make ends meet now having to spend as much as $1,500 a year to mail care packages. These packages bring a touch of home to our servicemembers—like pictures, cards and school projects from their children. But they also provide our military men and women with basic necessities like shampoo, powder, and phone cards.

In my district of Staten Island and Brooklyn, residents joined together and raised money to help military families send these packages over seas. I was inspired by the outpouring of support for our service men and women in Dyker Heights, Brooklyn, where postal service employees raised money to cover the postage for every package sent to our troops. On Staten Island, several groups dedicated to helping miltary families also raised money to help offset the cost of postage.

It was these acts of genorosity and partiotism that prompted me to introduce my legislation. And today, with the strong, bipartisan support of 133 of my colleagues, the House of Representatives will show our enduring support for our service men and women and their families.

It goes without saying that our servicemen and women are making enormous sacrifices fighting the War on Terrorism and defending freedom and liberty. They face great challenges under trying circumstances, and often without the benefit of basic necessities like blankets or toothpaste. It falls upon their families back home to get them these supplies and to cover the cost of shipping them overseas. This bill will help make life better for our soldiers and to ease the financial burden on those back home. It is a simple way to bring a touch of home to America's heroes overseas.

I urge my colleagues to support this bill and allow our military families an easier path to sending care packages to their loved ones.

Mr. NORWOOD. Mr. Chairman, I would like to thank Chairman HUNTER, Ranking Member SKELTON, and committee staff for including my legislation improving TRICARE dental coverage into this bill.

Currently, TRICARE will only pay for medically necessary dental work in a hospital if the condition has a medical component.

That means if a young child or disabled dependent has a serious dental condition and cannot be treated in the office, the general anesthesia costs get passed to the family.

As a former Army and private practice dentist, I can tell you that hospital dental care is medically necessary in limited cases, and that these costs are an unjust burden on military families.

This Authorization finally acknowledges that fact, and I urge its support.

Mr. SKELTON. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. KUHL of New York). All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

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

H.R. 5122

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 ''National Defense Authorization Act for Fiscal Year 2007''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for Family of Medium Tactical Vehicles.
Sec. 112. Multiyear procurement authority for MH–60R helicopters and mission equipment.
Sec. 113. Funding profile for Modular Force Initiative of the Army.
Sec. 114. Bridge to Future Networks program.

Subtitle C—Navy Programs

Sec. 121. Attack submarine force structure.
Sec. 122. Adherence to Navy cost estimates for CVN–21 class of aircraft carriers.
Sec. 123. Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program.
Sec. 124. Adherence to Navy cost estimates for San Antonio (LPD–17) class amphibious ship program.
Sec. 125. Multiyear procurement authority for V–22 tiltrotor aircraft program.
Sec. 126. Quality control in procurement of ship critical safety items and related services.
Sec. 127. DD(X) Next-Generation Destroyer program.
Sec. 128. Sense of Congress that the Navy make greater use of nuclear-powered propulsion systems in its future fleet of surface combatants.

Subtitle D—Air Force Programs

Sec. 131. Requirement for B–52 force structure.
Sec. 132. Strategic airlift force structure.
Sec. 133. Limitation on retirement of U–2 aircraft.
Sec. 134. Multiyear procurement authority for F–22A Raptor fighter aircraft.
Sec. 135. Limitation on retirement of KC–135E aircraft during fiscal year 2007.
Sec. 136. Limitation on retirement of F–117A aircraft during fiscal year 2007.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Alternate engine for Joint Strike Fighter.
Sec. 212. Extension of authority to award prizes for advanced technology achievements.
Sec. 213. Extension of Defense Acquisition Challenge Program.
Sec. 214. Future Combat Systems milestone review.
Sec. 215. Independent cost analyses for Joint Strike Fighter engine program.
Sec. 216. Dedicated amounts for implementing or evaluating DD(X) and CVN–21 proposals under Defense Acquisition Challenge Program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Fielding of ballistic missile defense capabilities.
Sec. 222. Limitation on use of funds for space-based interceptor.

Subtitle D—Other Matters

Sec. 231. Review of test and evaluation policies and practices to address emerging acquisition approaches.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Other Department of Defense Programs.

Subtitle B—Environmental Provisions

Sec. 311. Revision of requirement for unexploded ordnance program manager.
Sec. 312. Identification and monitoring of military munitions disposal sites in ocean waters extending from United States coast to outer boundary of outer Continental Shelf.
Sec. 313. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
Sec. 314. Funding of cooperative agreements under environmental restoration program.
Sec. 315. Analysis and report regarding contamination and remediation responsibility for Norwalk Defense Fuel Supply Point, Norwalk, California.

Subtitle C—Workplace and Depot Issues

Sec. 321. Extension of exclusion of certain expenditures from percentage limitation on contracting for depot-level maintenance.
Sec. 322. Minimum capital investment for Air Force depots.
Sec. 323. Extension of temporary authority for contractor performance of security guard functions.

Subtitle D—Reports

Sec. 331. Report on Nuclear Attack Submarine Depot Maintenance.

Sec. 332. Report on Navy Fleet Response Plan.
Sec. 333. Report on Navy surface ship rotational crew programs.
Sec. 334. Report on Army live-fire ranges in Hawaii.
Sec. 335. Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations.
Sec. 336. Report on Personnel Security Investigations for Industry and National Industrial Security Program.

Subtitle E—Other Matters

Sec. 341. Department of Defense strategic policy on prepositioning of materiel and equipment.
Sec. 342. Authority to make Department of Defense horses available for adoption at end of useful working life.
Sec. 343. Sale and use of proceeds of recyclable munitions materials.
Sec. 344. Capital security cost sharing.
Sec. 345. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.
Sec. 346. Prioritization of funds within Army reconstitution and transformation.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserve components.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Authorized strength of Navy Reserve flag officers.
Sec. 502. Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army.
Sec. 503. Management of chief warrant officers.
Sec. 504. Reduction in time-in-grade requirement for promotion to captain in the Army, Air Force, and Marine Corps and lieutenant in the Navy.
Sec. 505. Military status of officers serving in certain Intelligence Community positions.

Subtitle B—Reserve Component Management

Sec. 511. Revisions to reserve call-up authority.
Sec. 512. Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001.
Sec. 513. Report on private-sector promotion and constructive termination of members of the reserve components called or ordered to active service.

Subtitle C—Education and Training

Sec. 521. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.
Sec. 522. Junior Reserve Officers' Training Corps instruction eligibility expansion.
Sec. 523. Authority for United States Military Academy and United States Air Force Academy permanent military professors to assume command positions while on periods of sabbatical.
Sec. 524. Expansion of service academy exchange programs with foreign military academies.
Sec. 525. Review of legal status of Junior ROTC program.

Subtitle D—General Service Authorities

Sec. 531. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).
Sec. 532. Nondisclosure of selection board proceedings.
Sec. 533. Report on extent of provision of timely notice of long-term deployments.

Subtitle E—Authorities Relating to Guard and Reserve Duty

Sec. 541. Title 10 definition of Active Guard and Reserve duty.
Sec. 542. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.
Sec. 543. Governor's authority to order members to Active Guard and Reserve duty.
Sec. 544. National Guard officers authority to command.
Sec. 545. Expansion of operations of civil support teams.

Subtitle F—Decorations and Awards

Sec. 551. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.
Sec. 552. Cold War Victory Medal.
Sec. 553. Posthumous award of Purple Heart for prisoners of war who die in or due to captivity.
Sec. 554. Advancement on the retired list of certain decorated retired Navy and Marine Corps officers.
Sec. 555. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

Sec. 561. Criteria for removal of member from temporary disability retired list.
Sec. 562. Department of Defense computer/electronic accommodations program for severely wounded members.
Sec. 563. Transportation of remains of casualties dying in a theater of combat operations.
Sec. 564. Annual budget display of funds for POW/MIA activities of Department of Defense.

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

Sec. 571. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 572. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.

Subtitle I—Postal Benefits

Sec. 575. Postal benefits program for members of the Armed Forces.
Sec. 576. Funding.
Sec. 577. Duration.

Subtitle J—Other Matters

Sec. 581. Reduction in Department of Defense accrual contributions to Department of Defense Military Retirement Fund.
Sec. 582. Dental Corps of the Bureau of Medicine and Surgery.
Sec. 583. Permanent authority for presentation of recognition items for recruitment and retention purposes.
Sec. 584. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
Sec. 585. Persons authorized to administer enlistment and appointment oaths.
Sec. 586. Repeal of requirement for periodic Department of Defense Inspector General assessments of voting assistance compliance at military installations.
Sec. 587. Physical evaluation boards.
Sec. 588. Department of Labor transitional assistance program.
Sec. 589. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.
Sec. 590. Military chaplains.
Sec. 591. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
Sec. 592. Entrepreneurial Service Members Empowerment Task Force.
Sec. 593. Comptroller General report on military conscientious objectors.
Sec. 594. Commission on the National Guard and Reserves.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2007.
Sec. 602. Targeted increase in basic pay rates.
Sec. 603. Conforming change in general and flag officer pay cap to reflect increase in pay cap for Senior Executive Service personnel.
Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
Sec. 606. Clarification of effective date of prohibition on compensation for correspondence courses.
Sec. 607. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of bonus and special pay authorities for health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of other bonus, special pay, and separation pay authorities.

Sec. 615. Expansion of eligibility of dental officers for additional special pay.
Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 617. Authority to provide lump sum payment of nuclear officer incentive pay.
Sec. 618. Increase in maximum amount of nuclear career accession bonus.
Sec. 619. Increase in maximum amount of incentive bonus for transfer between armed forces.
Sec. 620. Clarification regarding members of the Army eligible for bonus for referring other persons for enlistment in the Army.
Sec. 621. Pilot program for recruitment bonus for critical health care specialties.
Sec. 622. Enhancement of temporary program of voluntary separation pay and benefits.
Sec. 623. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Authority to pay costs associated with delivery of motor vehicle to storage location selected by member and subsequent removal of vehicle.
Sec. 632. Transportation of additional motor vehicle of members on change of permanent station to or from nonforeign areas outside the continental United States.
Sec. 633. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.
Sec. 642. Retroactive payment of additional death gratuity for certain members not previously covered.
Sec. 643. Equity in computation of disability retired pay for reserve component members wounded in action.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 651. Treatment of price surcharges of tobacco products and certain other merchandise sold at commissary stores.
Sec. 652. Limitation on use of Department of Defense lease authority to undermine commissaries and exchanges and other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.
Sec. 653. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.
Sec. 654. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Subtitle F—Other Matters

Sec. 661. Repeal of annual reporting requirement regarding effects of recruitment and retention initiatives.
Sec. 662. Pilot project regarding providing golf carts accessible for disabled persons at military golf courses.
Sec. 663. Enhanced authority to remit or cancel indebtedness of members of the Armed Forces incurred on active duty.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—TRICARE Program Improvements

Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
Sec. 703. Improvements to descriptions of cancer screening.
Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
Sec. 705. Services of mental health counselors.
Sec. 706. Demonstration project on coverage of selected over-the-counter medications under the pharmacy benefit program.
Sec. 707. Requirement to reimburse certain travel expenses of certain beneficiaries covered by TRICARE for life.
Sec. 708. Inflation adjustment of differential payments to children's hospitals participating in TRICARE program.
Sec. 709. Expanded eligibility of Selected Reserve members under TRICARE program.
Sec. 710. Extension to TRICARE of medicare prohibition of financial incentives not to enroll in group health plan.

Subtitle B—Studies and Reports

Sec. 711. Department of Defense task force on the future of military health care.
Sec. 712. Study and plan relating to chiropractic health care services.
Sec. 713. Comptroller General study and report on Defense Health Program.
Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
Sec. 715. Study on allowing dependents of activated members of Reserve Components to retain civilian health care coverage.

Subtitle C—Other Matters

Sec. 721. Costs of incentive payments to employees for TRICARE enrollment made unallowable for contractors.
Sec. 722. Requirement for military medical personnel to be trained in preservation of remains.

Subtitle D—Pharmacy Benefits Program Improvements

Sec. 731. TRICARE pharmacy program cost-share requirements.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

Sec. 801. Requirements Management Certification Training Program.
Sec. 802. Additional requirements relating to technical data rights.
Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.
Sec. 804. Quarterly updates on implementation of acquisition reform in the Department of Defense.
Sec. 805. Establishment of defense challenge process for critical cost growth threshold breaches in major defense acquisition programs.
Sec. 806. Market research required for major defense acquisition programs before proceeding to Milestone B.

Subtitle B—Acquisition Policy and Management

Sec. 811. Applicability of statutory executive compensation cap made prospective.
Sec. 812. Prohibition on procurement from beneficiaries of foreign subsidies.
Sec. 813. Time-certain development for Department of Defense information technology business systems.
Sec. 814. Establishment of Panel on Contracting Integrity.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 821. Extension of special temporary contract closeout authority.
Sec. 822. Limitation on contracts for the acquisition of certain services.
Sec. 823. Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack.
Sec. 824. Waivers to extend task order contracts for advisory and assistance services.
Sec. 825. Enhanced access for small business.
Sec. 826. Procurement goal for Hispanic-serving institutions.
Sec. 827. Prohibition on defense contractors requiring licenses or fees for use of military likenesses and designations.

Subtitle D—United States Defense Industrial Base Provisions

Sec. 831. Protection of strategic materials critical to national security.
Sec. 832. Strategic Materials Protection Board.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Management

Sec. 901. Standardization of statutory references to ''national security system'' within laws applicable to Department of Defense.
Sec. 902. Correction of reference to predecessor of Defense Information Systems Agency.
Sec. 903. Addition to membership of specified council.
Sec. 904. Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies.
Sec. 905. Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps.

Subtitle B—Space Activities

Sec. 911. Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board.
Sec. 912. Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities.
Sec. 913. Operationally Responsive Space.

Subtitle C—Chemical Demilitarization Program

Sec. 921. Transfer to Secretary of the Army of responsibility for Assembled Chemical Weapons Alternatives Program.
Sec. 922. Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana.
Sec. 923. Sense of Congress regarding the safe and expeditious disposal of chemical weapons.

Subtitle D—Intelligence-Related Matters

Sec. 931. Repeal of termination of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. General transfer authority.
Sec. 1002. Authorization of supplemental appropriations for fiscal year 2006.
Sec. 1003. Increase in fiscal year 2006 general transfer authority.
Sec. 1004. United States contribution to NATO common-funded budgets in fiscal year 2007.
Sec. 1005. Report on budgeting for fluctuations in fuel cost rates.
Sec. 1006. Reduction in authorizations due to savings resulting from lower-than-expected inflation.

Subtitle B—Policy Relating to Vessels and Shipyards

Sec. 1011. Transfer of naval vessels to foreign nations based upon vessel class.
Sec. 1012. Overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 1013. Report on options for future lease arrangement for Guam Shipyard.
Sec. 1014. Shipbuilding Industrial Base Improvement Program.
Sec. 1015. Transfer of operational control of certain patrol coastal ships to Coast Guard.
Sec. 1016. Limitation on leasing of foreign-built vessels.
Sec. 1017. Overhaul, repair, and maintenance of vessels carrying Department of Defense cargo.
Sec. 1018. Riding gang member documentation requirement.

Subtitle C—Counter-Drug Activities

Sec. 1021. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of Federal, State, local, and foreign law enforcement agencies.
Sec. 1022. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of certain foreign governments.
Sec. 1023. Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counter-drug activities.
Sec. 1025. Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions.

Subtitle D—Other Matters

Sec. 1031. Revision to authorities relating to Commission on the implementation of the New Strategic Posture of the United States.
Sec. 1032. Enhancement to authority to pay rewards for assistance in combating terrorism.
Sec. 1033. Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism.
Sec. 1034. Presidential report on improving interagency support for United States 21st century national security missions.
Sec. 1035. Quarterly reports on implementation of 2006 Quadrennial Defense Review Report.
Sec. 1036. Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans .
Sec. 1037. Technical and clerical amendments.
Sec. 1038. Database of emergency response capabilities.
Sec. 1039. Information on certain criminal investigations and prosecutions.
Sec. 1040. Date for final report of EMP Commission.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. Increase in authorized number of defense intelligence senior executive service employees.
Sec. 1102. Authority for Department of Defense to pay full replacement value for personal property claims of civilians.
Sec. 1103. Accrual of annual leave for members of the uniformed services performing dual employment.
Sec. 1104. Death gratuity authorized for Federal employees.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Subtitle A—Assistance and Training

Sec. 1201. Logistic support for allied forces participating in combined operations.
Sec. 1202. Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability.
Sec. 1203. Recodification and revision to law relating to Department of Defense humanitarian demining assistance.
Sec. 1204. Enhancements to Regional Defense Combating Terrorism Fellowship Program.
Sec. 1205. Capstone overseas field studies trips to People's Republic of China and Republic of China on Taiwan.
Sec. 1206. Military educational exchanges between senior officers and officials of the United States and Taiwan.

Subtitle B—Nonproliferation Matters and Countries of Concern

Sec. 1211. Procurement restrictions against foreign persons that transfer certain defense articles and services to the People's Republic of China.

Subtitle C—Other Matters

Sec. 1221. Execution of the President's policy to make available to Taiwan diesel electric submarines.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1304. National Academy of Sciences study.

TITLE XIV—HOMELAND DEFENSE TECHNOLOGY TRANSFER

Sec. 1401. Short title.
Sec. 1402. Findings.
Sec. 1403. Creation of Homeland Defense Technology Transfer Consortium.

TITLE XV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

Sec. 1501. Purpose.
Sec. 1502. Army procurement.
Sec. 1503. Navy and Marine Corps procurement.
Sec. 1504. Air Force procurement.
Sec. 1505. Defense-wide activities procurement.
Sec. 1506. Research, development, test and evaluation.
Sec. 1507. Operation and maintenance.
Sec. 1508. Defense Health Program.
Sec. 1509. Classified programs.
Sec. 1510. Military personnel.
Sec. 1511. Treatment as additional authorizations.
Sec. 1512. Transfer authority.
Sec. 1513. Availability of funds.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2004 and 2005 projects.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.
Sec. 2403. Energy conservation projects.
Sec. 2404. Authorized base closure and realignment activities funded through Department of Defense Base Closure Account 2005.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Modification of authority to carry out certain fiscal year 2006 projects.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Effective date.

TITLE XXVIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Increase in maximum annual amount authorized to be obligated for emergency military construction.
Sec. 2802. Applicability of local comparability of room pattern and floor area requirements to construction, acquisition, and improvement to military unaccompanied housing.

Sec. 2803. Authority to use proceeds from sale of military family housing to support military housing privatization initiative.
Sec. 2804. Repeal of special requirement for military construction contracts on Guam.
Sec. 2805. Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts.
Sec. 2806. Expansion of authority to convey property at military installations to support military construction.
Sec. 2807. Pilot projects for acquisition or construction of military unaccompanied housing.
Sec. 2808. Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet.
Sec. 2809. Repeal of temporary minor military construction program.
Sec. 2810. One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.

Subtitle B—Real Property and Facilities Administration

Sec. 2821. Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way.
Sec. 2822. Authority to grant restrictive easements in connection with land conveyances.
Sec. 2823. Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing.
Sec. 2824. Consolidation of laws relating to transfer of Department of Defense real property within the department and to other Federal agencies.
Sec. 2825. Congressional notice requirements in advance of acquisition of land by condemnation for military purposes.

Subtitle C—Base Closure and Realignment

Sec. 2831. Treatment of lease proceeds from military installations approved for closure or realignment after January 1, 2005.

Subtitle D—Land Conveyances

Sec. 2841. Land conveyance, Naval Air Station, Barbers Point, Hawaii.
Sec. 2842. Modification of land acquisition authority, Perquimans County, North Carolina.
Sec. 2843. Land conveyance, Radford Army Ammunition Plant, Pulaski County, Virginia.

Subtitle E—Other Matters

Sec. 2851. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.
Sec. 2852. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.
Sec. 2853. Naming housing facility at Fort Carson, Colorado, in honor of Joel Hefley, a member of the House of Representatives.
Sec. 2854. Naming Navy and Marine Corps Reserve Center at Rock Island, Illinois, in honor of Lane Evans, a member of the House of Representatives.
Sec. 2855. Naming of research laboratory at Air Force Rome Research Site, Rome, New York, in honor of Sherwood L. Boehlert, a member of the House of Representatives.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental cleanup.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
Sec. 3114. Utilization of contributions to Second Line of Defense program.
Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Authorization of appropriations for fiscal year 2007.
Sec. 3502. Limitation on transfer of Maritime Security Fleet operating agreements.
Sec. 3503. Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 3504. Vessel transfer authority.
Sec. 3505. United States Merchant Marine Academy graduates: alternate service requirements.
Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.
Sec. 3507. Temporary authority to transfer obsolete combatant vessels to Navy for disposal.
Sec. 3508. Temporary requirement to maintain Ready Reserve Force.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Army as follows:

(1) For aircraft, $3,714,783,000.

(2) For missiles, $1,490,898,000.

(3) For weapons and tracked combat vehicles, $2,335,004,000.

(4) For ammunition, $1,691,475,000.

(5) For other procurement, $6,970,079,000.

(6) For National Guard Equipment, $318,000,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,760,671,000.

(2) For weapons, including missiles and torpedoes, $2,517,020,000.

(3) For shipbuilding and conversion, $11,183,153,000.

(4) For other procurement, $5,042,766,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,223,813,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $758,793,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $13,042,630,000.

(2) For ammunition, $1,076,749,000.

(3) For missiles, $4,171,495,000.

(4) For other procurement, $15,428,636,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,856,461,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR FAMILY OF MEDIUM TACTICAL VEHICLES.

(a) AUTHORITY.—The Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the Family of Medium Tactical Vehicles (FMTV) program beginning with the fiscal year 2008 program year.

(b) CONTRACT REQUIREMENT.—Any multiyear contract or extension entered into under this section for procurement under the Family of Medium Tactical Vehicles program shall provide for incorporation of improvements in the areas of performance capability and survivability from lessons learned from operations involving the Global War on Terrorism (as well as from product improvement programs carried out for the Family of Medium Tactical Vehicles program)..

(c) LIMITATION ON TERM OF CONTRACT.—Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract or extension under this section may not be for a period in excess of three program years.

SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR MH–60R HELICOPTERS AND MISSION EQUIPMENT.

(a) MH–60R HELICOPTER.—Subject to subsection (c), the Secretary of the Army, acting as executive agent for the Department of the Navy, may enter into a multiyear contract for the procurement of 144 MH–60R helicopters.

(b) MH–60R HELICOPTER MISSION EQUIPMENT.—Subject to subsection (c), the Secretary of the Army, acting as executive agent for the Department of the Navy, may enter into a multiyear contract for the procurement of MH–60R helicopter mission equipment for the helicopters covered by a multiyear contract under subsection (a).

(c) CONTRACT REQUIREMENTS.—Any multiyear contract under this section—

(1) shall be entered into in accordance with section 2306b of title 10, United States Code, and shall commence with the fiscal year 2007 program year; and

(2) shall provide that any obligation of the United States to make a payment under the contract is subject to the availability of appropriations for that purpose.

(d) COST LIMITATION.—The combined value for the contracts authorized by subsections (a) and (b) may not exceed $2,600,000,000, and the average unit cost per helicopter under those contracts may not exceed $37,790,000.

SEC. 113. FUNDING PROFILE FOR MODULAR FORCE INITIATIVE OF THE ARMY.

The Secretary of the Army shall set forth in the budget presentation materials of the Army submitted to Congress in support of the President's budget for any fiscal year after fiscal year 2007, and in other relevant materials submitted to Congress with respect to the budget of the Army for any such fiscal year, all amounts for procurement for the M1A2 Abrams tank System Enhancement Program (SEP) and for the Bradley A3 fighting vehicle as elements within the amounts requested for the Modular Force Initiative of the Army, in accordance with the report of the Army titled ''The Army Modular Force Initiative'', submitted to Congress in March 2006.

SEC. 114. BRIDGE TO FUTURE NETWORKS PROGRAM.

(a) LIMITATION ON FISCAL YEAR 2007 AMOUNT.—Of the amount authorized to be appropriated for the Army for fiscal year 2007 for Other Procurement, Army, that is available for the program of the Army designated as the Bridge to Future Networks, not more than 70 percent shall be made available for obligation until the Secretary of the Army submits to the congressional defense committees a report on that program that includes the matters specified in subsection (b).

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include the following:

(1) An analysis of how the Joint Network Node (JNN) element of the Bridge to Future Networks program and the Warfighter Information Network-Tactical (WIN–T) program will fit together, including an analysis of whether there are opportunities to leverage technologies and equipment from the Joint Network Node program as part of the development of the Warfighter Information Network-Tactical program.

(2) A description of the extent to which components of the Joint Network Node and the Warfighter Information Network-Tactical programs could be used together as elements of a single tactical network.

(3) A description of the strategy of the Army for completing the systems engineering necessary to ensure the end-to-end interoperability of a single tactical network referred to in paragraph (2).

Subtitle C—Navy Programs

SEC. 121. ATTACK SUBMARINE FORCE STRUCTURE.

Section 5062 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection (c):

''(c) The naval combat forces of the Navy shall include not less than 48 operational attack submarines. For purposes of this subsection, an operational attack submarine includes an attack submarine that is temporarily unavailable for worldwide deployment due to routine or scheduled maintenance or repair.''.

SEC. 122. ADHERENCE TO NAVY COST ESTIMATES FOR CVN–21 CLASS OF AIRCRAFT CARRIERS.

(a) LIMITATION.—

(1) LEAD SHIP.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the aircraft carrier designated as CVN–21 may not exceed $10,500,000,000 (as adjusted pursuant to subsection (b)).

(2) FOLLOW-ON SHIPS.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the construction of any ship that is constructed in the CVN–21 class of aircraft carriers after the lead ship of that class may not exceed $8,100,000,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed in the CVN–21 class of aircraft carriers by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined in the approved acquisition program baseline estimate of December 2005.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 123. ADHERENCE TO NAVY COST ESTIMATES FOR LHA REPLACEMENT AMPHIBIOUS ASSAULT SHIP PROGRAM.

(a) LIMITATION.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for procurement of any ship that is constructed under the LHA Replacement (LHA(R)) amphibious assault ship program may not exceed $2,813,600,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNT.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship constructed under the LHA Replacement amphibious assault ship program by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology baseline as it was defined at the development stage referred to as Milestone B.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for a ship referred to in that subsection with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be

associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 124. ADHERENCE TO NAVY COST ESTIMATES FOR SAN ANTONIO (LPD–17) CLASS AMPHIBIOUS SHIP PROGRAM.

(a) LIMITATION.—

(1) PROCUREMENT COST.—The total amount obligated or expended from funds appropriated or otherwise made available for Shipbuilding and Conversion, Navy, or for any other procurement account, for the San Antonio-class amphibious ships designated as LPD–18, LPD–19, LPD–20, LPD–21, LPD–22, LPD–23, LPD–24, and LPD–25 may not exceed the amount for each such vessel specified in paragraph (2) (those specified amounts being the estimated total procurement end cost of those vessels, respectively, in the fiscal year 2007 budget):

(2) SPECIFIED COST LIMIT BY VESSEL.—The limitation under this subsection for each vessel specified in paragraph (1) is the following:

(A) For the LPD–18 ship, $1,111,310,000 (as adjusted pursuant to subsection (b)).

(B) For the LPD–19 ship, $1,137,400,000 (as adjusted pursuant to subsection (b)).

(C) For the LPD–20 ship, $1,004,600,000 (as adjusted pursuant to subsection (b)).

(D) For the LPD–21 ship, $1,126,966,000 (as adjusted pursuant to subsection (b)).

(E) For the LPD–22 ship, $1,246,736,000 (as adjusted pursuant to subsection (b)).

(F) For the LPD–23 ship, $1,191,230,000 (as adjusted pursuant to subsection (b)).

(G) For the LPD–24 ship, $1,333,001,000 (as adjusted pursuant to subsection (b)).

(H) For the LPD–25 ship, $1,671,800,000 (as adjusted pursuant to subsection (b)).

(b) ADJUSTMENT OF LIMITATION AMOUNTS.—The Secretary of the Navy may adjust the amount set forth in subsection (a) for any ship specified in that subsection by the following:

(1) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2006.

(2) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2006.

(3) The amounts of outfitting costs and post-delivery costs incurred for that ship.

(4) The amounts of increases or decreases in costs of that ship that are attributable to insertion of new technology into that ship, as compared to the technology built into the U.S.S. San Antonio (LPD–17), the lead ship of the LPD–17 class.

(c) LIMITATION ON TECHNOLOGY INSERTION COST ADJUSTMENT.—The Secretary of the Navy may use the authority under paragraph (4) of subsection (b) to adjust the amount set forth in subsection (a) for any LPD–17 class ship with respect to insertion of new technology into that ship only if—

(1) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology would lower the life-cycle cost of the ship; or

(2) the Secretary determines, and certifies to the congressional defense committees, that insertion of the new technology is required to meet an emerging threat and the Secretary of Defense certifies to those committees that such threat poses grave harm to national security.

(d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

(1) REQUIREMENT.—The Secretary of the Navy shall submit to the congressional defense committees each year, at the same time that the budget is submitted under section 1105(a) of title 31, United States Code, for the next fiscal year, written notice of any change in the amount set forth in subsection (a) during the preceding fiscal year that the Secretary has determined to be associated with a cost referred to in subsection (b).

(2) EFFECTIVE DATE.—The requirement in paragraph (1) shall become effective with the budget request for the year of procurement of the first ship referred to in subsection (a).

SEC. 125. MULTIYEAR PROCUREMENT AUTHORITY FOR V–22 TILTROTOR AIRCRAFT PROGRAM.

The Secretary of the Navy, in accordance with section 2306b of title 10, United States Code, and acting as executive agent for the Secretary of the Air Force and the commander of the United States Special Operations Command, may enter into a multiyear contract, beginning with the fiscal year 2008 program year, for procurement of V–22 tiltrotor aircraft. The total number of aircraft procured through a multiyear contract under this section may not exceed 211, of which not more than 185 may be in the MV–22 configuration and not more than 26 may be in the CV–22 configuration.

SEC. 126. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) IN GENERAL.—

(1) QUALITY CONTROL POLICY.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7317. Ship critical safety items and related services: quality control in procurement

''(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of—

''(1) ship critical safety items; and

''(2) modifications, repair, and overhaul of ship critical safety items.

''(b) CONTENT OF REGULATIONS.—The policy set forth in the regulations under subsection (a) shall include the following requirements:

''(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of ship critical safety items.

''(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source that is on a qualified manufacturers list or is approved by the design control activity in accordance with section 2319 of this title.

''(3) That the ship critical safety items delivered, and the services performed with respect to ship critical safety items, meet all technical and quality requirements specified by the design control activity.

''(c) DEFINITIONS.—In this section:

''(1) The term 'ship critical safety item' means any part, assembly, or support equipment of a vessel that contains a critical characteristic the failure, malfunction, or absence of which may cause a catastrophic or critical failure resulting in loss or serious damage to the vessel or unacceptable risk of personal injury or loss of life.

''(2) The term 'design control activity', with respect to a ship critical safety item, means the systems command of a military department that is specifically responsible for ensuring the seaworthiness of a ship system or equipment in which the item is to be used.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''7317. Ship critical safety items and related services: quality control in procurement.''.

(b) CONFORMING AMENDMENTS.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting ''or ship critical safety item'' after ''aviation critical safety item''; and

(2) In subsection (g)—

(A) by redesignating paragraph (2) as paragraph (3);

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

''(2) The term 'ship critical safety item' has the meaning given that term in section 7317(c) of this title.''; and

(C) in paragraph (3) (as redesignated)—

(i) by inserting ''or a ship critical safety item'' after ''aviation critical safety item'' the first place it appears; and

(ii) by inserting '', or the seaworthiness of a ship system or equipment,'' after ''equipment''.

SEC. 127. DD(X) NEXT-GENERATION DESTROYER PROGRAM.

(a) FUNDING AUTHORIZED.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 is available for the DD(X) Next-Generation Destroyer program.

(b) CONTRACT AUTHORITY.—The Secretary of the Navy may enter into two contracts during fiscal year 2007 for the DD(X) Next-Generation Destroyer program. The contracts shall be entered into with two different shipbuilders. One such contract shall provide for procurement of a DD(X) Next-Generation destroyer, including detail design and construction. The other contract shall provide only for detail design of a DD(X) Next-Generation destroyer. The two contracts shall be awarded simultaneously.

SEC. 128. SENSE OF CONGRESS THAT THE NAVY MAKE GREATER USE OF NUCLEAR-POWERED PROPULSION SYSTEMS IN ITS FUTURE FLEET OF SURFACE COMBATANTS.

(a) FINDINGS.—Congress makes the following findings:

(1) Securing and maintaining access to affordable and plentiful sources of energy is a vital national security interest for the United States.

(2) The Nation's dependence upon foreign oil is a threat to national security due to the inherently volatile nature of the global oil market and the political instability of some of the world's largest oil producing states.

(3) Given the recent increase in the cost of crude oil, which cannot realistically be expected to improve over the long term, other energy sources must be seriously considered.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the Navy should make greater use of alternative technologies, including nuclear power, as a means of vessel propulsion for its future fleet of surface combatants.

Subtitle D—Air Force Programs

SEC. 131. REQUIREMENT FOR B–52 FORCE STRUCTURE.

(a) REQUIREMENT.—Before the date specified in subsection (b), the Secretary of the Air Force—

(1) may not retire any B–52 aircraft, other than the aircraft with tail number 61–0025; and

(2) shall maintain not less than 44 such aircraft as combat-coded aircraft.

(b) TERMINATION.—For purposes of subsection (a), the date specified in this subsection is the earlier of—

(1) January 1, 2018; and

(2) the date as of which a long-range strike replacement aircraft with equal or greater capability than the B–52H model aircraft has attained initial operational capability status.

SEC. 132. STRATEGIC AIRLIFT FORCE STRUCTURE.

(a) REQUIRED FORCE STRUCTURE.—

(1) MINIMUM NUMBER OF AIRCRAFT.—Effective October 1, 2008, the Secretary of the Air Force shall maintain a total aircraft inventory of strategic airlift aircraft of not less than 299 aircraft.

(2) DEFINITIONS.—For purposes of this subsection:

(A) The term ''strategic airlift aircraft'' means an aircraft that has a cargo capacity of at least 150,000 pounds and that is capable of transporting outsized cargo an unrefueled range of at least 2,400 nautical miles.

(B) The term ''outsized cargo'' means any single item of equipment that exceeds 1,090 inches in length, 117 inches in width, or 105 inches in height.

(b) REPEAL OF LIMITATION ON RETIREMENT OF C–5 AIRCRAFT.—Section 132 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1411) is repealed.

SEC. 133. LIMITATION ON RETIREMENT OF U–2 AIRCRAFT.

(a) FISCAL YEAR 2007.— The Secretary of the Air Force may not retire any U–2 aircraft of the Air Force in fiscal year 2007.

(b) YEARS AFTER FISCAL YEAR 2007.—After fiscal year 2007, the Secretary of the Air Force may retire a U–2 aircraft only if the Secretary of Defense certifies to Congress that the U–2 intelligence, surveillance, and reconnaissance (ISR) capability provided by the U–2 aircraft no longer contributes to mitigating any gaps in ISR capabilities identified in the 2006 Quadrennial Defense Review. No action may be taken by the Department of Defense to retire (or to prepare to retire) any U–2 aircraft—

(1) before such a certification is submitted to Congress; or

(2) during the 60-day period beginning on the date on which such a certification is submitted.

SEC. 134. MULTIYEAR PROCUREMENT AUTHORITY FOR F–22A RAPTOR FIGHTER AIRCRAFT.

(a) MULTIYEAR AUTHORITY.—The Secretary of the Air Force may enter into a multiyear contract for the procurement of up to 60 F–22A Raptor fighter aircraft beginning with the 2007 program year,

(b) COMPLIANCE WITH LAW APPLICABLE TO MULTIYEAR CONTRACTS.—A contract under subsection (a) for the procurement of F–22A aircraft shall be entered into in accordance with section 2306b of title 10, United States Code, except that, notwithstanding subsection (k) of that section, such a contract may not be for a period in excess of three program years.

(c) REQUIRED CERTIFICATIONS.—In the case of a contract under subsection (a) for the procurement of F–22A aircraft, a certification under subsection (i)(1)(A) of section 2306b of title 10, United States Code, with respect to that contract may only be submitted if the certification includes an additional certification that each of the conditions specified in subsection (a) of that section has been satisfied with respect to that contract.

(d) NOTICE-AND-WAIT REQUIREMENT.—Upon submission to Congress of a certification referred to in subsection (c) with respect to a proposed contract under subsection (a) for the procurement of F–22A aircraft, the contract may then be entered into only after a period of 30 days has elapsed after the date of the submission of the certification.

SEC. 135. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of KC–135E aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 29.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each KC–135E aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service in the Air Force Reserve, Air National Guard, or active forces aerial refueling force structure.

SEC. 136. LIMITATION ON RETIREMENT OF F–117A AIRCRAFT DURING FISCAL YEAR 2007.

(a) LIMITATION.—The number of F–117A aircraft retired by the Secretary of the Air Force during fiscal year 2007 may not exceed 10.

(b) TREATMENT OF RETIRED AIRCRAFT.—The Secretary of the Air Force shall maintain each F–117A aircraft that is retired by the Secretary after September 30, 2006, in a condition that would allow recall of that aircraft to future service.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Alternate engine for Joint Strike Fighter.
Sec. 212. Extension of authority to award prizes for advanced technology achievements.
Sec. 213. Extension of Defense Acquisition Challenge Program.
Sec. 214. Future Combat Systems milestone review.
Sec. 215. Independent cost analyses for Joint Strike Fighter engine program.
Sec. 216. Dedicated amounts for implementing or evaluating DD(X) and CVN–21 proposals under Defense Acquisition Challenge Program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Fielding of ballistic missile defense capabilities.
Sec. 222. Limitation on use of funds for space-based interceptor.

Subtitle D—Other Matters

Sec. 231. Review of test and evaluation policies and practices to address emerging acquisition approaches.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $10,932,209,000.

(2) For the Navy, $17,377,769,000.

(3) For the Air Force, $24,810,041,000.

(4) For Defense-wide activities, $20,944,559,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2007.—Of the amounts authorized to be appropriated by section 201, $11,735,555,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research, applied research, and advanced technology development'' means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. ALTERNATE ENGINE FOR JOINT STRIKE FIGHTER.

Of the funds authorized to be appropriated for the Departments of the Navy and Air Force for the system development and demonstration program for the Joint Strike Fighter, not less than $408,000,000 shall be obligated for continued development of an alternate engine for the Joint Strike Fighter.

SEC. 212. EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

Section 2374a(f) of title 10, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

SEC. 213. EXTENSION OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) EXTENSION.—Section 2359b of title 10, United States Code, is amended by striking subsection (j).

(b) CONFIDENTIALITY.—Such section is further amended in subsection (g)—

(1) by amending the heading to read as follows: ''CONFLICTS OF INTEREST AND CONFIDENTIALITY.—''; and

(2) by inserting before the period at the end the following: ''and that the identity of any person or activity submitting a challenge proposal is not disclosed outside the Federal Government without the consent of the person or activity''.

SEC. 214. FUTURE COMBAT SYSTEMS MILESTONE REVIEW.

(a) MILESTONE REVIEW REQUIRED.—After the preliminary design review of the Future Combat Systems program, but in no event later than the end of fiscal year 2008, the Secretary of Defense shall carry out a Defense Acquisition Board milestone review of the Future Combat Systems program. The milestone review shall include an assessment as to each of the following:

(1) Whether the warfighter's needs are valid and can be best met with the concept of the program.

(2) Whether the concept of the program can be developed and produced within existing resources.

(3) Whether the program should continue.

(b) DETERMINATIONS TO BE MADE IN ASSESSING WHETHER PROGRAM SHOULD CONTINUE.—In making the assessment required by subsection (a)(3), the Secretary shall make a determination with respect to each of the following:

(1) Whether each critical technology for the program is at least Technical Readiness Level 6.

(2) For each system and network component of the program, what the key design and technology risks are, based on System Functional Reviews, Preliminary Design Reviews, and Technical Readiness Levels.

(3) Whether actual demonstrations, rather than simulations, have shown that the concept of the program will work.

(4) Whether actual demonstrations, rather than plans, have shown that the software for the program is functional.

(5) What the cost estimate for the program is.

(6) What the affordability assessment for the program is, based on that cost estimate.

(c) REPORT.—The Secretary shall submit to the congressional defense committees a report on the findings and conclusions of the milestone review required by subsection (a). The report shall include, and display, each of the assessments required by subsection (a) and each of the determinations required by subsection (b).

(d) RESTRICTION ON FUNDS EFFECTIVE FISCAL 2009.—For fiscal years beginning with 2009, the Secretary may not obligate any funds for the Future Combat Systems program until after the report required by subsection (c) is submitted.

SEC. 215. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) INDEPENDENT COST ANALYSES.—A comprehensive and detailed cost analysis of the Joint Strike Fighter engine program shall be independently performed by the Comptroller General and by the Secretary of Defense, acting through the Cost Analysis Improvement Group of the Office of the Secretary of Defense. The cost analysis shall cover—

(1) an alternative under which the aircraft are capable of using the F135 engine only;

(2) an alternative under which the aircraft are capable of using either the F135 engine or the F136 engine, and is carried out on a competitive basis; and

(3) any other alternative, whether competitive or sole source, that would reduce total life-cycle cost, improve program schedule, or both.

(b) REPORTS.—Not later than March 15, 2007, each official specified in subsection (a) shall independently submit to the congressional defense committees a report on the cost analysis carried out by that official under subsection (a). Each report shall include each of the following matters:

(1) The key assumptions used in carrying out the cost analysis.

(2) The methodology and techniques used in carrying out the cost analysis.

(3) For each alternative under subsection (a)—

(A) a comparison of the life-cycle costs, including costs in current and constant collars and a net-present-value analysis; and

(B) estimates of—

(i) supply, maintenance, and other operations manpower required to support the alternative;

(ii) the number of flight hours required to achieve engine maturity and in what year that is expected to be achieved; and

(iii) the total number of engines expected to be procured over the lifetime of the Joint Strike Fighter program.

(4) The acquisition strategies that were used for, and the experience with respect to cost, schedule, and performance under past acquisition programs for engines for tactical fighter aircraft, including the F–15, F–16, F–18, and F–22.

(5) A comparison of the experiences under past engine acquisition programs carried out on a sole-source basis, and those carried out on a competitive basis, with respect to performance, savings, maintainability, reliability, and technical innovation.

(6) Conclusions and recommendations.

(c) CERTIFICATION BY COMPTROLLER GENERAL.—In submitting the report required by subsection (b), the Comptroller General shall also submit a certification as to whether the Comptroller General had access to sufficient information to enable the Comptroller General to make informed judgments on the matters required to be included in the report.

(d) LIFE-CYCLE COSTS DEFINED.—In this section, the term ''life-cycle costs'' includes those elements of cost that would be considered for a life-cycle cost analysis for a major defense acquisition program, such as procurement of engines, procurement of spare engines, and procurement of engine components and parts, and also includes good-faith estimates of routine engine costs, such as performance upgrades and component improvement, that historically have occurred in tactical fighter engine programs.

SEC. 216. DEDICATED AMOUNTS FOR IMPLEMENTING OR EVALUATING DD(X) AND CVN–21 PROPOSALS UNDER DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) AMOUNTS REQUIRED.—Of the amounts appropriated pursuant to the authorization of appropriations in section 201(4) for research, development, test, and evaluation, Defense-wide, $4,000,000 shall be available only to implement or evaluate challenge proposals specified in subsection (b).

(b) CHALLENGE PROPOSALS COVERED.—A challenge proposal referred to in subsection (a) is a proposal under the Defense Acquisition Challenge Program established by section 2359b of title 10, United States Code, that relates to—

(1) the DD(X) next-generation destroyer program; or

(2) the CVN–21 next-generation aircraft carrier program.

Subtitle C—Ballistic Missile Defense

SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal years 2007 and 2008 for research, development, test, and evaluation for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 222. LIMITATION ON USE OF FUNDS FOR SPACE-BASED INTERCEPTOR.

(a) LIMITATION.—No funds appropriated or other wise made available to the Department of Defense may be obligated or expended for the testing or deployment of a space-based interceptor until 90 days after the date on which a report described in subsection (c) is submitted.

(b) SPACE-BASED INTERCEPTOR DEFINED.—For purposes of this section, the term ''space-based interceptor'' means a kinetic or directed energy weapon that is stationed on a satellite or orbiting platform and that is intended to destroy another satellite in orbit or a ballistic missile launched from earth.

(c) REPORT.—A report described in this subsection is a report prepared by the Director of the Missile Defense Agency and submitted to the congressional defense committees containing the following:

(1) A description of the essential components of a proposed space-based interceptor system, including a description of how the system proposed would enhance or complement other missile defense systems.

(2) An estimate of the acquisition and life-cycle cost of the system described under paragraph (1), including lift cost and periodic replacement cost due to depreciation and attrition.

(3) An analysis of the vulnerability of such a system to counter-measures, including direct ascent and co-orbital interceptors, and an analysis of the functionality of such a system in the aftermath of a nuclear detonation in space.

(4) A projection of the foreign policy and national security implications of a space-based interceptor program, including the probable response of United States adversaries and United States allies.

Subtitle D—Other Matters

SEC. 231. REVIEW OF TEST AND EVALUATION POLICIES AND PRACTICES TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REVISION TO REPORT REQUIREMENT.—Section 2399(b)(2)(B) of title 10, United States Code, is amended by striking ''tested are effective and suitable for combat'' and inserting the following: ''tested—

''(i) are effective and suitable for combat in accordance with the users' standards for effectiveness and suitability as reflected in the requirements process; or

''(ii) are operationally acceptable under certain restricted conditions, as delineated by the Director.''.

(b) REVIEW OF TEST AND EVALUATION POLICIES.—

(1) IN GENERAL.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in coordination with the Director of Operational Test and Evaluation and the Director of the Defense Test Resource Management Center, shall conduct a review of test and evaluation policies and practices of the Department of Defense and issue such new or revised guidance as may be necessary to address emerging acquisition approaches.

(2) ISSUES TO BE ADDRESSED.—The issues to be addressed by the Under Secretary in the review under paragraph (1) shall include, at a minimum, appropriate polices and practices for—

(A) ensuring the adequacy and the expediency of test and evaluation activities with regard to—

(i) items that are acquired pursuant to the rapid acquisition authority in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(ii) programs that are conducted pursuant to the spiral development authority in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2430 note) (or other authority for the conduct of incremental acquisition programs) ;

(iii) systems that are acquired pursuant to other emerging acquisition approaches, as approved by the Under Secretary; and

(iv) materiel that is not subject to the operational test and evaluation requirements in sections 2366 and 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purposes of ensuring the safety and realistic survivability of the materiel and the personnel using the materiel; and

(B) the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for purposes of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(c) INCLUSION OF TESTING NEEDS IN STRATEGIC PLAN.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources required by section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified in the review under paragraph (1); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the review conducted, and any new or revised guidance issued, pursuant to subsection (b).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Other Department of Defense Programs.

Subtitle B—Environmental Provisions

Sec. 311. Revision of requirement for unexploded ordnance program manager.
Sec. 312. Identification and monitoring of military munitions disposal sites in ocean waters extending from United States coast to outer boundary of outer Continental Shelf.
Sec. 313. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
Sec. 314. Funding of cooperative agreements under environmental restoration program.
Sec. 315. Analysis and report regarding contamination and remediation responsibility for Norwalk Defense Fuel Supply Point, Norwalk, California.

Subtitle C—Workplace and Depot Issues

Sec. 321. Extension of exclusion of certain expenditures from percentage limitation on contracting for depot-level maintenance.
Sec. 322. Minimum capital investment for Air Force depots.
Sec. 323. Extension of temporary authority for contractor performance of security guard functions.

Subtitle D—Reports

Sec. 331. Report on Nuclear Attack Submarine Depot Maintenance.
Sec. 332. Report on Navy Fleet Response Plan.
Sec. 333. Report on Navy surface ship rotational crew programs.
Sec. 334. Report on Army live-fire ranges in Hawaii.
Sec. 335. Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations.
Sec. 336. Report on Personnel Security Investigations for Industry and National Industrial Security Program.

Subtitle E—Other Matters

Sec. 341. Department of Defense strategic policy on prepositioning of materiel and equipment.
Sec. 342. Authority to make Department of Defense horses available for adoption at end of useful working life.
Sec. 343. Sale and use of proceeds of recyclable munitions materials.
Sec. 344. Capital security cost sharing.
Sec. 345. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.
Sec. 346. Prioritization of funds within Army reconstitution and transformation.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,920,735,000.

(2) For the Navy, $31,089,075,000.

(3) For the Marine Corps, $3,974,081,000.

(4) For the Air Force, $31,098,957,000.

(5) For Defense-wide activities, $19,876,763,000.

(6) For the Army Reserve, $2,300,102,000.

(7) For the Naval Reserve, $1,288,764,000.

(8) For the Marine Corps Reserve, $211,911,000.

(9) For the Air Force Reserve, $2,723,800,000.

(10) For the Army National Guard, $5,089,565,000.

(11) For the Air National Guard, $5,336,017,000.

(12) For the United States Court of Appeals for the Armed Forces, $11,721,000.

(13) For Environmental Restoration, Army, $413,794,000.

(14) For Environmental Restoration, Navy, $304,409,000.

(15) For Environmental Restoration, Air Force, $423,871,000.

(16) For Environmental Restoration, Defense-wide, $18,431,000.

(17) For Environmental Restoration, Formerly Used Defense Sites, $242,790,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $63,204,000.

(19) For Cooperative Threat Reduction programs, $372,128,000.

(20) For the Overseas Contingency Operations Transfer Fund, $10,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $180,498,000.

(2) For the National Defense Sealift Fund, $1,138,732,000.

(3) For the Defense Working Capital Fund, Defense Commissary, $1,184,000,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, in the amount of $21,226,521,000, of which—

(1) $20,699,563,000 is for Operation and Maintenance;

(2) $130,603,000 is for Research, Development, Test, and Evaluation; and

(3) $396,355,000 is for Procurement.

(b) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, in the amount of $926,890,000.

(c) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, in the amount of $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance;

(2) $1,400,000 is for Procurement; and

(3) $0 is for Research, Development, Test, and Evaluation.

Subtitle B—Environmental Provisions

SEC. 311. REVISION OF REQUIREMENT FOR UNEXPLODED ORDNANCE PROGRAM MANAGER.

Section 2701(k) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''establish'' and inserting ''designate'';

(B) by inserting ''research,'' after ''characterization,''; and

(C) by adding at the end the following: ''The position of program manager shall be filled by—

''(A) in the case of an employee, an employee in a position that is equivalent to pay grade O–6 or above; or

''(B) in the case of a member of the armed forces, a commissioned officer of the Army, Navy, Air Force, or Marine Corps who is serving in the grade of colonel, or in the case of the Navy, captain, or a higher grade.''; and

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

''(2) The program manager shall report to the Deputy Under Secretary of Defense for Installations and Environment.''.

SEC. 312. IDENTIFICATION AND MONITORING OF MILITARY MUNITIONS DISPOSAL SITES IN OCEAN WATERS EXTENDING FROM UNITED STATES COAST TO OUTER BOUNDARY OF OUTER CONTINENTAL SHELF.

(a) IDENTIFICATION OF MILITARY MUNITIONS DISPOSAL SITES.—

(1) REVIEW OF HISTORICAL RECORDS.—The Secretary of Defense shall conduct a review of historical records to determine—

(A) the number and probable locations of sites where the Armed Forces disposed of military munitions within covered United States ocean waters;

(B) the size of the disposal sites; and

(C) the types and quantities of military munitions disposed of at the sites.

(2) COOPERATION.—The Secretary shall request the assistance of the Coast Guard, the National Oceanic and Atmospheric Administration, and other relevant Federal agencies in conducting the review required by this subsection.

(3) RELEASE OF INFORMATION.—The Secretary shall periodically release, but no less often than annually, information obtained during the review conducted under this subsection. The Secretary may withhold from public release information about the exact nature and location of a disposal site if the Secretary determines that the potential unauthorized retrieval of military munitions at the site could pose a significant threat to national defense or public safety.

(4) REPORTING REQUIREMENTS.—The Secretary shall include the information obtained during a year through the review conducted under this subsection in the report submitted to Congress under section 2706(a) of title 10, United States Code, for the same year.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) INFORMATION FOR NAUTICAL CHARTS AND OTHER NAVIGATIONAL MATERIALS.—The Secretary shall share information obtained through the review conducted under subsection (a) with the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for covered United States ocean waters to identify known or probable hazards from disposed military munitions.

(2) INFORMATION FOR USERS.—The Secretary shall continue activities to inform potentially affected users of the ocean environment, and particularly fishing operations, of the possible hazards from contact with military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary shall conduct research on the effects of military munitions disposed of in covered United States ocean waters.

(2) SPECIFIED RESEARCH EFFORTS.—The research conducted under this subsection shall include the following:

(A) The sampling and analysis of ocean waters and seabeds at or adjacent to the military munitions disposal sites selected by the Secretary under paragraph (4).

(B) The investigation into the long-term effects of seawater exposure on military munitions, particularly chemical munitions.

(C) The development of effective safety measures when dealing with military munitions disposed of in seawater.

(3) RESEARCH METHODS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities, as determined by the Secretary.

(4) RESEARCH LOCATIONS.—In conducting research under this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at reasonably representative sites applying factors such as depth, water temperature, nature of the military munitions present, and relative proximity to shore populations. The Secretary shall select at least two representative sites from each of the following areas:

(A) Along the Atlantic coast.

(B) Along the Pacific coast (including the coast of Alaska).

(C) Off the shore of the Hawaiian Islands.

(d) MONITORING.—If research conducted under subsection (c) at a military munitions disposal site indicates that the disposed military munitions have caused or may be causing contamination of ocean waters or seabeds, the Secretary shall institute appropriate monitoring mechanisms at that site to recognize and track the potential release of contamination into the ocean waters from military munitions.

(e) DEFINITIONS.—In this Act:

(1) The term ''coast line'' has the same meaning given that term in section 2 of the Submerged Lands Act (43 U.S.C. 1301).

(2) The term ''covered United States ocean waters'' means that part of the ocean extending from the coast line to the outer boundary of the outer Continental Shelf.

(3) The term ''military munitions'' has the same meaning given that term in section 101(e) of title 10, United States Code.

(4) The term ''outer Continental Shelf'' has the same meaning given that term in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(5) The term ''Secretary'' means the Secretary of Defense.

SEC. 313. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account to reimburse the Environmental Protection Agency for the costs incurred by the Environmental Protection Agency in overseeing a remedial investigation and feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Wellfield Superfund Site, Moses Lake, Washington. This reimbursement is provided for in the March 1999 interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Wellfield Superfund Site.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

SEC. 314. FUNDING OF COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701(d)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: ''This two-year limitation does not apply to an agreement funded using amounts in the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established under sections 2906 and 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 315. ANALYSIS AND REPORT REGARDING CONTAMINATION AND REMEDIATION RESPONSIBILITY FOR NORWALK DEFENSE FUEL SUPPLY POINT, NORWALK, CALIFORNIA.

(a) ANALYSIS REQUIRED.—The Secretary of the Air Force shall conduct a comprehensive analysis on the contamination and remediation costs of the Norwalk Defense Fuel Supply Point in Norwalk, California. As part of the analysis, the Secretary shall—

(1) characterize the contamination at the Norwalk Defense Fuel Supply Point;

(2) prepare a plan for the remediation of the Norwalk Defense Fuel Supply Point;

(3) prepare an estimate of anticipated costs to responsible parties;

(4) prepare a timeline for implementation and completion of the remediation at the Norwalk Defense Fuel Supply Point;

(5) describe the status of efforts to reach an allocation agreement of responsibility for remediation of the Norwalk Defense Fuel Supply Point with all entities that have contributed to the contamination of the property; and

(6) prepare a plan for removal or conveyance of infrastructure at the Norwalk Defense Fuel Supply Point, including costs and responsibility for those costs of elements of that plan.

(b) REPORT REQUIRED.—Not later than January 30, 2007, the Secretary shall submit to Congress a report containing the results of the analysis conducted under subsection (a) and addressing each of the matters specified in paragraphs (1) through (6) of such subsection.

(c) CONVEYANCE REQUIREMENTS.—The Secretary shall not convey property by public auction at the Norwalk Defense Fuel Supply Point before such time as the Secretary has—

(1) pursued a fair market transfer of the property to the City of Norwalk, California, taking into consideration all contamination of the property;

(2) submitted the report required by subsection (b); and

(3) submitted an additional report to Congress explaining the efforts undertaken by the Secretary to reach agreement with the City on the sale of the property, including the reasons that those efforts were not successful, and 30-days have elapsed after this report is submitted.

Subtitle C—Workplace and Depot Issues

SEC. 321. EXTENSION OF EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE LIMITATION ON CONTRACTING FOR DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking ''fiscal years 2003 through 2009'' and inserting ''fiscal years 2003 through 2014''.

SEC. 322. MINIMUM CAPITAL INVESTMENT FOR AIR FORCE DEPOTS.

(a) INVESTMENT REQUIRED.—Chapter 803 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 8025. Minimum capital investment in Air Force depots

''(a) MINIMUM INVESTMENT REQUIREMENT.—Each fiscal year, the Secretary of the Air Force shall invest in the capital budgets of the depots of the Air Force a total amount equal to not less than six percent of the total combined revenue of all the depots of the Air Force for the preceding fiscal year.

''(b) WAIVER.—The Secretary of the Air Force may waive the requirement under subsection (a) if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''8025. Minimum capital investment for Air Force depots.''.

(c) EFFECTIVE DATE.—Section 8025 of title 10, United States Code, shall apply with respect to fiscal years beginning after the date of the enactment of this Act.

SEC. 323. EXTENSION OF TEMPORARY AUTHORITY FOR CONTRACTOR PERFORMANCE OF SECURITY GUARD FUNCTIONS.

(a) ONE-YEAR EXTENSION.—Section 332(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) is amended by striking ''September 30, 2007'' both places it appears and inserting ''September 30, 2008''.

(b) REPORT ON CONTRACTOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS.—Not later than February 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, a report on contractor performance of security guard functions under section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314). The report shall include the following:

(1) An explanation of progress made toward implementing each of the seven recommendations in the Comptroller General report entitled ''Contract Security Guards: Army's Guard Program Requires Greater Oversight and Reassessment of Acquisition Approach'' (GAO–06–284).

(2) An assessment, taking into considerations the observations made by the GAO on the report of the Department of Defense of November 2005 that is entitled ''Department of Defense Installation Security Guard Requirement Assessment and Plan'', of the following:

(A) The cost-effectiveness of using contractors rather than Department of Defense employees to perform security-guard functions.

(B) The performance of contractors employed as security guards compared with the performance of military personnel who have served as security guards.

(C) Specific results of on-site visits made by officials designated by the Secretary of Defense to military installations using contractors to perform security-guard functions.

(c) CONTRACT LIMITATION.—No contract may be entered into under section 332 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) after September 30, 2007, until the report required under subsection (b) is submitted.

Subtitle D—Reports

SEC. 331. REPORT ON NUCLEAR ATTACK SUBMARINE DEPOT MAINTENANCE.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report describing the criteria used when a nuclear attack submarine is sent to a facility other than a facility located within 200 miles of the homeport of the submarine for maintenance described in subsection (d) when there is a public or private facility located within 200 miles of the homeport at which the maintenance required could be conducted.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An assessment of the cost of housing for the crew of the submarine.

(2) The costs associated with traveling to the homeport of the submarine for official duty.

(3) The treatment of crew time while the submarine is undergoing nondeployed maintenance work away from the homeport.

(4) An assessment of the effect that maintenance conducted away from the homeport of a submarine has on the families of the members stationed on that submarine.

(5) An analysis of the retention of officers and enlisted members stationed on the submarine.

(6) An analysis of the use of fixed maintenance crews or semi-permanent engineering crews for maintenance availabilities that exceed 13 months.

(c) RESTRICTION ON MAINTENANCE AWAY FROM HOMEPORT.—

(1) RESTRICTION.—During fiscal year 2007, the Secretary of the Navy may not conduct maintenance described in subsection (d) on a nuclear attack submarine at a facility other than a facility located within 200 miles of the homeport of that submarine if there is a public or private facility located within 200 miles of the homeport at which the maintenance required could be conducted without adversely affecting operational deployment schedules.

(2) NOTIFICATION REQUIRED.—Not later than five days before maintenance restricted under paragraph (1) is conducted due to operation deployment schedules, the Secretary of the Navy shall provide to the congressional defense committees written notice of the maintenance that is to be conducted and the justification for conducting that maintenance.

(d) COVERED MAINTENANCE.—Maintenance described in this subsection is any of the following:

(1) Maintenance referred to as selected restricted availability maintenance.

(2) Maintenance referred to as preinactivation restricted availability maintenance.

(3) Maintenance referred to as extended selected restricted availability maintenance.

(4) Maintenance referred to as interim dry dock availabilities.

SEC. 332. REPORT ON NAVY FLEET RESPONSE PLAN.

(a) REPORT REQUIRED.—Not later than December 1, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the program of the Navy referred to as the Fleet Response Plan. The report shall include the following:

(1) A directive that provides guidance for the conduct of the Plan and standardizes terms and definitions.

(2) Performance measures for evaluation of the Plan.

(3) Costs and resources needed to achieve objectives of the Plan.

(4) Operational tests, exercises, war games, experiments, and deployments used to test performance.

(5) A collection and synthesis of lessons learned from the implementation of the Plan as of the date on which the report is submitted.

(6) Evaluation of each of the following with respect to each ship participating in the Plan:

(A) Combat Readiness.

(B) Ship material condition.

(C) Number of maintenance deficiencies.

(D) Amount of maintenance accomplished while underway.

(E) Amount of maintenance accomplished at pier dockings.

(F) Number of voyage repairs during each deployment.

(G) Combat skills training requirements accomplished during a deployment and at the home station.

(H) Professional development training requirements accomplished during a deployment and at home station.

(I) Crew retention statistics.

(7) Any proposed changes to the Surface Force Training Manual.

(8) The amount of funding required to effectively implement the operations and maintenance requirements of the Plan and the effect of providing funding in an amount less than that amount.

(9) Any recommendations of the Secretary of the Navy with respect to expanding the Plan to include Expeditionary Strike Groups.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 15, 2007, the Comptroller General shall submit to the congressional defense committees a report containing a review of the Navy report required under subsection (a). The report shall include the following:

(1) An examination of the management approaches of the Navy in implementing the Fleet Response Plan.

(2) An assessment of the adequacy of Navy directives and guidance with respect to maintenance and training requirements and procedures.

(3) An analysis and assessment of the adequacy of the Navy's test, exercises, and evaluation criteria.

(4) An evaluation of Navy data on aircraft carriers, destroyers, and cruisers that participated in the Fleet Response Plan with respect to readiness, response time, and availability for routine or unforeseen deployments.

(5) An assessment of the Navy's progress in identifying the amount of funding required to effectively implement the operations and maintenance requirements of the Fleet Response Plan and the effect of providing funding in an amount less than that amount.

(6) Any recommendations of the Comptroller General with respect to expanding the Fleet Response Plan to include Expeditionary Strike Groups.

(c) POSTPONEMENT OF EXPANSION.—The Secretary of the Navy may not expand the implementation of the Fleet Response Plan beyond the Carrier Strike Groups until October 1, 2007.

SEC. 333. REPORT ON NAVY SURFACE SHIP ROTATIONAL CREW PROGRAMS.

(a) REPORT REQUIRED.—Not later than April 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A comparison between the three destroyers participating in that experiment and destroyers not participating in the experiment that takes into consideration each of the following:

(A) Cost-effectiveness, including a comparison of travel and per diem expenses, maintenance costs, and other costs.

(B) Maintenance procedures, impacts, and deficiencies, including the number and characterization of maintenance deficiencies, the extent of voyage repairs, post-deployment assessments of the material condition of the ships, and the extent to which work levels were maintained.

(C) Mission training requirements.

(D) Professional development requirements and opportunities.

(E) Liberty port of call opportunities.

(F) Movement and transportation of crew.

(G) Inventory and property accountability.

(H) Policies and procedures for assigning billets for rotating crews.

(I) Crew retention statistics.

(J) Readiness and mission capability data.

(2) Results from surveys administered or focus groups held to obtain representative views from commanding officers, officers, and enlisted members on the effects of rotational crew experiments on quality of life, training, professional development, maintenance, mission effectiveness, and other issues.

(3) The extent to which standard policies and procedures were developed and used for participating ships.

(4) Lessons learned from the destroyer experiment.

(5) An assessment from the combatant commanders on the crew mission performance when deployed.

(6) An assessment from the commander of the Fleet Forces Command on the material condition, maintenance, and crew training of each participating ship.

(7) Any recommendations of the Secretary of the Navy with respect to the extension of the ship rotational crew experiment or the implementation of the experiment for other surface vessels.

(b) POSTPONEMENT OF IMPLEMENTATION.—The Secretary of the Navy may not begin implementation of any new surface ship rotational crew experiment or program during the period beginning on the date of the enactment of this Act and ending on October 1, 2009.

(c) TREATMENT OF EXISTING EXPERIMENTS.—

(1) DESTROYER EXPERIMENT.—Not later than January 1, 2007, the Secretary of the Navy shall terminate the existing ship rotational crew experiment involving the U.S.S. Gonzalez (DDG–66), the U.S.S. Stout (DDG–55), and the U.S.S. Laboon (DDG–58) that is known as the ''sea swap''.

(2) PATROL COASTAL CLASS SHIP EXPERIMENT.—The Secretary of the Navy may continue the existing ship rotational crew program that is currently in use by overseas-based Patrol Coastal class ships.

(d) COMPTROLLER GENERAL REPORT.—Not later than July 15, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the ship rotational crew experiment referred to in subsection (c)(1). The report shall include the following:

(1) A review of the report submitted by the Secretary of the Navy under subsection (a) and an assessment of the extent to which the Secretary fully addressed costs, quality of life, training, maintenance, and mission effectiveness, and other relevant issues in that report.

(2) An assessment of the extent to which the Secretary established and applied a comprehensive framework for assessing the use of ship rotational crew experiments, including formal objectives, metrics, and methodology for assessing the cost-effectiveness of such experiments.

(3) An assessment of the extent to which the Secretary established effective guidance for the use of ship rotational crew experiments.

(4) Lessons learned from recent ship rotational crew experiments and an assessment of the extent to which the Navy systematically collects and shares lessons learned.

(e) CONGRESSIONAL BUDGET OFFICE REPORT.—Not later than July 15, 2007, the Director of the Congressional Budget Office shall submit a report to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives on the long-term implications of the use of crew rotation on Navy ships on the degree of forward presence provided by Navy ships. The report shall include the following:

(1) An analysis of different approaches to crew rotation and the degree of forward presence each approach would provide.

(2) A comparison of the degree of forward presence provided by the fleet under the long-term shipbuilding plan of the Navy with and without the widespread use of crew rotation.

(3) The long-term benefits and costs of using crew rotation on Navy ships.

SEC. 334. REPORT ON ARMY LIVE-FIRE RANGES IN HAWAII.

Not later than March 1, 2007, the Secretary of the Army shall submit to Congress a report on the adequacy of the live-fire ranges of the Army in the State of Hawaii with respect to current and future training requirements. The report shall include the following:

(1) An evaluation of the capacity of the existing live-fire ranges to meet the training requirements of the Army, including the training requirements of Stryker Brigade Combat Teams.

(2) A description of any existing plan to modify or expand any range in Hawaii for the purpose of meeting anticipated live-fire training requirements.

(3) A description of the current live-fire restrictions at the Makua Valley range and the effect of these restrictions on unit readiness.

(4) Cost and schedule estimates for the construction of new ranges or the modification of existing ranges that are necessary to support future training requirements if existing restrictions on training at the Makua Valley range remain in place.

SEC. 335. COMPTROLLER GENERAL REPORT ON JOINT STANDARDS AND PROTOCOLS FOR ACCESS CONTROL SYSTEMS AT DEPARTMENT OF DEFENSE INSTALLATIONS.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the assessment of the Comptroller General of—

(1) the extent to which consistency exists in standards, protocols, and procedures for access control across installations of the Department of Defense; and

(2) whether the establishment of joint standards and protocols for access control at such installations would be likely to—

(A) address any need of the Department identified by the Comptroller General; or

(B) improve access control across the installations by providing greater consistency and improved force protection.

(b) ISSUES TO BE ASSESSED.—In conducting the assessment required by subsection (a), the Comptroller General shall assess the extent to which each installation of the Department of Defense has or would benefit from having an access control system with the ability to—

(1) electronically check any identification card issued by any Federal agency or any State or local government within the United States, including any identification card of a visitor to the installation who is a citizen or legal resident of the United States;

(2) verify that an identification card used to obtain access to the installation was legitimately issued and has not been reported lost or stolen;

(3) check on a real-time basis all relevant watch lists maintained by the Government, including terrorist watch lists and lists of persons wanted by State, local, or Federal law enforcement authorities;

(4) maintain a log of individuals seeking access to the installation and of individuals who are denied access to the installation; and

(5) exchange information with any installation with a system that complies with the joint standards and protocols.

SEC. 336. REPORT ON PERSONNEL SECURITY INVESTIGATIONS FOR INDUSTRY AND NATIONAL INDUSTRIAL SECURITY PROGRAM.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of the enactment of this Act and every six months thereafter, the Secretary of Defense shall submit to the congressional defense committees, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Government Reform of the House of Representatives, a report on the future requirements of the Department of Defense with respect to the Personnel Security Investigations for Industry and the National Industrial Security Program of the Defense Security Service.

(b) CONTENTS OF REPORTS.—

(1) INITIAL REPORT.—The initial report required under subsection (a) shall include each of the following:

(A) The number of personnel security clearance investigations conducted during the period beginning on October 1, 1999, and ending on September 30, 2006.

(B) The number of each type of security clearance granted during that period.

(C) The unit cost to the Department of Defense of each security clearance granted during that period.

(D) The amount of any fee or surcharge paid to the Office of Personnel Management as a result of conducting a personnel security clearance investigation.

(E) A description of the procedures used by the Secretary of Defense to estimate the number of personnel security clearance investigations to be conducted during a fiscal year.

(F) A description of any effect of delays and backlogs in the personnel security clearance investigation process on the national security of the United States.

(G) A description of any effect of delays and backlogs in the personnel security clearance investigation process on the defense industrial base assets of the United States.

(H) A plan developed by the Secretary of Defense to reduce such delays and backlogs.

(I) A plan developed by the Secretary of Defense to adequately fund the personnel security clearance investigation process.

(J) A plan developed by the Secretary of Defense to establish a more stable and effective Personnel Security Investigations Program.

(K) A plan developed by the Secretary of Defense to involve external sources, including defense contractors, in the plans of the Secretary of Defense under subparagraphs (H), (I), and (J).

(2) SUBSEQUENT REPORTS.—Each report required to be submitted under subsection (a) after the submission of the initial report shall include each of the following:

(A) The funding requirements of the personnel security clearance investigation program and ability of the Secretary of Defense to fund the program.

(B) The size of the personnel security clearance investigation process backlog.

(C) The length of the average delay for an individual case pending in the personnel security clearance investigation process.

(D) Any progress made by the Secretary of Defense during the six months preceding the date on which the report is submitted toward implementing planned changes in the personnel security clearance investigation process.

(E) A determination certified by the Secretary of Defense of whether the personnel security clearance investigation process has improved during the six months preceding the date on which the report is submitted.

(c) COMPTROLLER GENERAL REPORT.—As soon as practicable after the Secretary of Defense submits the initial report required under subsection (a), the Comptroller General shall submit a report to Congress that contains a review of such initial report.

(d) SENSE OF CONGRESS ON IMPROVING THE PERSONNEL SECURITY INVESTIGATIONS PROGRAM.—

(1) FINDINGS.—Congress finds the following:

(A) Since fiscal year 2000, the General Accountability Office has listed the Personnel Security Investigations Program of the Department of Defense as a systemic weakness that affects more than one component of the Department and may jeopardize the operations of the Department.

(B) In 2005, the Government Accountability Office designated the Personnel Security Investigations Program as a high-risk area because delays by the Program in issuing security clearances can affect national security.

(C) In 2005, the Government Accountability Office found that the Department of Defense continues to face sizeable security clearance backlogs.

(D) The Government Accountability Office also reported in 2005 that security clearance delays increase national security risks, delay the start of classified work, hamper employers from hiring the best qualified workers, and increase the cost to the Government of national security-related contracts.

(E) These security clearance backlogs and delays continue in 2006, and have brought the security clearance program to a reported standstill.

(2) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) the delays and backlogs associated with the Personnel Security Investigations Program threaten the national security of the United States and key defense industrial assets; and

(B) the Secretary of Defense should take such steps as are necessary to eliminate the backlogs of applications for security clearance and the delays associated with the security clearance application process and make systemic improvements to the Personnel Security Investigations Program.

Subtitle E—Other Matters

SEC. 341. DEPARTMENT OF DEFENSE STRATEGIC POLICY ON PREPOSITIONING OF MATERIEL AND EQUIPMENT.

(a) STRATEGIC POLICY REQUIRED.—Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2229. Strategic policy on prepositioning of materiel and equipment

''(a) POLICY REQUIRED.—The Secretary of Defense shall maintain a strategic policy on the programs of the Department of Defense for the prepositioning of materiel and equipment. Such policy shall take into account national security threats, strategic mobility, and service requirements.

''(b) LIMITATION OF DIVERSION OF PREPOSITIONED MATERIEL.—The Secretary of a military department may not divert materiel or equipment from prepositioned stocks except—

''(1) in accordance with a change made by the Secretary of Defense to the policy maintained under subsection (a); or

''(2) for the purpose of supporting a contingency operation.

''(c) CONGRESSIONAL NOTIFICATION.—The Secretary of Defense may not implement or change the policy required under subsection (a) until the Secretary submits to the congressional defense committees a report describing the policy or change to the policy.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2229. Strategic policy on prepositioning of materiel and equipment.''.

(c) DEADLINE FOR ESTABLISHMENT OF POLICY.—

(1) DEADLINE.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall establish the strategic policy on the programs of the Department of Defense for the prepositioning of materiel and equipment required under section 2229 of title 10, United States Code, as added by subsection (a).

(2) LIMITATION ON DIVERSION OF PREPOSITIONED MATERIEL.—During the period beginning on the date of the enactment of this Act and ending on the date on which the Secretary of Defense submits the report required under section 2229(c) of title 10, United States Code, on the policy established under paragraph (1), the Secretary of a military department may not divert materiel or equipment from prepositioned stocks except for the purpose of supporting a contingency operation.

SEC. 342. AUTHORITY TO MAKE DEPARTMENT OF DEFENSE HORSES AVAILABLE FOR ADOPTION AT END OF USEFUL WORKING LIFE.

(a) INCLUSION OF DEPARTMENT OF DEFENSE HORSES IN EXISTING AUTHORITY.—Section 2583 of title 10, United States Code, is amended—

(1) in the section heading, by striking ''**working dogs**'' and inserting ''**animals**'';

(2) by striking ''working'' each place it appears;

(3) by striking ''dog'' and ''dogs'' each place they appear and inserting ''animal'' and ''animals'', respectively;

(4) by striking ''dog's'' in paragraphs (1) and (2) of subsection (a) and inserting ''animal's'';

(5) by striking ''a dog's adoptability'' in subsection (b) and inserting ''the adoptability of the animal''; and

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

''(g) MILITARY ANIMAL DEFINED.—In this section, the term 'military animal' means the following:

''(1) A military working dog.

''(2) A horse owned by the Department of Defense.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 153 of such title is amended to read as follows:

''2583. Military animals: transfer and adoption at end of useful working life.''.

SEC. 343. SALE AND USE OF PROCEEDS OF RECYCLABLE MUNITIONS MATERIALS.

(a) ESTABLISHMENT OF PROGRAM.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4690. Recyclable munitions materials: sale; use of proceeds

''(a) AUTHORITY FOR PROGRAM.—Notwithstanding section 2577 of this title, the Secretary of the Army may carry out a program to sell recyclable munitions materials resulting from the demilitarization of conventional military munitions without regard to chapter 5 of title 40 and use any proceeds in accordance with subsection (c).

''(b) METHOD OF SALE.—The Secretary shall use competitive procedures to sell recyclable munitions materials under this section in accordance with Federal procurement laws and regulations.

''(c) PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under this section shall be credited to an account that is specified as being for Army ammunition demilitarization from funds made available for the procurement of ammunition, to be available only for reclamation, recycling, and reuse of conventional military munitions (including research and development and equipment purchased for such purpose).

''(2) Amounts credited under this subsection shall be available for obligation for the fiscal year during which the funds are so credited and for three subsequent fiscal years.

''(d) REGULATIONS.—The Secretary shall prescribe regulations to carry out the program established under this section. Such regulations shall be consistent and in compliance with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and the regulations implementing that Act.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''4690. Recyclable munitions materials: sale; use of proceeds.''.

SEC. 344. CAPITAL SECURITY COST SHARING.

(a) RECONCILIATION REQUIRED.—For each fiscal year, the Secretary of Defense shall reconcile (1) the estimate of overseas presence of the Secretary of Defense under subsection (b) for that fiscal year, with (2) the determination of the Secretary of State under section 604(e)(1) of the Secure Embassy Construction and Counterterrorism Act of 1999 (22 U.S.C. 4865 note) of the total overseas presence of the Department of Defense for that fiscal year.

(b) ANNUAL ESTIMATE OF OVERSEAS PRESENCE.—Not later than February 1 of each year, the Secretary of Defense shall submit to the congressional defense committees an estimate of the total number of Department of Defense overseas personnel subject to chief of mission authority pursuant to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927) during the fiscal year that begins on October 1 of that year.

SEC. 345. PRIORITIZATION OF FUNDS WITHIN NAVY MISSION OPERATIONS, SHIP MAINTENANCE, COMBAT SUPPORT FORCES, AND WEAPONS SYSTEM SUPPORT.

(a) IN GENERAL.—The Secretary of the Navy shall take such steps as necessary through the planning, programming, budgeting, and execution systems of the Department of the Navy to

ensure that financial resources are provided for each fiscal year as necessary to enable the Navy to fund the following requirements of the Navy for that fiscal year:

(1) 100 percent of the requirements for steaming days per quarter for deployed ship operations.

(2) 100 percent of the requirements for steaming days per quarter for non-deployed ship operations.

(3) 100 percent of the projected ship and air depot maintenance.

(b) LIMITATION OF FUNDS FOR NAVY EXPEDITIONARY COMBAT COMMAND.—Of the funds appropriated for the Department of Navy for any fiscal year after fiscal year 2006, no operation and maintenance funds may be expended for the Navy Expeditionary Combat Command until the funding priorities in subsection (a) are met for that fiscal year.

(c) ANNUAL REPORT.—The Secretary of Navy shall submit to the congressional defense committees an annual report, to be submitted each year with the annual operation and maintenance justification of estimates material for the next fiscal year, that certifies that the requirements in subsection (a) are satisfied for the fiscal year for which that material is submitted.

SEC. 346. PRIORITIZATION OF FUNDS WITHIN ARMY RECONSTITUTION AND TRANSFORMATION.

(a) IN GENERAL.—The Secretary of the Army shall take such steps as necessary through the planning, programming, budgeting, and execution systems of the Department of the Army to ensure that financial resources are provided for each fiscal year as necessary to enable the Army to meet its requirements in that fiscal year for each of the following:

(1) The repair, recapitalization, and replacement of equipment used in the Global War on Terrorism, based on implementation of requirements based on a cost estimate for such purposes of at least $72,300,000,000 over the period of the five fiscal years beginning with fiscal year 2008.

(2) The fulfillment of equipment requirements of units transforming to modularity in accordance with the Modular Force Initiative report submitted to Congress in March 2006, based on implementation of requirements based on a cost estimate for such purposes of $47,600,000,000 over the period of the five fiscal years beginning with fiscal year 2008.

(3) The reconstitution of equipment and materiel in prepositioned stocks by 2012 in accordance with requirements under the Army Prepositioned Stocks Strategy 2012 or a subsequent strategy implemented under the guidelines in section 2229 of title 10, United States Code.

(b) ANNUAL REPORT.—The Secretary of the Army shall submit to the congressional defense committees an annual report, until the requirements of subsection (a) have been met, setting forth the progress toward meeting those requirements. Any information required to be included in the report concerning funding priorities under paragraph (1) or (2) of subsection (a) shall be itemized by active duty component and reserve component. The report for any year shall be submitted at the time the budget of the President for the next fiscal year is submitted to Congress. Each such report shall include the following:

(1) A complete itemization of the requirements for the funding priorities in subsection (a), including an itemization for all types of modular brigades for both active and reserve components.

(2) A list of any shortfalls that exist between available funding, equipment, supplies, and industrial capacity and required funding, equipment, supplies, and industrial capacity in accordance with the funding priorities in subsection (a).

(3) A list of the requirements for the funding priorities in subsection (a) that the Army has included in the budget for that fiscal year, including a detailed listing of the type, quantity, and cost of the equipment the Army plans to repair, recapitalize, or procure, set forth by appropriations account and Army component.

(4) An assessment of the progress made during that fiscal year toward meeting the overall requirements of the funding priorities in subsection (a).

(5) A description of how the Army defines costs associated with modularity versus the costs associated with modernizing equipment platforms and repairing, recapitalizing, and replacing equipment used during the global war on terrorism.

(6) The results of Army assessments of modular force capabilities, including lessons learned from existing modular units and any modifications that have been made to modularity.

(7) The assessment of each of the Chief of the National Guard Bureau and the Chief of the Army Reserve of each of the items described in paragraphs (1) through (6).

(c) LIMITATION ON FUNDS FOR FUTURE COMBAT SYSTEMS.—Of the funds appropriated for the Army for any fiscal year after fiscal year 2007, not more than $2,850,000,000 may be expended for the Future Combat Systems until the funding priorities in subsection (a) are met for that fiscal year.

(d) USE OF EXCESS FUNDS FOR FUTURE COMBAT SYSTEMS.—Any funds appropriated for the Future Combat Systems for any fiscal year not expended in accordance with subsection (c) shall be used for programs specified in subsection (a).

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Additional authority for increases of Army and Marine Corps active duty end strengths for fiscal years 2008 and 2009.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserve components.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

(a) IN GENERAL.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.

(2) The Navy, 340,700.

(3) The Marine Corps, 180,000.

(4) The Air Force, 334,200.

(b) LIMITATION.—

(1) ARMY.—The authorized strength for the Army provided in paragraph (1) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Army for that fiscal year in excess of 482,400 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

(2) MARINE CORPS.—The authorized strength for the Marine Corps provided in paragraph (3) of subsection (a) for active duty personnel for fiscal year 2007 is subject to the condition that costs of active duty personnel of the Marine Corps for that fiscal year in excess of 175,000 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END STRENGTH MINIMUM LEVELS.

Section 691(b) of title 10, United States Code, is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) For the Army, 504,400.

''(2) For the Navy, 340,700.

''(3) For the Marine Corps, 180,000.

''(4) For the Air Force, 334,200.''.

SEC. 403. ADDITIONAL AUTHORITY FOR INCREASES OF ARMY AND MARINE CORPS ACTIVE DUTY END STRENGTHS FOR FISCAL YEARS 2008 AND 2009.

Effective October 1, 2007, the text of section 403 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1863) is amended to read as follows:

''(a) AUTHORITY.—

''(1) ARMY.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes specified in paragraph (3), establish the active-duty end strength for the Army at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 20,000.

''(2) MARINE CORPS.—For each of fiscal years 2008 and 2009, the Secretary of Defense may, as the Secretary determines necessary for the purposes specified in paragraph (3), establish the active-duty end strength for the Marine Corps at a number greater than the number otherwise authorized by law up to the number equal to the fiscal-year 2007 baseline plus 4,000.

''(3) PURPOSE OF INCREASES.—The purposes for which increases may be made in Army and Marine Corps active duty end strengths under paragraphs (1) and (2) are—

''(A) to support operational missions; and

''(B) to achieve transformational reorganization objectives, including objectives for increased numbers of combat brigades and battalions, increased unit manning, force stabilization and shaping, and rebalancing of the active and reserve component forces.

''(4) FISCAL-YEAR 2007 BASELINE.—In this subsection, the term 'fiscal-year 2007 baseline', with respect to the Army and Marine Corps, means the active-duty end strength authorized for those services in section 401 of the National Defense Authorization Act for Fiscal Year 2007.

''(5) ACTIVE-DUTY END STRENGTH.—In this subsection, the term 'active-duty end strength' means the strength for active-duty personnel of one of the Armed Forces as of the last day of a fiscal year.

''(b) RELATIONSHIP TO PRESIDENTIAL WAIVER AUTHORITY.—Nothing in this section shall be construed to limit the President's authority under section 123a of title 10, United States Code, to waive any statutory end strength in a time of war or national emergency.

''(c) RELATIONSHIP TO OTHER VARIANCE AUTHORITY.—The authority under subsection (a) is in addition to the authority to vary authorized end strengths that is provided in subsections (e) and (f) of section 115 of title 10, United States Code.

''(d) BUDGET TREATMENT.—

''(1) FISCAL YEAR 2008 BUDGET.—The budget for the Department of Defense for fiscal year 2008 as submitted to Congress shall comply, with respect to funding, with subsections (c) and (d) of section 691 of title 10, United States Code.

''(2) OTHER INCREASES.—If the Secretary of Defense plans to increase the Army or Marine Corps active duty end strength for a fiscal year under subsection (a), then the budget for the Department of Defense for that fiscal year as submitted to Congress shall include the amounts necessary for funding that active duty end strength in excess of the fiscal year 2007 active duty end strength authorized for that service under section 401 of the National Defense Authorization Act for Fiscal Year 2007.''.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2007, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 200,000.

(3) The Navy Reserve, 71,300.

(4) The Marine Corps Reserve, 39,600.

(5) The Air National Guard of the United States, 107,000.

(6) The Air Force Reserve, 74,900.

(7) The Coast Guard Reserve, 10,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be increased proportionately by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 28,165.

(2) The Army Reserve, 15,416.

(3) The Navy Reserve, 12,564.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 13,291.

(6) The Air Force Reserve, 2,707.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,912.

(2) For the Army National Guard of the United States, 27,615.

(3) For the Air Force Reserve, 10,124.

(4) For the Air National Guard of the United States, 23,255.

SEC. 414. FISCAL YEAR 2007 LIMITATION ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600

(B) For the Air National Guard of the United States, 350.

(2) ARMY RESERVE.—The number of non-dual status technicians employed by the Army Reserve as of September 30, 2007, may not exceed 595.

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given that term in section 10217(a) of title 10, United States Code.

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

During fiscal year 2007, the maximum number of members of the reserve components of the Armed Forces who may be serving at any time on full-time operational support duty under section 115(b) of title 10, United States Code, is the following:

(1) The Army National Guard of the United States, 17,000.

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

(4) The Marine Corps Reserve, 3,000.

(5) The Air National Guard of the United States, 16,000.

(6) The Air Force Reserve, 14,000.

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $109,820,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Authorized strength of Navy Reserve flag officers.

Sec. 502. Standardization of grade of senior dental officer of the Air Force with that of senior dental officer of the Army.

Sec. 503. Management of chief warrant officers.

Sec. 504. Reduction in time-in-grade requirement for promotion to captain in the Army, Air Force, and Marine Corps and lieutenant in the Navy.

Sec. 505. Military status of officers serving in certain Intelligence Community positions.

Subtitle B—Reserve Component Management

Sec. 511. Revisions to reserve call-up authority.

Sec. 512. Military retirement credit for certain service by National Guard members performed while in a State duty status immediately after the terrorist attacks of September 11, 2001.

Sec. 513. Report on private-sector promotion and constructive termination of members of the reserve components called or ordered to active service.

Subtitle C—Education and Training

Sec. 521. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.

Sec. 522. Junior Reserve Officers' Training Corps instruction eligibility expansion.

Sec. 523. Authority for United States Military Academy and United States Air Force Academy permanent military professors to assume command positions while on periods of sabbatical.

Sec. 524. Expansion of service academy exchange programs with foreign military academies.

Sec. 525. Review of legal status of Junior ROTC program.

Subtitle D—General Service Authorities

Sec. 531. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).

Sec. 532. Nondisclosure of selection board proceedings.

Sec. 533. Report on extent of provision of timely notice of long-term deployments.

Subtitle E—Authorities Relating to Guard and Reserve Duty

Sec. 541. Title 10 definition of Active Guard and Reserve duty.

Sec. 542. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.

Sec. 543. Governor's authority to order members to Active Guard and Reserve duty.

Sec. 544. National Guard officers authority to command.

Sec. 545. Expansion of operations of civil support teams.

Subtitle F—Decorations and Awards

Sec. 551. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.

Sec. 552. Cold War Victory Medal.

Sec. 553. Posthumous award of Purple Heart for prisoners of war who die in or due to captivity.

Sec. 554. Advancement on the retired list of certain decorated retired Navy and Marine Corps officers.

Sec. 555. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

Sec. 561. Criteria for removal of member from temporary disability retired list.

Sec. 562. Department of Defense computer/electronic accommodations program for severely wounded members.

Sec. 563. Transportation of remains of casualties dying in a theater of combat operations.

Sec. 564. Annual budget display of funds for POW/MIA activities of Department of Defense.

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

Sec. 571. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.

Sec. 572. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.

Subtitle I—Postal Benefits

Sec. 575. Postal benefits program for members of the Armed Forces.

Sec. 576. Funding.

Sec. 577. Duration.

Subtitle J—Other Matters

Sec. 581. Reduction in Department of Defense accrual contributions to Department of Defense Military Retirement Fund.
Sec. 582. Dental Corps of the Bureau of Medicine and Surgery.
Sec. 583. Permanent authority for presentation of recognition items for recruitment and retention purposes.
Sec. 584. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
Sec. 585. Persons authorized to administer enlistment and appointment oaths.
Sec. 586. Repeal of requirement for periodic Department of Defense Inspector General assessments of voting assistance compliance at military installations.
Sec. 587. Physical evaluation boards.
Sec. 588. Department of Labor transitional assistance program.
Sec. 589. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.
Sec. 590. Military chaplains.
Sec. 591. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
Sec. 592. Entrepreneurial Service Members Empowerment Task Force.
Sec. 593. Comptroller General report on military conscientious objectors.
Sec. 594. Commission on the National Guard and Reserves.

Subtitle A—Officer Personnel Policy

SEC. 501. AUTHORIZED STRENGTH OF NAVY RESERVE FLAG OFFICERS.

(a) SIMPLIFICATION OF COUNTING OF NAVY RESERVE FLAG OFFICERS.—Subsection (c) of section 12004 of title 10, United States Code, is amended to read as follows:

''(c) The authorized strength of the Navy under subsection (a) is exclusive of officers counted under section 526 of this title.''.

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking ''of those'' and inserting ''of officers''.

SEC. 502. STANDARDIZATION OF GRADE OF SENIOR DENTAL OFFICER OF THE AIR FORCE WITH THAT OF SENIOR DENTAL OFFICER OF THE ARMY.

(a) AIR FORCE ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES.—Section 8081 of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the occurrence of the next vacancy in the position of Assistant Surgeon General for Dental Services in the Air Force that occurs after the date of the enactment of this Act or, if earlier, on the date of the appointment to the grade of major general of the officer who is the incumbent in that position on the date of the enactment of the Act.

SEC. 503. MANAGEMENT OF CHIEF WARRANT OFFICERS.

(a) RETENTION OF CHIEF WARRANT OFFICERS, W-4, WHO HAVE TWICE FAILED OF SELECTION FOR PROMOTION.—Section 580(e)(1) of title 10, United States Code, is amended by striking ''continued on active duty if'' and all that follows and inserting ''continued on active duty if—

''(A) in the case of a warrant officer in the grade of chief warrant officer, W–2, or chief warrant officer, W–3, the warrant officer is selected for continuation on active duty by a selection board convened under section 573(c) of this title; and

''(B) in the case of a warrant officer in the grade of chief warrant officer, W–4, the warrant officer is selected for continuation on active duty by the Secretary concerned under such procedures as the Secretary may prescribe.''.

(b) MANDATORY RETIREMENT FOR LENGTH OF SERVICE.—Section 1305(a) of such title is amended—

(1) by striking ''(1) Except as'' and all the follows through ''W–5)'' and inserting ''A regular warrant officer'';

(2) by inserting ''as a warrant officer'' after ''years of active service'';

(3) by inserting ''the date on which'' after ''60 days after''; and

(4) by striking paragraph (2).

SEC. 504. REDUCTION IN TIME-IN-GRADE REQUIREMENT FOR PROMOTION TO CAPTAIN IN THE ARMY, AIR FORCE, AND MARINE CORPS AND LIEUTENANT IN THE NAVY.

Section 619(a)(1) of title 10, United States Code, is amended by striking ''he has completed'' in the matter preceding subparagraph (A) and all that follows through the period at the end of subparagraph (B) and inserting ''the officer has completed 18 months of service in the grade in which the officer holds a permanent appointment''.

SEC. 505. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

(a) CLARIFICATION OF MILITARY STATUS.—Section 528 of title 10, United States Code, is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) MILITARY STATUS.—An officer of the armed forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or any other officer or employee of the Department of Defense, except as directed by the Secretary of Defense concerning reassignment from such position; and

''(2) may not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(b) DIRECTOR AND DEPUTY DIRECTOR OF CIA.—When the position of Director or Deputy Director of the Central Intelligence Agency is held by an officer of the armed forces, the officer serving in that position, while so serving, shall be excluded from the limitations in sections 525 and 526 of this title. However, if both such positions are held by an officer of the armed forces, only one such officer may be excluded from those limitation while so serving.''; and

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

''(e) EFFECT OF APPOINTMENT.—Except as provided in subsection (a), the appointment or assignment of an officer of the armed forces to a position covered by this section shall not affect—

''(1) the status, position, rank, or grade of such officer in the armed forces; or

''(2) any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

''(f) MILITARY PAY AND ALLOWANCES.—An officer of the armed forces on active duty who is appointed or assigned to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances and shall not receive the pay prescribed for such position. Funds from which such military pay and allowances are paid to such officer while so serving shall be reimbursed from funds available to the Director of the Central Intelligence Agency (for an officer serving in a position within the Central Intelligence Agency) or from funds available to the Director of National Intelligence (for an officer serving in a position within the Office of the Director of National Intelligence).

''(g) COVERED POSITIONS.—The positions covered by this section are the positions specified in subsections (b) and (c) and the positions designated under subsection (d).''.

(b) CLERICAL AMENDMENTS.—

(1) The heading of such section is amended to read as follows:

''§ 528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances''.

(2) The table of sections at the beginning of chapter 32 of such title is amended to read as follows:

''528. Officers serving in certain intelligence positions: military status; exclusion from distribution and strength limitations; pay and allowances.''.

Subtitle B—Reserve Component Management

SEC. 511. REVISIONS TO RESERVE CALL-UP AUTHORITY.

(a) MAXIMUM NUMBER OF DAYS.—Subsection (a) of section 12304 of title 10, United States Code, is amended by striking ''270 days'' and inserting ''365.''

(b) SUPPORT FOR DISASTERS.—Such section is further amended—

(1) in subsection (b)—

(A) by striking ''or'' at the end of paragraph (1);

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

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

''(3) a serious natural or manmade disaster, accident, or catastrophe that occurs in the United States, its territories and possessions, or Puerto Rico.''; and

(2) in subsection (c)(1)—

(A) by striking ''title or,'' and inserting ''title,''; and

(B) by striking '', to provide'' and all that follows through the end and inserting a period.

(c) FAIR TREATMENT.—Such section is further amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) CONSIDERATIONS FOR INVOLUNTARY ORDER TO ACTIVE DUTY.—(1) In determining which members of the Selected Reserve and Individual Ready Reserve will be ordered to duty without their consent under this section, appropriate consideration shall be given to—

''(A) the length and nature of previous service, to assure such sharing of exposure to hazards as the national security and military requirements will reasonably allow;

''(B) family responsibilities; and

''(C) employment necessary to maintain the national health, safety, or interest.

''(2) The Secretary of Defense shall prescribe such policies and procedures as the Secretary considers necessary to carry out this subsection.''.

SEC. 512. MILITARY RETIREMENT CREDIT FOR CERTAIN SERVICE BY NATIONAL GUARD MEMBERS PERFORMED WHILE IN A STATE DUTY STATUS IMMEDIATELY AFTER THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

Subsection (c) of section 514 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3232) is amended by adding at the end the following new paragraph:

''(3) In the State of New Jersey: Bergen, Hudson, Union, and Middlesex.''.

SEC. 513. REPORT ON PRIVATE-SECTOR PROMOTION AND CONSTRUCTIVE TERMINATION OF MEMBERS OF THE RESERVE COMPONENTS CALLED OR ORDERED TO ACTIVE SERVICE.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the

House of Representatives a report on the promotion and constructive termination by private-sector employers of members of the reserve components called or ordered to active service.

(b) COLLECTION OF INFORMATION.—The Secretary of Defense shall base the report required under subsection (a) on information submitted voluntarily by members of the reserve components.

(c) CONSTRUCTIVE TERMINATION.—In this section, the term ''constructive termination'' means the voluntary resignation of an employee because of working conditions the employee finds unbearable.

Subtitle C—Education and Training

SEC. 521. AUTHORITY TO PERMIT MEMBERS WHO PARTICIPATE IN THE GUARANTEED RESERVE FORCES DUTY SCHOLARSHIP PROGRAM TO PARTICIPATE IN THE HEALTH PROFESSIONS SCHOLARSHIP PROGRAM AND SERVE ON ACTIVE DUTY.

Paragraph (3) of section 2107a(b) of title 10, United States Code, is amended—

(1) by inserting ''or a cadet or former cadet under this section who signs an agreement under section 2122 of this title,'' after ''military junior college,''; and

(2) by inserting '', or former cadet,'' after ''consent of the cadet'' and after ''submitted by the cadet''.

SEC. 522. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION ELIGIBILITY EXPANSION.

Section 2031 of title 10, United States Code, is amended—

(1) in subsection (d)(1), by inserting ''who are receiving retired or retainer pay,'' after ''Fleet Marine Corps Reserve,''; and

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

''(e) Instead of, or in addition to, the detailing of active-duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers and noncommissioned officers and members of the Fleet Reserve or Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program, retired officers and noncommissioned officers who qualify for retired pay for nonregular service under the provisions of chapter 1223 of this title but for being under the age specified in section 12731(a)(1) of this title for eligibility for such retired pay, whose qualifications are approved by the Secretary and the institution concerned, and who request such employment, subject to the following:

''(1) The compensation package for officers and noncommissioned officers employed under this subsection shall not be coupled with either active duty pay or retired pay, but instead shall be at a rate contracted individually and determined by the Secretary of the military department concerned. The Secretary may pay the institution an amount the Secretary determined to be appropriate, but the amount may not be more than the amount that would be paid on behalf of an equivalent retiree or member of the Fleet Reserve or Fleet Marine Corps Reserve under the provisions of subsection (d)(1). The Secretary may continue to pay individuals employed under this subsection pre-determined compensation packages, even after they reach the age of 60. Payments by the Secretary concerned under this paragraph shall be made from funds appropriated for that purpose.

''(2) Such a retired member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.''.

SEC. 523. AUTHORITY FOR UNITED STATES MILITARY ACADEMY AND UNITED STATES AIR FORCE ACADEMY PERMANENT MILITARY PROFESSORS TO ASSUME COMMAND POSITIONS WHILE ON PERIODS OF SABBATICAL.

(a) UNITED STATES MILITARY ACADEMY.—Section 4334(d) of title 10, United States Code, is amended—

(1) by striking ''permanent professors and the'';

(2) by striking ''exercise'' and inserting ''exercises''; and

(3) by adding at the end the following new sentence: ''The permanent professors exercise command only in the academic department of the Academy and, at the discretion of the Secretary of the Army, within Army units to which they are assigned.''.

(b) UNITED STATES AIR FORCE ACADEMY.—Section 9334(b) of such title is amended—

(1) by striking ''permanent professors and the''; and

(2) by striking ''exercise'' and inserting ''exercises''; and

(3) by adding at the end the following new sentence: ''The permanent professors exercise command only in the academic department of the Academy and, at the discretion of the Secretary of the Air Force, within Air Force units to which they are assigned.''.

SEC. 524. EXPANSION OF SERVICE ACADEMY EXCHANGE PROGRAMS WITH FOREIGN MILITARY ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 4345 of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

(B) by adding at the end the following new paragraph:

''(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.''.

(b) UNITED STATES NAVAL ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 6957a of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

(B) by adding at the end the following new paragraph:

''(4) Expenditures in support of the exchange program from funds appropriated for the Naval Academy may not exceed $1,000,000 during any fiscal year.''.

(c) UNITED STATES AIR FORCE ACADEMY.—

(1) NUMBER OF PARTICIPANTS IN EXCHANGE PROGRAM.—Subsection (b) of section 9345 of title 10, United States Code, is amended by striking ''24'' and inserting ''100''.

(2) COSTS AND EXPENSES.—Subsection (c) of such section is amended—

(A) by striking ''for the Academy'' in paragraph (3) and all that follows in that paragraph and inserting ''for the Academy and such additional funds as may be available to the Academy from a source other than appropriated funds to support cultural immersion, regional awareness, or foreign language training activities in connection with the exchange program.''; and

(B) by adding at the end the following new paragraph:

''(4) Expenditures in support of the exchange program from funds appropriated for the Academy may not exceed $1,000,000 during any fiscal year.''.

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act. The amendments made by subsections (b) and (c) shall take effect on October 1, 2008.

SEC. 525. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps program as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

(b) REPORT.—The Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the review not later than 180 days after the date of the enactment of this Act.

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

Subtitle D—General Service Authorities

SEC. 531. TEST OF UTILITY OF TEST PREPARATION GUIDES AND EDUCATION PROGRAMS IN ENHANCING RECRUIT CANDIDATE PERFORMANCE ON THE ARMED SERVICES VOCATIONAL APTITUDE BATTERY (ASVAB) AND ARMED FORCES QUALIFICATION TEST (AFQT).

(a) REQUIREMENT FOR TEST.—The Secretary of Defense shall conduct a test of the utility of commercially available test preparation guides and education programs designed to assist recruit candidates achieve scores on military recruit qualification testing that better reflect the full potential of those recruit candidates in terms of aptitude and mental category. The test shall be conducted through the Secretaries of the Army, Navy and Air Force.

(b) ASSESSMENT OF COMMERCIALLY AVAILABLE GUIDES AND PROGRAMS.—The test shall assess commercially available test preparation guides and education programs designed to enhance test performance. The test preparation guides assessed shall test both written formats and self-paced computer-assisted programs. Education programs assessed may test both self-study textbook and computer-assisted courses and instructor-led courses.

(c) OBJECTIVES.—The objectives of the test are to determine the following:

(1) The degree to which test preparation assistance degrades test reliability and accuracy.

(2) The degree to which test preparation assistance allows more accurate testing of skill aptitudes and mental capability.

(3) The degree to which test preparation assistance allows individuals to achieve higher scores without sacrificing reliability and accuracy.

(4) What role is recommended for test preparation assistance in military recruiting.

(d) CONTROL GROUP.—As part of the test, the Secretary shall identify a population of recruit candidates who will not receive test preparation

assistance and will serve as a control group for the test. Data from recruit candidates participating in the test and data from recruit candidates in the control group shall be compared in terms of both (1) test performance, and (2) subsequent duty performance in training and unit settings following entry on active duty.

(e) NUMBER OF PARTICIPANTS.—The Secretary shall provide test preparation assistance to a minimum of 2,000 recruit candidates and shall identify an equal number to be established as the control group population.

(f) DURATION OF TEST.—The Secretary shall begin the test not later than nine months after the date of the enactment of this Act. The test shall identify participants over a one-year period from the start of the test and shall assess duty performance for each participant for 18 months following entry on active duty. The last participant shall be identified, but other participants may not be identified.

(g) REPORT ON FINDINGS.—Not later than six months after completion of the duty performance assessment of the last identified participant in the test, the Secretary of Defense shall submit to the Committee on Armed Services in the Senate and the Committee on Armed Services of the House of Representatives a report providing the findings of the Secretary with respect to each of the objectives specified in subsection (c) and the Secretary's recommendations.

SEC. 532. NONDISCLOSURE OF SELECTION BOARD PROCEEDINGS.

(a) ACTIVE-DUTY SELECTION BOARD PROCEEDINGS.—

(1) EXTENSION TO ALL ACTIVE-DUTY BOARDS.—Chapter 36 of title 10, United States Code, is amended by inserting after section 613 the following new section:

''§ 613a. Nondisclosure of board proceedings

''(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 611 this title may not be disclosed to any person not a member of the board.

''(b) PROHIBITED USES OF BOARD RECORDS.—The discussions and deliberations of such a selection board and any written or documentary record of such discussions and deliberations—

''(1) are immune from legal process;

''(2) may not be admitted as evidence; and

''(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.

''(c) APPLICABILITY.—The section shall apply with respect to the proceedings of all selection boards convened under section 611 of this title, including selection boards convened before the date of the enactment of this section.''.

(2) CONFORMING AMENDMENT.—Section 618 of such title is amended by striking subsection (f).

(b) RESERVE SELECTION BOARD PROCEEDINGS.—Section 14104 of such title is amended to read as follows:

''§ 14104. Nondisclosure of board proceedings

''(a) NONDISCLOSURE.—The proceedings of a selection board convened under section 14101of this title may not be disclosed to any person not a member of the board.

''(b) PROHIBITED USES OF BOARD RECORDS.—The discussions and deliberations of such a selection board and any written or documentary record of such discussions and deliberations—

''(1) are immune from legal process;

''(2) may not be admitted as evidence; and

''(3) may not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.

''(c) APPLICABILITY.—The section shall apply with respect to the proceedings of all selection boards convened under section 14101 of this title, including selection boards convened before the date of the enactment of this section.''.

(c) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of subchapter I of chapter 36 of such title is amended by inserting after the item relating to section 613 the following new item:

''14104. Nondisclosure of board proceedings.''.

(2) The item relating to section 14104 in the table of sections at the beginning of chapter 1403 of such title is amended to read as follows:

''14104. Nondisclosure of board proceedings.''.

SEC. 533. REPORT ON EXTENT OF PROVISION OF TIMELY NOTICE OF LONG-TERM DEPLOYMENTS.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the number of members of the Armed Forces (shown by service and within each service by reserve component and active component) who, since September 11, 2001, have not received at least 30 days notice (in the form of an official order) before a deployment that will last 180 days or more. With respect to members of the reserve components, the report shall describe the degree of compliance (or noncompliance) with Department of Defense policy concerning the amount of notice to be provided before long-term mobilizations or deployments.

Subtitle E—Authorities Relating to Guard and Reserve Duty

SEC. 541. TITLE 10 DEFINITION OF ACTIVE GUARD AND RESERVE DUTY.

Section 101 of title 10, United States Code, is amended—

(1) by adding at the end of subsection (b) the following new paragraph:

''(16) The term 'Active Guard and Reserve' means a member of a reserve component who is on active duty pursuant to section 12301(d) of this title or, if a member of the Army National Guard or Air National Guard, is on full-time National Guard duty pursuant to section 502(f) of title 32, and who is performing Active Guard and Reserve duty.''; and

(2) in paragraph (6)(A) of subsection (d)—

(A) by striking ''or full-time National Guard duty'' after ''means active duty''; and

(B) by striking '', pursuant to an order to active duty or full-time National Guard duty'' and inserting ''pursuant to an order to full-time National Guard duty,''.

SEC. 542. AUTHORITY FOR ACTIVE GUARD AND RESERVE DUTIES TO INCLUDE SUPPORT OF OPERATIONAL MISSIONS ASSIGNED TO THE RESERVE COMPONENTS AND INSTRUCTION AND TRAINING OF ACTIVE-DUTY PERSONNEL.

(a) AGR DUTY UNDER TITLE 10.—Subsections (a) and (b) of section 12310 of title 10, United States Code, are amended to read as follows:

''(a) AUTHORITY.—(1) The Secretary concerned may order a member of a reserve component under the Secretary's jurisdiction to active duty pursuant to section 12301(d) of this title to perform Active Guard and Reserve duty organizing, administering, recruiting, instructing, or training the reserve components.

''(2) A Reserve ordered to active duty under paragraph (1) shall be ordered in the Reserve's reserve grade. While so serving, the Reserve continues to be eligible for promotion as a Reserve, if otherwise qualified.

''(b) DUTIES.—A Reserve on active duty under subsection (a) may perform the following duties in addition to (and not in lieu of) the Reserve's primary Active Guard and Reserve duties described in subsection (a)(1):

''(1) Supporting operations or missions assigned in whole or in part to the reserve components.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the same armed force; or

''(B) a joint forces unit that includes—

''(i) one or more reserve component units; or

''(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the unified combatant command regarding reserve component matters.

''(4) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

''(A) active-duty members of the armed forces;

''(B) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

''(C) Department of Defense contractor personnel; or

''(D) Department of Defense civilian employees.''.

(b) MILITARY TECHNICIANS UNDER TITLE 10.—Section 10216(a) of such title is amended—

(1) in paragraph (1)(C), by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

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

''(3) A military technician (dual status) who is employed under section 3101 of title 5 may perform the following duties in addition to (and not in lieu of) those primary duties described in paragraph (1):

''(A) Supporting operations or missions assigned in whole or in part to the technician's unit;

''(B) Supporting operations or missions performed or to be performed by—

''(i) a unit composed of elements from more than one component of the technician's armed force; or

''(ii) a joint forces unit that includes—

''(I) one or more units of the technician's component; or

''(II) a member of the technician's component whose reserve component assignment is in a position in an element of the joint forces unit.

''(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

''(i) active-duty members of the armed forces;

''(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

''(iii) Department of Defense contractor personnel; or

''(iv) Department of Defense civilian employees.''.

(c) NATIONAL GUARD TITLE 32 TRAINING DUTY.—Section 502(f) of title 32, United States Code, title is amended—

(1) by inserting ''(1)'' before ''Under regulations'';

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

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

''(2) The training or duty ordered to be performed under paragraph (1) may include the following:

''(A) Support of operations or missions undertaken by the member's unit at the request of the President or Secretary of Defense.

''(B) Support of training operations and training missions assigned in whole or in part to the National Guard by the Secretary concerned, but only to the extent that such training missions and training operations—

''(i) are performed in the territorial limits of the United States, its territories and possessions, the District of Columbia, and the Commonwealth of Puerto Rico; and

''(ii) are only to instruct active duty military, foreign military (under the same authorities and restrictions applicable to active duty troops), Department of Defense contractor personnel, or Department of Defense civilian employees.

''(3) Duty without pay shall be considered for all purposes as if it were duty with pay.''.

(d) NATIONAL GUARD TECHNICIANS UNDER TITLE 32.—Section 709(a) of title 32, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

(B) by striking ''and'' at the end of such paragraph;

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

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

''(3) the performance of the following duties in addition to (and not in lieu of) those duties described by paragraphs (1) and (2):

''(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

''(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

''(C) Instructing or training in the United States or the Commonwealth of Puerto Rico or possessions of the United States of—

''(i) active-duty members of the armed forces;

''(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

''(iii) Department of Defense contractor personnel; or

''(iv) Department of Defense civilian employees.''.

(e) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''328. Active Guard and Reserve duty: Governor's authority.''.

SEC. 543. GOVERNOR'S AUTHORITY TO ORDER MEMBERS TO ACTIVE GUARD AND RESERVE DUTY.

(a) IN GENERAL.—Chapter 3 of title 32, United States Code, is amended by adding at the end the following new section:

''§ 328. Active Guard and Reserve duty: Governor's authority

''(a) AUTHORITY.—The Governor of a State or the Commonwealth of Puerto Rico, Guam, or the Virgin Islands, or the commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform Active Guard and Reserve duty, as defined by section 101(d)(6) of title 10, pursuant to section 502(f) of this title.

''(b) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following duties in addition to (and not in lieu of) that member's primary Active Guard and Reserve duties of organizing, administering, recruiting, instructing, and training the reserve components:

''(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

''(2) Support of training operations and training missions assigned in whole or in part by the Secretary concerned to the National Guard, but only to the extent that such training operation and training missions—

''(A) are performed in the territorial limits of the United States, its territories and possessions, and the Commonwealth of Puerto Rico; and

''(B) are only to instruct—

''(i) active-duty members of the armed forces;

''(ii) members of foreign military forces (under the same authorities and restrictions applicable to active-duty members providing such instruction or training);

''(iii) Department of Defense contractor personnel; or

''(iv) Department of Defense civilian employees.''.

SEC. 544. NATIONAL GUARD OFFICERS AUTHORITY TO COMMAND.

Section 325 of title 32, United States Code, is amended—

(1) in subsection (a)(2), by striking ''in command of a National Guard unit'';

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) ADVANCE AUTHORIZATION AND CONSENT.—The President and Governor of the State or Commonwealth of Puerto Rico, Guam, or the Virgin Islands, or the commanding general of the District of Columbia National Guard, as the case may be, respectively, may give the authorization and consent required by subsection (a)(2), in advance, for the purpose of establishing the succession of command of a unit.''; and

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

''(d) NATIONAL GUARD DUTIES.—An officer who is not relieved from duty in the National Guard while serving on active duty pursuant to subsection (a)(2) may perform any duty authorized to be performed by the laws of that officer's State or the laws of the Commonwealth of Puerto Rico, Guam, the Virgin Islands, or the District of Columbia, as the case may be, to be performed by the National Guard without regard to the limitations imposed by section 1385 of title 18.''.

SEC. 545. EXPANSION OF OPERATIONS OF CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Section 12310(c) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''involving—'' and inserting ''involving any of the following:''; and

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

''(A) The use or threatened use of a weapon of mass destruction (as defined in section 12304(i)(2) of this title) in the United States.

''(B) A terrorist attack or threatened terrorist attack in the United States that results, or could result, in catastrophic loss of life or property.

''(C) The intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States that results, or could result, in catastrophic loss of life or property.

''(D) A natural or manmade disaster in the United States that results in, or could result in, catastrophic loss of life or property.'';

(2) by amending paragraph (3) to read as follows:

''(3) A Reserve may perform duty described in paragraph (1) only while assigned to a reserve component weapons of mass destruction civil support team.''; and

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

''(7) In this subsection, the term 'United States' includes the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking the subsection heading and inserting ''OPERATIONS RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION AND TERRORIST ATTACKS.—'';

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''weapons of mass destruction civil support team''; and

(3) in paragraph (6)—

(A) in the matter preceding subparagraph (A), by striking ''paragraph (3)'' and inserting ''paragraphs (1) and (3)''; and

(B) in subparagraph (B), by striking ''paragraph (3)(B)'' and inserting ''paragraph (3)''.

Subtitle F—Decorations and Awards

SEC. 551. AUTHORITY FOR PRESENTATION OF MEDAL OF HONOR FLAG TO LIVING MEDAL OF HONOR RECIPIENTS AND TO LIVING PRIMARY NEXT-OF-KIN OF DECEASED MEDAL OF HONOR RECIPIENTS.

(a) ARMY.—Section 3755 of title 10, United States Code, is amended—

(1) by striking ''after October 23, 2002''; and

(2) by adding at the end the following new sentence: ''In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented''.

(b) NAVY.—Section 6257 of such title is amended—

(1) by striking ''after October 23, 2002''; and

(2) by adding at the end the following new sentence: ''In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented''.

(c) AIR FORCE.—Section 8755 of such title is amended—

(1) by striking ''after October 23, 2002''; and

(2) by adding at the end the following new sentence: ''In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented''.

(d) COAST GUARD.—Section 505 of title 14, United States Code, is amended—

(1) by striking ''after October 23, 2002''; and

(2) by adding at the end the following new sentence: ''In the case of a posthumous presentation of the medal, the flag shall be presented to the person to whom the medal is presented''.

(e) PRESENTATION OF FLAG FOR PRIOR RECIPIENTS OF MEDAL OF HONOR.—

(1) LIVING RECIPIENTS.—The President shall provide for the presentation of the Medal of Honor Flag as expeditiously as possible after the date of the enactment of this Act to each living recipient of the Medal of Honor who was awarded the Medal of Honor before that date.

(2) SURVIVORS OF DECEASED RECIPIENTS.—The President shall provide for posthumous presentation of the Medal of Honor Flag, upon written application therefor, to the primary next of kin of any recipient of the Medal of Honor who was awarded the Medal of Honor before the date of the enactment of this Act and who is deceased as of such date (or who dies after such date and before the presentation required by paragraph (1)). For purposes of this paragraph, the primary next-of-kin is the person who would be entitled to receive the award of the Medal of Honor for such deceased individual if the award were being made posthumously at the time of the presentation of the Medal of Honor Flag.

(3) MEDAL OF HONOR FLAG.—In this subsection, the term ''Medal of Honor Flag'' means the flag designated under section 903 of title 36, United States Code.

SEC. 552. COLD WAR VICTORY MEDAL.

(a) AUTHORITY.—Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1135. Cold War Victory Medal

''(a) MEDAL AUTHORIZED.—The Secretary concerned shall issue a service medal, to be known as the 'Cold War Victory Medal', to persons eligible to receive the medal under subsection (b). The Cold War Victory Medal shall be of an appropriate design approved by the Secretary of Defense, with ribbons, lapel pins, and other appurtenances.

''(b) ELIGIBLE PERSONS.—The following persons are eligible to receive the Cold War Victory Medal:

''(1) A person who—

''(A) performed active duty or inactive duty training as an enlisted member during the Cold War;

''(B) completed the person's initial term of enlistment or, if discharged before completion of such initial term of enlistment, was honorably discharged after completion of not less than 180 days of service on active duty; and

''(C) has not received a discharge less favorable than an honorable discharge or a release from active duty with a characterization of service less favorable than honorable.

''(2) A person who—

''(A) performed active duty or inactive duty training as a commissioned officer or warrant officer during the Cold War;

''(B) completed the person's initial service obligation as an officer or, if discharged or separated before completion of such initial service obligation, was honorably discharged after completion of not less than 180 days of service on active duty; and

''(C) has not been released from active duty with a characterization of service less favorable than honorable and has not received a discharge or separation less favorable than an honorable discharge.

''(c) ONE AWARD AUTHORIZED.—Not more than one Cold War Victory Medal may be issued to any person.

''(d) ISSUANCE TO REPRESENTATIVE OF DECEASED.—If a person described in subsection (b) dies before being issued the Cold War Victory Medal, the medal shall be issued to the person's representative, as designated by the Secretary concerned.

''(e) REPLACEMENT.—Under regulations prescribed by the Secretary concerned, a Cold War Victory Medal that is lost, destroyed, or rendered unfit for use without fault or neglect on the part of the person to whom it was issued may be replaced without charge.

''(f) APPLICATION FOR MEDAL.—The Cold War Victory Medal shall be issued upon receipt by the Secretary concerned of an application for such medal, submitted in accordance with such regulations as the Secretary prescribes.

''(g) UNIFORM REGULATIONS.—The Secretary of Defense shall ensure that regulations prescribed by the Secretaries of the military departments under this section are uniform so far as is practicable.

''(h) DEFINITION.—In this section, the term 'Cold War' means the period beginning on September 2, 1945, and ending at the end of December 26, 1991.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1135. Cold War Victory Medal.''.

SEC. 553. POSTHUMOUS AWARD OF PURPLE HEART FOR PRISONERS OF WAR WHO DIE IN OR DUE TO CAPTIVITY.

(a) DECEASED POWS NOT OTHERWISE ELIGIBLE FOR PURPLE HEART.—Chapter 57 of title 10, United States Code, is amended by adding after section 1135, as added by section 552(a), the following new section:

''§ 1136. Purple Heart: posthumous award for prisoners of war or former prisoners of war dying in or due to captivity

''(a) For purposes of the award of the Purple Heart, the Secretary concerned shall treat a death described in subsection (b) in the same manner as the death of a member of the armed forces in action as the result of an act of an enemy of the United States.

''(b) A death described in this subsection is either of the following:

''(1) The death of a member of the armed forces who dies in captivity under circumstances establishing eligibility for the prisoner-of-war medal under section 1128 of this title but under circumstances not otherwise establishing eligibility for the Purple Heart.

''(2) The death of a member or former member of the armed forces who following captivity as a prisoner of war is issued the prisoner-of-war medal under section 1128 of this title and who dies due to a disease or disability that was incurred during that captivity, unless the member or former member received a Purple Heart due to the injury or conditions resulting in that disease or disability.

''(c) The Secretary of Defense shall prescribe regulations for determining eligibility for the Purple Heart under this section. Such regulations shall include criteria for the determination under paragraph (2) of subsection (b) of whether a death is due to a disease or disability incurred while a prisoner of war.

''(d) This section applies to any member of the armed forces who is held as a prisoner of war after December 7, 1941. ''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1135, as added by section 552(b), the following new item:

''1136. Purple Heart: posthumous award for prisoners of war or former prisoners of war dying in or due to captivity.''.

(c) RETROACTIVE AWARDS.—In the case of a member or former member of the Armed Forces covered by section 1135 of title 10, United States Code, whose death is before the date of the enactment of this Act, the Secretary concerned shall award the Purple Heart under that section upon receipt of an application that is made to the Secretary in such manner, and containing such information, as the Secretary requires.

SEC. 554. ADVANCEMENT ON THE RETIRED LIST OF CERTAIN DECORATED RETIRED NAVY AND MARINE CORPS OFFICERS.

(a) ADVANCEMENT ON RETIRED LIST.—The Secretary of the Navy shall, upon receipt of a qualifying application, advance on the retired list of the Navy or Marine Corps, as applicable, any retired officer of the Navy or Marine Corps described in subsection (b). Each such officer shall be advanced to the next higher grade above the officer's retired grade as of the day before the date of the enactment of this Act.

(b) COVERED OFFICERS.—Subsection (a) applies to any retired officer of the Navy or Marine Corps—

(1) who was eligible to retire before November 1, 1959, but who retired on or after that date; and

(2) who, under the provisions of law in effect before November 1, 1959, would have been eligible, by reason of having been specifically commended for performance of duty in actual combat, to have been retired in the next higher grade if the officer had retired before that date.

(c) QUALIFYING APPLICATION.—A qualifying application is an application from an officer described in subsection (b) or, in the case of a deceased officer, the surviving spouse or another immediate family member (as determined by the Secretary) of the officer, that—

(1) requests advancement on the retired list under this section; and

(2) provides such information as the Secretary may require.

(d) EFFECT OF ADVANCEMENT ON RETIRED LIST.—The advancement of an officer on the retired list pursuant to subsection (a) shall not affect—

(1) in the case of a retired office who is living as of the date of the enactment of this Act, the retired pay or other benefits of the officer or the grade in which the officer could be ordered or recalled to active duty; and

(2) any benefit to which any other person is or may become entitled based upon the officer's service.

SEC. 555. REPORT ON DEPARTMENT OF DEFENSE PROCESS FOR AWARDING DECORATIONS.

(a) REVIEW.— The Secretary of Defense shall conduct a review of the policy, procedures, and processes of the military departments for awarding decorations to members of the Armed Forces.

(b) TIME PERIODS.—As part of the review, the Secretary shall determine how long the award process takes—

(1) from the time a recommendation for the award of a decoration is submitted until the time the award of the decoration is approved; and

(2) from the time award of a decoration is approved until the time when the decoration is presented to the recipient.

(c) RESERVE COMPONENTS.—In conducting the review, the Secretary shall ensure that the timeliness of the awards process for members of the reserve components is the same or similar as that for members of the active components.

(d) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the Secretary's findings as a result of the review under subsection (a), together with a plan for implementing whatever changes are determined to be appropriate to the process for awarding decorations in order to ensure that decorations are awarded in a timely manner, to the extent practicable.

Subtitle G—Matters Relating to Casualties

SEC. 561. CRITERIA FOR REMOVAL OF MEMBER FROM TEMPORARY DISABILITY RETIRED LIST.

(a) CRITERIA.—Section 1210(e) of title 10, United States Code, is amended by inserting ''of a permanent nature and stable and is'' after ''physical disability''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any case received for consideration by a physical evaluation board after the date of the enactment of this Act.

SEC. 562. DEPARTMENT OF DEFENSE COMPUTER/ELECTRONIC ACCOMMODATIONS PROGRAM FOR SEVERELY WOUNDED MEMBERS.

(a) IN GENERAL.—Chapter 58 of title 10, United States Code, is amended by inserting after section 1150 the following new section:

''§ 1151. Severely wounded members: assistive technology and services

''(a) AUTHORITY.—The Secretary of Defense may provide assistive technology, assistive technology devices, and assistive technology services, as those terms are defined in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002), to a member of the armed forces who has sustained a severe or debilitating illness or injury while serving in support of a contingency operation.

''(b) DURATION AND PROVISION OF TECHNOLOGY AND SERVICES.—The Secretary may provide technology and services authorized by subsection (a) for an indefinite period, without regard to whether the person assisted continues to be a member of the armed forces.

''(c) AUTHORITY TO ALLOW RETENTION OF DEVICES, ETC.—Upon the separation from active service of a member who has been provided assistance as specified in subsection (a), the Secretary may allow the member to retain any assistive technology, device, or service provided to the member before the member's separation.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1150 the following new item:

''1151. Severely wounded members: assistive technology and services.''.

SEC. 563. TRANSPORTATION OF REMAINS OF CASUALTIES DYING IN A THEATER OF COMBAT OPERATIONS.

(a) IN GENERAL.—The Secretary concerned shall provide transportation of the remains of a member of the Armed Forces who dies in a combat theater of operations and whose remains are returned to the United States through the mortuary facility at Dover Air Force Base, Delaware, in accordance with section 1482(a)(8) of title 10, United States Code, and this section.

(b) ESCORT.—The Secretary concerned shall ensure that such remains are escorted under that section at all times by at least one person, who shall be a member of the Armed Forces of appropriate grade.

(c) AIR TRANSPORTATION FROM DOVER AFB.—

(1) USE OF MILITARY AIRCRAFT.—If transportation of remains described in subsection (a) from Dover Air Force Base to the escorted remains destination includes transportation by aircraft, such transportation by aircraft (unless otherwise directed by the next-of-kin) shall be made by military aircraft or military-contracted aircraft to the military airfield that is closest to the escorted remains destination. In the case of any such flight, the exclusive mission of the flight shall be the transportation of those remains.

(2) ESCORTED REMAINS DESTINATION.—In this subsection, the term ''escorted remains destination'' means the place to which remains are to

be transported pursuant to section 1482(a)(8) of title 10, United States Code.

(d) HONOR GUARD ESCORT.—In a case of the transportation of remains covered by subsection (a), there shall be a military escort (in addition to the escort under subsection (b)) that either travels with the remains from Dover Air Force Base or meets the remains at the place to which transportation by air (or by rail or motor vehicle, if applicable) is made. Such escort shall be of sufficient number to transfer the casket containing the remains from the aircraft (or other means of transportation to that place) to a hearse for local transportation. Such escort shall remain with the remains until the remains are delivered to the next-of-kin. Such escort shall consist of members of the Armed Forces on active duty or in the Ready Reserve.

SEC. 564. ANNUAL BUDGET DISPLAY OF FUNDS FOR POW/MIA ACTIVITIES OF DEPARTMENT OF DEFENSE.

(a) CONSOLIDATED BUDGET JUSTIFICATION.—Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 234. POW/MIA activities: display of budget information

''(a) SUBMISSION WITH ANNUAL BUDGET JUSTIFICATION DOCUMENTS.—The Secretary of Defense shall submit to Congress, as a part of the defense budget materials for a fiscal year, a consolidated budget justification display, in classified and unclassified form, that covers all programs and activities of Department of Defense POW/MIA accounting and recovery organizations.

''(b) REQUIREMENTS FOR BUDGET DISPLAY.—The budget display under subsection (a) for a fiscal year shall include the following for each such organization:

''(1) The amount, by appropriation and functional area, originally requested by that organization for that fiscal year, with the supporting narrative describing the rationale for the requested funding level.

''(2) A summary of actual or estimated expenditures by that organization for the fiscal year during which the budget is submitted and for the fiscal year preceding that year.

''(3) The amount in the budget for that organization.

''(4) A detailed explanation of any inconsistencies between the amount originally requested by the organization (shown pursuant to paragraph (1)) and the amount in the budget for that organization (shown pursuant to paragraph (3)).

''(5) The budget estimate for that organization for the next five fiscal years after the fiscal year for which the budget is submitted.

''(c) DEPARTMENT OF DEFENSE POW/MIA ACCOUNTING AND RECOVERY ORGANIZATIONS.—In this section, the term 'Department of Defense POW/MIA accounting and recovery organization' means any of the following (and any successor organization):

''(1) The Defense Prisoner of War/Missing Personnel Office (DPMO).

''(2) The Joint POW/MIA Accounting Command (JPAC).

''(3) The Armed Forces DNA Identification Laboratory (AFDIL).

''(4) The Life Sciences Equipment Laboratory (LSEL) of the Air Force.

''(5) Any other element of the Department of Defense the mission of which (as designated by the Secretary of Defense) involves the accounting for and recovery of members of the armed forces who are missing in action or prisoners of war or who are unaccounted for.

''(d) OTHER DEFINITIONS.—In this section:

''(1) The term 'budget', with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

''(2) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''234. POW/MIA activities: display of budget information.''.

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

SEC. 571. CONTINUATION OF AUTHORITY TO ASSIST LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) ASSISTANCE TO SCHOOLS WITH SIGNIFICANT NUMBERS OF MILITARY DEPENDENT STUDENTS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $50,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (a) of section 572 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b).

(b) ASSISTANCE TO SCHOOLS WITH ENROLLMENT CHANGES DUE TO BASE CLOSURES, FORCE STRUCTURE CHANGES, OR FORCE RELOCATIONS.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $15,000,000 shall be available only for the purpose of providing assistance to local educational agencies under subsection (b) of such section 572.

(c) LOCAL EDUCATIONAL AGENCY DEFINED.—In this section, the term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 572. ENROLLMENT IN DEFENSE DEPENDENTS' EDUCATION SYSTEM OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.

Section 1404A of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923a) is amended—

(1) in subsection (a)—

(A) by striking ''of the children'' and inserting ''of—

''(1) the children'';

(B) by striking the period at the end and inserting ''; and''; and

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

''(2) the children of a foreign military member assigned to the Supreme Headquarters Allied Powers, Europe, but only in a school of the defense dependents' education system in Mons, Belgium.''; and

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

''(c) SPECIAL RULES REGARDING ENROLLMENT OF DEPENDENTS OF FOREIGN MILITARY MEMBERS ASSIGNED TO SUPREME HEADQUARTERS ALLIED POWERS, EUROPE.—(1) In the regulations required by subsection (a), the Secretary shall prescribe a methodology based on the estimated total number of dependents of sponsors under section 1414(2) enrolled in schools of the defense dependents' education system in Mons, Belgium, to determine the number of children described in paragraph (2) of subsection (a) who will be authorized to enroll under such subsection.

''(2) If the number of children described in paragraph (2) of subsection (a) who seek enrollment in schools of the defense dependents' education system in Mons, Belgium, exceeds the number authorized by the Secretary under paragraph (1), the Secretary may enroll the additional children on a space-available, tuition-free basis notwithstanding section 1404(d)(2).''.

Subtitle I—Postal Benefits

SEC. 575. POSTAL BENEFITS PROGRAM FOR MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—The Secretary of Defense, in consultation with the United States Postal Service, shall provide for a program under which postal benefits shall be provided to qualified individuals in accordance with this subtitle.

(b) QUALIFIED INDIVIDUAL.—For purposes of this subtitle, the term ''qualified individual'' means an individual—

(1) who is a member of the Armed Forces on active duty (as defined in section 101 of title 10, United States Code); and

(2) who is—

(A) serving in Iraq or Afghanistan; or

(B) hospitalized at a facility under the jurisdiction of the Armed Forces as a result of a disease or injury incurred as a result of service in Iraq or Afghanistan.

(c) POSTAL BENEFITS DESCRIBED.—

(1) IN GENERAL.—The postal benefits provided under this subtitle shall consist of such coupons or other similar evidence of credit (whether in printed, electronic, or other format, and hereinafter in this subtitle referred to as ''vouchers'') as the Secretary of Defense (in consultation with the Postal Service) shall determine, entitling the bearer or user to make qualified mailings free of postage.

(2) QUALIFIED MAILING.—For purposes of this subtitle, the term ''qualified mailing'' means the mailing of any mail matter which—

(A) is described in subparagraph (A), (B), (C), or (D) of paragraph (3);

(B) is sent from within an area served by a United States post office; and

(C) is addressed to a qualified individual.

(3) MAIL MATTER DESCRIBED.—The mail matter described in this paragraph is—

(A) any letter mail not exceeding 13 ounces in weight and having the character of personal correspondence;

(B) any sound- or video-recorded communications not exceeding 15 pounds in weight and having the character of personal correspondence;

(C) any ground parcel not exceeding 15 pounds in weight; and

(D) any bound printed matter not exceeding 15 pounds in weight.

(4) LIMITATIONS.—

(A) NUMBER.—An individual shall be eligible for one voucher for each month in which such individual is a qualified individual.

(B) USE.—Any such voucher may not be used—

(i) for more than a single qualified mailing; or

(ii) after the earlier of—

(I) the expiration date of such voucher, as designated by the Secretary of Defense; or

(II) the last day of the one-year period referred to in section 577.

(5) COORDINATION RULE.—Postal benefits under this subtitle shall be in addition to, and not in lieu of, any reduced rates of postage or other similar benefits which might otherwise be available by or under law, including any rates of postage resulting from the application of section 3401(b) of title 39, United States Code.

(d) REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense (in consultation with the Postal Service) shall prescribe any regulations necessary to carry out this subtitle, including—

(1) procedures by which vouchers will be provided or made available (including measures to allow vouchers to reach, in a timely manner, the persons selected by qualified individuals to use the vouchers); and

(2) procedures to ensure that the number of vouchers provided or made available with respect to any qualified individual complies with subsection (c)(4)(A).

SEC. 576. FUNDING.

(a) IN GENERAL.—Funding for the expenses incurred by the Department of Defense for any

fiscal year in providing postal benefits under this subtitle shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriations.

(b) TRANSFERS TO POSTAL SERVICE.—

(1) BASED ON ESTIMATES.—The Secretary of Defense shall transfer to the Postal Service, out of any amount so appropriated and in advance of each calendar quarter during which postal benefits under this subtitle may be used, an amount equal to the amount of postal benefits that the Secretary of Defense estimates will be used during such quarter, reduced or increased (as the case may be) by any amounts by which the Secretary finds that a determination under this subtitle for a prior quarter was greater than or less than the amount finally determined for such quarter.

(2) BASED ON FINAL DETERMINATION.—A final determination of the amount necessary to correct any previous determination under this section, and any transfer of amounts between the Postal Service and the Department of Defense based on that final determination, shall be made not later than six months after the end of the one-year period referred to in section 577.

(c) CONSULTATION REQUIRED.—All estimates and determinations under this section of the amount of postal benefits under this subtitle used in any period shall be made by the Secretary of Defense in consultation with the Postal Service.

SEC. 577. DURATION.

The postal benefits under this subtitle shall apply with respect to mail matter sent during the one-year period beginning on the date on which the regulations under section 575(d) take effect.

Subtitle J—Other Matters

SEC. 581. REDUCTION IN DEPARTMENT OF DEFENSE ACCRUAL CONTRIBUTIONS TO DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.

(a) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—

(1) CALCULATION OF ANNUAL DEPARTMENT OF DEFENSE CONTRIBUTION.—Subsection (b)(1) of section 1465 of title 10, United States Code, is amended—

(A) in subparagraph (A)(ii), by striking ''to members of '' and all that follows and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title.''; and

(B) in subparagraph (B)(ii)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''Coast Guard and other than members on full-time National Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

(2) QUADRENNIAL ACTUARIAL VALUATION.—Subsection (c)(1) of such section is amended —

(A) in subparagraph (A), by striking ''for members of the armed forces'' and all that follows through ''for training only)'' and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title''; and

(B) in subparagraph (B)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''Coast Guard and other than members on full-time National Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

(b) PAYMENTS INTO THE FUND.—Section 1466(a) of such title is amended—

(1) in paragraph (1)(B), by striking ''by members'' and all that follows and inserting ''for active duty (other than the Coast Guard) and for full-time National Guard duty (other than full-time National Guard duty for training only), but excluding any duty that would be excluded for active-duty end strength purposes by section 115(i) of this title''; and

(2) in paragraph (2)(B)—

(A) by striking ''Ready'' and inserting ''Selected''; and

(B) by striking ''Coast Guard and other than members on full-time National Guard duty other than for training) who are'' and inserting ''Coast Guard) for service''.

SEC. 582. DENTAL CORPS OF THE BUREAU OF MEDICINE AND SURGERY.

(a) DELETION OF REFERENCES TO DENTAL DIVISION.—Section 5138 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence; and

(B) by striking ''Dental Division'' and inserting ''Dental Corps'' in the second sentence;

(2) in subsection (b), by striking ''Dental Division'' and inserting ''Dental Corps'';

(3) in subsection (c)—

(A) by striking ''so'' in the first sentence;

(B) by striking '', that all such'' in the first sentence and all that follows through ''Dental Division''; and

(C) by striking the second sentence.; and

(b) FUNCTIONS OF CHIEF OF DENTAL CORPS.—Subsection (d) of such section is amended to read as follows:

''(d) The Chief of the Dental Corps shall serve as the advisor to the Surgeon General on all matters relating directly to dentistry, including professional standards and policies for dental practice.''.

(c) CLERICAL AMENDMENTS.—

(1) The heading of such section is amended to read as follows:

''§ 5138. Bureau of Medicine and Surgery: Dental Corps; Chief''.

(2) The item relating to section 5138 in the table of sections at the beginning of chapter 513 of such title is amended to read as follows:

''5138. Bureau of Medicine and Surgery: Dental Corps; Chief.''.

SEC. 583. PERMANENT AUTHORITY FOR PRESENTATION OF RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Section 2261 of title 10, United States Code, is amended by striking subsection (d).

SEC. 584. REPORT ON FEASIBILITY OF ESTABLISHMENT OF MILITARY ENTRANCE PROCESSING COMMAND STATION ON GUAM.

(a) REVIEW.—The Secretary of Defense shall review the feasibility and cost effectiveness of establishing on Guam a station of the Military Entrance Processing Command to process new recruits for the Armed Forces who are drawn from the western Pacific region. For the purposes of the review, the cost effectiveness of establishing such a facility on Guam shall be measured, in part, against the system in effect in early 2006 of using Hawaii and other locations for the processing of new recruits from Guam and other locations in the western Pacific region.

(b) REPORT.—Not later than June 1, 2007, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report providing the results of the study under subsection (a).

SEC. 585. PERSONS AUTHORIZED TO ADMINISTER ENLISTMENT AND APPOINTMENT OATHS.

(a) ENLISTMENT OATH.—Section 502 of title 10, United States Code, is amended—

(1) by inserting ''(a) ENLISTMENT OATH.—'' before ''Each person enlisting'';

(2) by striking the last sentence; and

(3) by adding at the end the following:

''(b) WHO MAY ADMINISTER.—The oath may be taken before the President, the Vice-President, the Secretary of Defense, any commissioned officer, or any other person designated under regulations prescribed by the Secretary of Defense.''.

(b) OATHS GENERALLY.—Section 1031 of such title is amended by striking ''Any commissioned officer of any component of an armed force, whether or not on active duty, may administer any oath'' and inserting ''The President, the Vice-President, the Secretary of Defense, any commissioned officer, and any other person designated under regulations prescribed by the Secretary of Defense may administer any oath''.

SEC. 586. REPEAL OF REQUIREMENT FOR PERIODIC DEPARTMENT OF DEFENSE INSPECTOR GENERAL ASSESSMENTS OF VOTING ASSISTANCE COMPLIANCE AT MILITARY INSTALLATIONS.

(a) REPEAL OF DUPLICATIVE ASSESSMENT REQUIREMENT.—Section 1566 of title 10, United States Code, is amended by striking subsection (d).

(b) REPEAL OF EXPIRED PROVISION.—Subsection (g)(2) of such section is amended by striking the last sentence.

SEC. 587. PHYSICAL EVALUATION BOARDS.

(a) IN GENERAL.—

(1) PROCEDURAL REQUIREMENTS.—Chapter 61 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1222. Physical evaluation boards

''(a) RESPONSE TO APPLICATIONS AND APPEALS.—The Secretary of each military department shall ensure, in the case of any member of the armed forces appearing before a physical evaluation board under that Secretary's supervision, that documents announcing a decision of the board in the case convey the findings and conclusions of the board in an orderly and itemized fashion with specific attention to each issue presented by the member in regard to that member's case. The requirement under the preceding sentence applies to a case both during initial consideration and upon subsequent consideration due to appeal by the member or other circumstance.

''(b) LIAISON OFFICER (PEBLO) REQUIREMENTS AND TRAINING.—(1) The Secretary of Defense shall prescribe regulations establishing —

''(A) a requirement for the Secretary of each military department to make available to members of the armed forces appearing before physical evaluation boards operated by that Secretary employees, designated as physical evaluation board liaison officers, to provide advice, counsel, and general information to such members on the operation of physical evaluation boards operated by that Secretary; and

''(B) standards and guidelines concerning the training of such physical evaluation board liaison officers.

''(2) The Secretary shall assess compliance by the Secretary of each military department with physical evaluation board liaison officer requirements and training standards and guidelines at least once every three years.

''(c) STANDARDIZED STAFF TRAINING AND OPERATIONS.—(1) The Secretary of Defense shall prescribe regulations on standards and guidelines concerning the physical evaluation board operated by each of the Secretaries of the military departments with regard to—

''(A) assignment and training of staff;

''(B) operating procedures; and

''(C) consistency and timeliness of board decisions.

''(2) The Secretary shall assess compliance with standards and guidelines prescribed under paragraph (1) by each physical evaluation board at least once every three years.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1222. Physical evaluation boards.''.

(b) EFFECTIVE DATE.—Section 1222 of title 10, United States Code, as added by subsection (a), shall apply with respect to decisions rendered

on cases commenced more than 120 days after the date of the enactment of this Act.

SEC. 588. DEPARTMENT OF LABOR TRANSITIONAL ASSISTANCE PROGRAM.

(a) REQUIRED PARTICIPATION FOR CERTAIN MEMBERS.—Subsection (c) of section 1144 of title 10, United States Code, is amended to read as follows:

''(c) PARTICIPATION.—(1) Except as provided in paragraph (2), the Secretary of Defense shall require participation by members of the armed forces eligible for assistance under the program carried out under this section.

''(2) The Secretary of Defense need not require, but shall encourage and otherwise promote, participation in the program by the following members described in paragraph (1):

''(A) A member who has previously participated in the program.

''(B) A member who, upon discharge or release from active duty, is returning to—

''(i) a position of employment; or

''(ii) pursuit of an academic degree or other educational or occupational training objective that the members was pursuing when called or ordered to such active duty.

''(3) Members of the armed forces eligible for assistance under this section include—

''(A) members of the reserve components being separated from service on active duty for a period of more than 30 days; and

''(B) members of the National Guard being separated from full-time National Guard duty.

''(4) The Secretary concerned shall ensure that commanders of members who are required to be provided assistance under this section authorize the members to be provided such assistance during duty time.''.

(b) REQUIRED UPDATING OF MATERIALS.—Such section is further amended by adding at the end the following new subsection:

''(e) UPDATING OF MATERIALS.—The Secretary concerned shall, on a continuing basis, update the content of the materials used by the National Veterans Training Institute of the Department of Labor and the Secretary's other materials that provide direct training support to personnel who carry out the program established in this section.''.

SEC. 589. REVISION IN GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) MEDICARE ELIGIBLE RETIREE HEALTH CARE FUND.—Section 1111 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''of the Department of Defense'';

(2) in subsection (b), by adding at the end of the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the Coast Guard Academy or a midshipman at the United States Naval Academy.''; and

(3) in the last sentence of subsection (c)—

(A) by striking ''Secretary of Defense'' and inserting ''Secretary of the Treasury''; and

(B) by striking ''section 1116(a)'' and inserting ''section 1116 of this title''.

(b) DETERMINATION OF CONTRIBUTIONS TO THE FUND.—Section 1115 of such title is amended—

(1) in the last sentence of subsection (a)—

(A) by inserting ''by the Secretary of the Treasury'' after ''Contributions to the Fund''; and

(B) by striking ''section 1116(c)'' and inserting ''section 1116(a)(1)''.

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking the first sentence and inserting the following: ''The Secretary of the Treasury, based on data provided by the Secretary of Defense, shall determine, before the beginning of each fiscal year, the amount that the Secretary of the Treasury shall contribute to the Fund during that fiscal year under section 1116(a)(2) of this title.'';

(B) in paragraph (1)(B), by inserting before the period at the end the following: '', but excluding any member who would be excluded for active-duty end strength purposes by section 115(I) of this title''; and

(C) in paragraph (2)(B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''(other than members on full-time National Guard duty other than for training)''; and

(3) in subsection (c)—

(A) in paragraph (1)(A), by inserting before the semicolon the following: '', but excluding any member who would be excluded for active-duty end strength purposes by section 115(I) of this title'';

(B) in paragraph (1)(B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''(other than members on full-time National Guard duty other than for training)''; and

(C) in paragraph (5), by inserting after ''(5)'' the following new sentence: ''The Secretary of Defense, before the beginning of each fiscal year, shall promptly provide data to the Secretary of the Treasury regarding the actuarial valuations conducted under this subsection that would affect the contributions of the Secretary of the Treasury to the Fund for that fiscal year.''.

(c) PAYMENTS INTO THE FUND.—Section 1116 of such title is amended—

(1) in the matter in subsection (a) preceding paragraph (1)—

(A) by striking ''after September 30, 2005''; and

(B) by striking ''Treasury—'' and inserting ''Treasury the following:'';

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3);

(3) by striking paragraph (1) of subsection (a) and inserting the following:

''(1) The amount determined to be required as the contribution to the Fund under subsection (a) of section 1115 of this title.

''(2) The amount determined to be required as the contribution to the Fund under subsection (b) of section 1115 of this title.'';

(4) in paragraph (3) of subsection (a) (as redesignated by paragraph (2)), by capitalizing the first letter of the first word;

(5) by transferring paragraphs (3), (4), and (5) of subsection (b) to the end of subsection (a) and redesignating those paragraphs as paragraphs (4), (5), and (6), respectively; and

(6) by striking subsection (b) (as amended by paragraph (5)) and subsections (c) and (d) and inserting the following new subsection (b):

''(b) No funds authorized or appropriated to the Department of Defense may be used to fund, or otherwise provide for, the payments required by this section.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to payments under chapter 56 of title 10, United States Code, beginning with fiscal year 2008.

SEC. 590. MILITARY CHAPLAINS.

(a) UNITED STATES ARMY.—Section 3547 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.''.

(b) UNITED STATES MILITARY ACADEMY.—Section 4337 of such title is amended—

(1) by inserting ''(a)'' before ''There''; and

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

''(b) The Chaplain shall have the prerogative to pray according to the dictates of the Chaplain's conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.''.

(c) UNITED STATES NAVY AND MARINE CORPS.—Section 6031 of such title is amended by adding at the end the following new subsection:

''(d) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.''.

(d) UNITED STATES AIR FORCE.—Section 8547 of such title is amended by adding at the end the following new subsection:

''(c) Each chaplain shall have the prerogative to pray according to the dictates of the chaplain's own conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.''.

(e) UNITED STATES AIR FORCE ACADEMY.—Section 9337 of such title is amended—

(1) by inserting ''(a)'' before ''There''; and

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

''(b) The Chaplain shall have the prerogative to pray according to the dictates of the Chaplain's conscience, except as must be limited by military necessity, with any such limitation being imposed in the least restrictive manner feasible.''.

SEC. 591. REPORT ON PERSONNEL REQUIREMENTS FOR AIRBORNE ASSETS IDENTIFIED AS LOW-DENSITY, HIGH-DEMAND AIRBORNE ASSETS.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets based on combatant commander requirements to conduct and sustain operations for the global war on terrorism.

(b) MATTER TO BE INCLUDED.—The report shall include the following for each airborne asset identified as a Low-Density, High-Demand Airborne Asset:

(1) The numbers of operations and maintenance crews to meet tasking contemplated to conduct operations for the global war on terrorism.

(2) The current numbers of operations and maintenance crews.

(3) If applicable, shortages of operations and maintenance crews.

(4) Whether such shortages are addressed in the future-years defense program.

(5) Whether end-strength increases are required to meet any such shortages.

(6) Costs of personnel needed to address shortfalls.

(7) If applicable, the number and types of equipment needed to address training shortfalls.

SEC. 592. ENTREPRENEURIAL SERVICE MEMBERS EMPOWERMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary of Defense, in coordination with the Administrator of the Small Business Administration, shall establish a task force to provide timely input to the Secretary and the Administrator with respect to—

(1) measures that would improve the programs and activities of the Department and the Administration that are designed to address the economic concerns, as well as the business challenges and opportunities, of entrepreneurial service members; and

(2) measures that would improve the coordination of the programs and activities relating to entrepreneurial service members conducted by—

(A) the National Committee for Employer Support of the National Guard and Reserve;

(B) Veterans Business Outreach Centers;

(C) Federal procurement entities; and

(D) any other elements within, or affiliates of, the Department of Defense or the Small Business Administration.

(b) PLAN.—The task force shall develop within 90 days after its first meeting, and revise as appropriate thereafter, a plan for carrying out the duty under subsection (a).

(c) CONSULTATION.—In carrying out the duty under subsection (a), the task force shall consult with appropriate Federal, State, and local agencies and appropriate elements of the private sector, including academic institutions and industry representatives.

(d) COMPOSITION.—

(1) CO-CHAIRS.—The task force shall have two co-chairs, one an officer or employee of the Department of Defense assigned by the Secretary, and one an officer or employee of the Small Business Administration assigned by the Administrator. The initial assignments shall be made within 60 days after the date of the enactment of this Act.

(2) OTHER MEMBERS.—The Secretary, in coordination with the Administrator, shall appoint the remaining task force members, numbering not less than 8 and not more than 15. The selections shall be made within 120 days after the date of the enactment of this Act. The Secretary, in coordination with the Administrator, shall ensure that the task force includes individuals from both public service and the private sector, and that each of the following groups is represented on the task force:

(A) Entrepreneurial service members who are owners of small businesses.

(B) Small businesses that employ entrepreneurial service members as essential employees.

(C) Associations that further the interests of small businesses, members of the reserve components of the Armed Forces, or both.

(D) Any other entities that the Secretary, in coordination with the Administrator, considers appropriate.

(3) COMPENSATION.—An individual serving as a member of the task force shall not receive compensation by reason of that service.

(e) MEETINGS.—

(1) FREQUENCY.—The task force shall meet not less frequently than twice per year. The initial meeting shall be held within 150 days after the date of the enactment of this Act.

(2) QUORUM.—A majority of the members of the task force shall constitute a quorum.

(f) REPORTS.—The task force shall provide to the Secretary and the Administrator not only the minutes of each meeting, but also a report of its findings and recommendations, should there be any, within 90 days of each meeting. Not later than 60 days after the receipt of such a report—

(1) the Secretary shall submit a copy of the report to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate; and

(2) the Administrator shall submit a copy of the report to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate.

(g) DETAIL OF CERTAIN FEDERAL EMPLOYEES.—The Secretary may detail an officer or employee of the Department of Defense, and the Administrator may detail an officer or employee of the Small Business Administration, to the task force without additional reimbursement and without interruption or loss of civil status or privilege.

(h) EXPENSES.—The Department of Defense and the Small Business Administration shall share equally in the cost of supporting the task force.

(i) DEFINITION.—In this section, the term ''entrepreneurial service member'' means an individual who is both—

(1) an actual or prospective owner of, or an essential employee of, a small business; and

(2) a member of a reserve component of the Armed Forces.

(j) TERMINATION.—The task force shall terminate September 30, 2009.

SEC. 593. COMPTROLLER GENERAL REPORT ON MILITARY CONSCIENTIOUS OBJECTORS.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report concerning the frequency and consequences of members of the Armed Forces claiming status as a military conscientious objector between January 1, 1989, and December 31, 2006.

(b) CONTENT OF REPORT.—The report shall specifically address the following:

(1) The number of all applications for status as a military conscientious objector, even if the application was not acted on or other discharge given, broken down by military branch, including the Coast Guard, and regular and reserve components.

(2) Number of discharges or reassignments given.

(3) The process used to consider applications, including average time frame and any reassignment to non-combatant duties while claim pending.

(4) Reasons for approval or disapproval of applications.

(5) Any difference in benefits upon discharge as a military conscientious objector compared to other discharges.

(6) The effect of stop loss provisions in First Gulf War and currently, cancellation of orders to combat or rear attachment duty while claim pending.

(7) Pre-war statistical comparisons.

SEC. 594. COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) SIX-MONTH EXTENSION OF COMMISSION.—Subsection (f)(2) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882) is amended by striking ''one year'' and inserting ''18 months''.

(b) ADDITIONAL MATTERS TO BE REVIEWED BY COMMISSION.—The Commission on the National Guard and Reserves shall include among the matters it studies (in addition to the matters specified in subsection (c) of such section 513) the following:

(1) PROVISIONS OF H.R. 5200, 109TH CONGRESS.—The advisability and feasibility of implementing the provisions of H.R. 5200 of the 109th Congress, as introduced in the House of Representatives on April 26, 2006.

(2) CHIEF OF NATIONAL GUARD BUREAU.—As an alternative to implementation of the provisions of the bill specified in paragraph (1) that provide for the Chief of the National Guard Bureau to be a member of the Joint Chiefs of Staff and to hold the grade of general, the advisability and feasibility of providing for the Chief of the National Guard Bureau to hold the grade of general in the performance of the current duties of that office.

(3) NATIONAL GUARD EQUIPMENT AND FUNDING REQUIREMENTS.—The adequacy of the Department of Defense processes for defining the equipment and funding necessary for the National Guard to conduct both its responsibilities under title 10, United States Code, and its responsibilities under title 32, United States Code, including homeland defense and related homeland missions, including as part of such study—

(A) consideration of the extent to which those processes should be developed taking into consideration the views of the Chief of the National Guard Bureau, as well as the views of the 54 Adjutant Generals and the views of the Chiefs of the Army National Guard and the Air Guard; and

(B) whether there should be an improved means by which National Guard equipment requirements are validated by the Joint Chiefs of Staff and are considered for funding by the Secretaries of the Army and Air Force.

(c) PRIORITY REVIEW AND REPORT.—

(1) PRIORITY REVIEW.—The Commission on the National Guard and Reserves shall carry out its study of the matters specified in paragraphs (1) and (2) of subsection (b) on a priority basis, with a higher priority for matters under those paragraphs relating to the grade and functions of the Chief of the National Guard Bureau.

(2) REPORT.—In addition to the reports required under subsection (f) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), the Commission shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an interim report, not later than March 1, 2007, specifically on the matters covered by paragraph (1). In such report, the Commission shall set forth its findings and any recommendations it considers appropriate with respect to those matters.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2007.
Sec. 602. Targeted increase in basic pay rates.
Sec. 603. Conforming change in general and flag officer pay cap to reflect increase in pay cap for Senior Executive Service personnel.
Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
Sec. 606. Clarification of effective date of prohibition on compensation for correspondence courses.
Sec. 607. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of bonus and special pay authorities for health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of other bonus, special pay, and separation pay authorities.
Sec. 615. Expansion of eligibility of dental officers for additional special pay.
Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 617. Authority to provide lump sum payment of nuclear officer incentive pay.
Sec. 618. Increase in maximum amount of nuclear career accession bonus.
Sec. 619. Increase in maximum amount of incentive bonus for transfer between armed forces.
Sec. 620. Clarification regarding members of the Army eligible for bonus for referring other persons for enlistment in the Army.
Sec. 621. Pilot program for recruitment bonus for critical health care specialties.
Sec. 622. Enhancement of temporary program of voluntary separation pay and benefits.
Sec. 623. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Authority to pay costs associated with delivery of motor vehicle to storage location selected by member and subsequent removal of vehicle.

Sec. 632. Transportation of additional motor vehicle of members on change of permanent station to or from nonforeign areas outside the continental United States.

Sec. 633. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.

Sec. 642. Retroactive payment of additional death gratuity for certain members not previously covered.

Sec. 643. Equity in computation of disability retired pay for reserve component members wounded in action.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Sec. 651. Treatment of price surcharges of tobacco products and certain other merchandise sold at commissary stores.

Sec. 652. Limitation on use of Department of Defense lease authority to undermine commissaries and exchanges and other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Sec. 653. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.

Sec. 654. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Subtitle F—Other Matters

Sec. 661. Repeal of annual reporting requirement regarding effects of recruitment and retention initiatives.

Sec. 662. Pilot project regarding providing golf carts accessible for disabled persons at military golf courses.

Sec. 663. Enhanced authority to remit or cancel indebtedness of members of the Armed Forces incurred on active duty.

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2007.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.7 percent.

SEC. 602. TARGETED INCREASE IN BASIC PAY RATES.

Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,494.20	8,772.60	8,957.10	9,008.70	9,239.10
O–7	7,058.40	7,386.00	7,538.10	7,658.40	7,876.80
O–6	5,231.40	5,747.40	6,124.50	6,124.50	6,147.60
O–5	4,361.10	4,912.80	5,253.00	5,316.90	5,529.00
O–4	3,762.90	4,356.00	4,646.40	4,711.50	4,981.20
O–3[3]	3,308.40	3,750.60	4,048.20	4,413.60	4,624.50
O–2[3]	2,858.10	3,255.60	3,749.70	3,876.30	3,956.10
O–1[3]	2,481.30	2,582.40	3,121.80	3,121.80	3,121.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,624.00	9,713.40	10,079.10	10,183.80	10,498.80
O–7	8,092.20	8,341.80	8,590.80	8,840.40	9,624.00
O–6	6,411.30	6,446.10	6,446.10	6,812.40	7,460.10
O–5	5,656.20	5,935.20	6,140.10	6,404.40	6,809.70
O–4	5,270.40	5,630.10	5,911.20	6,105.90	6,217.80
O–3[3]	4,856.70	5,007.00	5,253.90	5,382.30	5,382.30
O–2[3]	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10
O–1[3]	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$13,725.90	$13,793.10	$14,079.90	$14,579.70
O–9	0.00	12,005.10	12,177.60	12,427.80	12,863.70
O–8	10,954.20	11,374.50	11,655.00	11,655.00	11,655.00
O–7	10,286.10	10,286.10	10,286.10	10,286.10	10,338.30
O–6	7,840.20	8,220.00	8,436.30	8,655.00	9,080.10
O–5	7,002.30	7,192.80	7,409.10	7,409.10	7,409.10
O–4	6,282.90	6,282.90	6,282.90	6,282.90	6,282.90
O–3[3]	5,382.30	5,382.30	5,382.30	5,382.30	5,382.30
O–2[3]	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10
O–1[3]	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned oficers in pay grades 0–7 through 0–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving 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, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code, basic pay for this grade is $16,037.40, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$4,413.60	$4,624.50
O–2E	0.00	0.00	0.00	3,876.30	3,956.10
O–1E	0.00	0.00	0.00	3,121.80	3,333.90

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 8	Over 10	Over 12	Over 14	Over 16
0–3E	$4,856.70	$5,007.00	$5,253.90	$5,462.10	$5,581.20
0–2E	4,082.10	4,294.20	4,458.90.	4,581.00	4,581.00
0–1E	3,456.90	3,582.90	3,706.80	3,876.30	3,876.30
	Over 18	Over 20	Over 22	Over 24	Over 26
0–3E	$5,743.80	$5,743.80	$5,743.80	$5,743.80	$5,743.80
0–2E	4,581.00	4,581.00	4,581.00	4,581.00	4,581.00
0–1E	3,876.30	3,876.30	3,876.30	3,876.30	3,876.30

WARRANT OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,418.80	3,677.70	3,783.60	3,887.40	4,066.20
W–3	3,122.10	3,252.30	3,385.50	3,429.60	3,569.40
W–2	2,762.70	3023.40	3,104.40	3,159.90	3,338.70
W–1	2,425.20	2,685.00	2,756.40	2,904.30	3,080.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,242.90	4,422.30	4,691.40	4,927.80	5152.80
W–3	3,843.90	4,130.10	4,265.40	4,421.40	4,582.20
W–2	3,616.80	3,754.80	3,890.70	4,056.60	4,186.20
W–1	3,337.80	3,458.40	3,627.00	3,792.90	3,922.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,078.30	$6,386.10	$6,615.60	$6,869.70
W–4	5,336.40	5,516.10	5,779.50	5,995.80	6,242.70
W–3	4,870.50	5,065.80	5,181.90	5,306.40	5,475.30
W–2	4,303.80	4,444.20	4,536.90	4,611.30	4,611.30
W–1	4,042.80	4,188.90	4,188.90	4,188.90	4,188.90

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.*

ENLISTED MEMBERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,350.50	2,565.60	2,663.70	2,794.20	2,895.60
E–6	2,033.10	2,236.80	2,335.80	2,431.50	2,531.70
E–5	1,863.00	1,987.50	2,083.50	2,181.90	2,335.20
E–4	1,707.90	1,795.20	1,892.40	1,988.10	2,073.00
E–3	1,541.70	1,638.90	1,737.60	1,737.60	1,737.60
E–2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E–1[3]	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$4,130.70	$4,224.30	$4,342.50	$4,481.40
E–8	3,381.30	3,531.00	3,623.70	3,734.40	3,854.70
E–7	3,070.20	3,168.30	3,326.70	3,471.00	3,569.70
E–6	2,757.60	2,845.20	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E–4	2,073.00	2,073.00	2,073.00	2,073.00	2,073.00
E–3	1,737.60	1,737.60	1,737.60	1,737.60	1,737.60
E–2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E–1[3]	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$4,620.90	$4,845.30	$5,034.60	$5,234.70	$5,539.50
E–8	4,071.60	4,181.40	4,368.60	4,472.40	4,727.70
E–7	3,674.40	3,715.50	3,852.00	3,944.40	4,224.60
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,073.00	2,073.00	2,073.00	2,073.00	2,073.00
E–3	1,737.60	1,737.60	1,737.60	1,737.60	1,737.60
E–2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E–1[3]	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00

[1] *Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Statff is $6,675.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,209.90.*

SEC. 603. CONFORMING CHANGE IN GENERAL AND FLAG OFFICER PAY CAP TO REFLECT INCREASE IN PAY CAP FOR SENIOR EXECUTIVE SERVICE PERSONNEL.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 604. AVAILABILITY OF SECOND BASIC ALLOWANCE FOR HOUSING FOR CERTAIN RESERVE COMPONENT OR RETIRED MEMBERS SERVING IN SUPPORT OF CONTINGENCY OPERATIONS.

Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) The Secretary concerned may provide a basic allowance for housing to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing established under subsection (b) or the overseas basic allowance for housing established under subsection (c), whichever applies to the location at which the member is serving, for members in the same grade at that location without dependents. The member may receive both a basic allowance for housing under paragraph (1) and under this paragraph for the same month, but may not receive the portion of the allowance authorized under section 404 of this title, if any, for lodging expenses if a basic allowance for housing is provided under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

SEC. 605. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE ALSO MEMBERS.

(a) EXTENSION.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

''(3) An allowance may be paid under paragraph (2) to the spouse of the deceased member even though the spouse is also a member of the uniformed services. The allowance paid under such paragraph is in addition to any other pay and allowances to which the spouse is entitled as a member.''.

(b) EFFECTIVE DATE.—

(1) GENERAL RULE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

(2) TRANSITIONAL RULE.—After October 1, 2006, the Secretary of Defense, and the Secretary of Homeland Security in the case of the Coast Guard, may pay the allowance authorized by section 403(l)(2) of title 37, United States Code, to a member of the uniformed services who is the spouse of a member who died on active duty during the one-year period ending on that date, except that the payment of the allowance must terminate within 365 days after the date of the member's death.

SEC. 606. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in paragraph (1), including the prohibition as it relates to a member of the National Guard while not in Federal service, applies to—

''(A) any work or study performed on or after September 7, 1962, unless that work or study is specifically covered by the exception in paragraph (2); and

''(B) any claim based on that work or study arising after that date.''.

SEC. 607. PAYMENT OF FULL PREMIUM FOR COVERAGE UNDER SERVICEMEMBERS' GROUP LIFE INSURANCE PROGRAM DURING SERVICE IN OPERATION ENDURING FREEDOM OR OPERATION IRAQI FREEDOM.

(a) ENHANCED ALLOWANCE TO COVER SGLI DEDUCTIONS.—Subsection (a)(1) of section 437 of title 37, United States Code, is amended by striking ''for the first $150,000'' and all that follows through ''of such title'' and inserting ''for the amount of Servicemembers' Group Life Insurance coverage held by the member under section 1967 of such title''.

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (a)—

(A) by striking ''(1)'' before ''in the case of''; and

(B) by striking paragraph (2);

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b) and in paragraph (2) of that subsection by striking ''coverage amount specified in subsection (a)(1) or in effect pursuant to subsection (b),'' and inserting ''maximum coverage amount available for such insurance,''.

(c) CLERICAL AMENDMENTS.—The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 7 of such title, are each amended by striking the fourth and fifth words.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first month beginning on or after the date of the enactment of this Act and shall apply with respect to service by members of the Armed Forces in the theater of operations for Operation Enduring Freedom or Operation Iraqi Freedom for months beginning on or after that date.

(e) FUNDING SOURCE.—Of the amounts authorized to be appropriated to the Department of Defense for military personnel accounts as emergency supplemental appropriations for fiscal years 2006 and 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom, $31,000,000 shall be available to cover the additional costs incurred to implement the amendments made by this section.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(h)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF BONUS AND SPECIAL PAY AUTHORITIES FOR HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 614. EXTENSION OF OTHER BONUS, SPECIAL PAY, AND SEPARATION PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) MILITARY OCCUPATIONAL SPECIALTY CONVERSION INCENTIVE BONUS.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) TRANSFER BETWEEN ARMED FORCES INCENTIVE BONUS.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 615. EXPANSION OF ELIGIBILITY OF DENTAL OFFICERS FOR ADDITIONAL SPECIAL PAY.

(a) REPEAL OF INTERNSHIP AND RESIDENCY EXCEPTION.—Section 302b(a)(4) of title 37, United

States Code, is amended by striking the first sentence and inserting the following new sentence: ''An officer who is entitled to variable special pay under paragraph (2) or (3) is also entitled to additional special pay for any 12-month period during which an agreement executed under subsection (b) is in effect with respect to the officer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 616. INCREASE IN MAXIMUM ANNUAL RATE OF SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

(a) INCREASE.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006.

SEC. 617. AUTHORITY TO PROVIDE LUMP SUM PAYMENT OF NUCLEAR OFFICER INCENTIVE PAY.

(a) LUMP SUM PAYMENT OPTION.—Subsection (a) of section 312 of title 37, United States Code, is amended in the matter after paragraph (3)—

(1) by striking ''in equal annual installments'' and inserting ''in a single lump-sum or in annual installments of equal or different amounts''; and

(2) by striking ''with the number of installments being equal to the number of years covered by the contract plus one'' and inserting ''and, if the special pay will be paid in annual installments, the number of installments may not exceed the number of years covered by the agreement plus one''.

(b) CLERICAL AND CONFORMING AMENDMENTS.—Such section is further amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(2) in subsection (a)—

(A) by striking ''an officer'' in the matter before paragraph (1) and inserting ''the Secretary may pay special pay under subsection (b) to an officer'';

(B) by striking the semicolon at the end of paragraph (3) and inserting a period;

(C) by striking ''may, upon'' and all that follows through ''The Secretary of the Navy shall'' and inserting the following:

''(b) PAYMENT AMOUNT; PAYMENT OPTIONS.—(1) The total amount paid to an officer under an agreement under subsection (a) or (e)(1) may not exceed $30,000 for each year of the active-service agreement. Amounts paid under the agreement are in addition to all other compensation to which the officer is entitled.

''(2) The Secretary shall'';

(D) by striking ''Upon acceptance of the agreement by the Secretary or his designee'' and inserting the following:

''(3) Upon acceptance of an agreement under subsection (a) or (e)(1) by the Secretary '';

(E) by striking ''The Secretary (or his designee)'' and inserting the following:

''(4) The Secretary'';

(3) in subsection (c), as redesignated by paragraph (1), by striking ''subsection (a) or subsection (d)(1)'' and inserting ''subsection (b) or (e)(1)''; and

(4) in the first sentence of subsection (e)(1), as redesignated by paragraph (1)—

(A) by striking ''such subsection'' and inserting ''subsection (b)''; and

(B) by striking ''that subsection'' and inserting ''this subsection''.

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''SPECIAL PAY AUTHORIZED; ELIGIBILITY.—'' after ''(a)'';

(2) in subsection (c), as redesignated by subsection (b)(1), by inserting ''REPAYMENT.—'' after ''(c)'';

(3) in subsection (d), as redesignated by subsection (b)(1), by inserting ''RELATION TO SERVICE OBLIGATION.—'' after ''(d)'';

(4) in subsection (e), as redesignated by subsection (b)(1), by inserting ''NEW AGREEMENT.—'' after ''(e)''; and

(5) in subsection (f), as redesignated by subsection (b)(1), by inserting ''DURATION OF AUTHORITY.—'' after ''(f)''.

SEC. 618. INCREASE IN MAXIMUM AMOUNT OF NUCLEAR CAREER ACCESSION BONUS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 619. INCREASE IN MAXIMUM AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.

(a) INCREASE.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2006.

SEC. 620. CLARIFICATION REGARDING MEMBERS OF THE ARMY ELIGIBLE FOR BONUS FOR REFERRING OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

Section 645(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

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

''(1) IN GENERAL.—The Secretary'';

(2) by striking '', whether in the regular component of the Army or in the Army National Guard or Army Reserve,'' and inserting ''described in paragraph (2)''; and

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

''(2) MEMBERS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following members of the Army are eligible for a referral bonus under this section:

''(A) A member in the regular component of the Army.

''(B) A member of the Army National Guard.

''(C) A member of the Army Reserve.

''(D) A member of the Army in a retired status, including a member under 60 years of age who, but for age, would be eligible for retired pay.''.

SEC. 621. PILOT PROGRAM FOR RECRUITMENT BONUS FOR CRITICAL HEALTH CARE SPECIALTIES.

(a) PILOT PROGRAM.—Section 2121 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e)(1) The Secretary of Defense may carry out a pilot program for payment of a recruitment incentive bonus to increase participation in the program. The Secretary shall prescribe regulations specifying the amount and terms of the bonus. The bonus shall be used to improve recruitment for critical health care specialties. A bonus under the pilot program shall be in addition to the stipend under subsection (d).

''(2) The amount prescribed under paragraph (1) for the bonus under the pilot program shall be determined by the Secretary.

''(3) The scope of the pilot program shall be limited to no more than 100 total participants in no more than five critical medical specialties. The program shall last no more than two years, beginning on the earlier of the date the first participant is selected or January 1, 2010. ''.

(b) REPORTS.—The Secretary of Defense shall prepare a mid-term report and a final report on the findings and recommendations resulting from the pilot program. The Secretary shall submit those reports to the Committees on Armed Services of the Senate and the House of Representatives.

SEC. 622. ENHANCEMENT OF TEMPORARY PROGRAM OF VOLUNTARY SEPARATION PAY AND BENEFITS.

(a) ONE-YEAR EXTENSION OF AUTHORITY.—Section 1175a(k)(1) of title 10, United States Code, is amended by striking ''December 31, 2008,'' and inserting ''December 31, 2009''.

(b) EXPANSION OF ELIGIBLE MEMBERS.—Section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3306) is amended by striking subsection (b).

SEC. 623. ADDITIONAL AUTHORITIES AND INCENTIVES TO ENCOURAGE RETIRED MEMBERS AND RESERVE COMPONENT MEMBERS TO VOLUNTEER TO SERVE ON ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY ASSIGNMENTS.

(a) AUTHORITY TO OFFER INCENTIVE BONUS.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments

''(a) INCENTIVE BONUS AUTHORIZED.—The Secretary of Defense may pay a bonus under this section to a retired member or former member of the Army, Navy, Air Force, or Marine Corps or to a member of a reserve component of the Army, Navy, Air Force, or Marine Corps (who is not otherwise serving on active duty) who executes a written agreement to serve on active duty for a period specified in the agreement in an assignment intended to alleviate a high-demand, low-density military capability or in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements.

''(b) MAXIMUM AMOUNT OF BONUS.—A bonus under subsection (a) and any incentive developed under subsection (d) may not exceed $50,000.

''(c) METHODS OF PAYMENT.—At the election of the Secretary, a bonus under subsection (a) and any incentive developed under subsection (d) shall be paid or provided—

''(1) when the member commences service on active duty; or

''(2) in annual installments in such amounts as may be determined by the Secretary.

''(d) DEVELOPMENT OF ADDITIONAL INCENTIVES.—(1) The Secretary may develop and provide to members referred to in subsection (a) additional incentives to encourage such members to return to active duty in assignments intended to alleviate a high-demand, low-density military capability or in others specialties designated by the Secretary as critical to meet wartime or peacetime requirements.

''(2) The provision of any incentive developed under this subsection shall be subject to an agreement, as required for bonuses under subsection (a).

''(3) Not later than 30 days before first offering any incentive developed under this subsection, the Secretary shall submit to the congressional defense committees a report that contains a description of that incentive and an explanation why a bonus under subsection (a) or other pay and allowances are not sufficient to alleviate the high-demand, low-density military capability or otherwise fill critical military specialties.

''(e) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus or other incentive paid or provided to a member under this section is in addition to any other pay and allowances to which the member is entitled.

''(f) REPAYMENT.—A member who does not complete the period of active duty specified in the agreement executed under subsection (a) or (d) shall be subject to the repayment provisions of section 303a(e) of this title.

''(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT DEFINED.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational specialty that the Secretary determines has funding, equipment, or personnel levels that are substantially below the levels required to fully meet or sustain actual or expected operational requirements set by regional commanders.

''(h) REGULATIONS.—The Secretary of Defense may prescribe such regulations as the Secretary considers necessary to carry out this section.

''(i) TERMINATION OF AUTHORITY.—No agreement under subsection (a) or (d) may be entered into after December 31, 2010.''.

(b) TEMPORARY AUTHORITY TO ORDER RETIRED MEMBERS TO ACTIVE DUTY IN HIGH-DEMAND, LOW-DENSITY ASSIGNMENTS.—Section 688a of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by striking the first sentence and inserting the following new sentence: ''The Secretary of a military department may order to active duty a retired member who agrees to serve on active duty in an assignment intended to alleviate a high-demand, low-density military capability or in any other specialty designated by the Secretary as critical to meet wartime or peacetime requirements.''; and

(B) in the second sentence, by striking ''officer'' both places it appears and inserting ''member'';

(2) in subsection (b), by striking ''an officer'' and inserting ''a member'';

(3) in subsection (c), by striking ''500 officers'' and inserting ''1,000 members'';

(4) in subsection (d), by striking ''officer'' and inserting ''member'';

(5) in subsection (e), by striking ''Officers'' and inserting ''Retired members'';

(6) in subsection (f)—

(A) by striking ''An officer'' and inserting ''A retired member''; and

(B) by striking ''September 30, 2008'' and inserting ''December 31, 2010''; and

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

''(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT DEFINED.—In this section, the term 'high-demand, low-density military capability' means a combat, combat support or service support capability, unit, system, or occupational specialty that the Secretary of Defense determines has funding, equipment, or personnel levels that are substantially below the levels required to fully meet or sustain actual or expected operational requirements set by regional commanders.''.

(c) CLERICAL AMENDMENTS.—

(1) TITLE 37.—The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by adding at the end the following new item:

''329. Incentive bonus: retired members and reserve component members volunteering for high-demand, low-density assignments.''.

(2) TITLE 10.—(A) The heading of section 688a of title 10, United States Code, is amended to read as follows:

''§ 688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments''.

(B) The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 688a and inserting the following new item:

''688a. Retired members: temporary authority to order to active duty in high-demand, low-density assignments.''.

(d) EFFECTIVE DATE.—No agreement may be entered into under section 329 of title 37, United States Code, as added by subsection (a), before October 1, 2006.

(e) LIMITATION ON FISCAL YEAR 2007 OBLIGATIONS.—During fiscal year 2007, obligations incurred under section 329 of title 37, United States Code, as added by subsection (a), to provide bonuses or other incentives to retired members and former members of the Army, Navy, Air Force, or Marine Corps or to members of the reserve components of the Army, Navy, Air Force, and Marine Corps may not exceed $5,000,000.

Subtitle C—Travel and Transportation Allowances

SEC. 631. AUTHORITY TO PAY COSTS ASSOCIATED WITH DELIVERY OF MOTOR VEHICLE TO STORAGE LOCATION SELECTED BY MEMBER AND SUBSEQUENT REMOVAL OF VEHICLE.

Subsection (b) of section 2634 of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) If a member elects to have a motor vehicle described in subsection (a) stored at a location other than a storage location approved by the Secretary concerned, the delivery and removal costs described in paragraph (3) are the only costs that may be paid by the Secretary. The delivery or removal costs paid by the Secretary under this paragraph may not exceed the total cost that would have been incurred by the United States had the storage location approved by the Secretary been used to store the motor vehicle. The United States is not responsible for any costs associated with the actual storage of the motor vehicle at the unapproved location.''.

SEC. 632. TRANSPORTATION OF ADDITIONAL MOTOR VEHICLE OF MEMBERS ON CHANGE OF PERMANENT STATION TO OR FROM NONFOREIGN AREAS OUTSIDE THE CONTINENTAL UNITED STATES.

(a) AUTHORITY TO TRANSPORT ADDITIONAL MOTOR VEHICLE.—Subsection (a) of section 2634 of title 10, United States Code, is amended—

(1) by striking the sentence following paragraph (4);

(2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(3) by inserting ''(1)'' after ''(a)''; and

(4) by adding at the end the following new paragraph:

''(2) One additional motor vehicle of a member (or a dependent of the member) may be transported as provided in paragraph (1) if—

''(A) the member is ordered to make a change of permanent station to or from a nonforeign area outside the continental United States and the member has at least one dependent of driving age who will use the motor vehicle; or

''(B) the Secretary concerned determines that a replacement for the motor vehicle transported under paragraph (1) is necessary for reasons beyond the control of the member and is in the interest of the United States and the Secretary approves the transportation in advance.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) by striking ''his dependents'' and inserting ''a dependent of the member'';

(2) by striking ''him'' and inserting ''the member'';

(3) by striking ''his)'' and inserting ''the member)'';

(4) by striking ''his new'' and inserting ''the member's new''; and

(5) in paragraph (1)(C), as redesignated by subsection (a), by striking ''clauses (1) and (2)'' and inserting ''subparagraphs (A) and (B)''.

(c) EFFECTIVE DATE.—Paragraph (2)(A) of subsection (a) of section 2634 of title 10, United States Code, as added by subsection (a)(4), shall apply with respect to orders issued on or after the date of the enactment of this Act for members of the Armed Forces to make a change of permanent station to or from nonforeign areas outside the continental United States.

SEC. 633. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRANSPORTATION OF FAMILY MEMBERS INCIDENT TO ILLNESS OR INJURY OF MEMBERS.

Section 411h(b)(1) of title 37, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (C);

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

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

''(E) a person related to the member as described in subparagraph (A), (B), (C), or (D) who is also a member of the uniformed services.''.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MILITARY SURVIVOR BENEFIT PLAN BENEFICIARIES UNDER INSURABLE INTEREST COVERAGE.

(a) AUTHORITY TO ELECT NEW BENEFICIARY.—Section 1448(b)(1) of title 10, United States Code, is amended—

(1) by inserting ''or under subparagraph (G) of this paragraph'' in the second sentence of subparagraph (E) before the period at the end; and

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

''(G) ELECTION OF NEW BENEFICIARY UPON DEATH OF PREVIOUS BENEFICIARY.—

''(i) AUTHORITY FOR ELECTION.—If the reason for discontinuation in the Plan is the death of the beneficiary, the participant in the Plan may elect a new beneficiary. Any such beneficiary must be a natural person with an insurable interest in the participant. Such an election may be made only during the 180-day period beginning on the date of the death of the previous beneficiary.

''(ii) PROCEDURES.—Such an election shall be in writing, signed by the participant, and made in such form and manner as the Secretary concerned may prescribe. Such an election shall be effective the first day of the first month following the month in which the election is received by the Secretary.

''(iii) VITIATION OF ELECTION BY PARTICIPANT WHO DIES WITHIN TWO YEARS OF ELECTION.—If a person providing an annuity under a election under clause (i) dies before the end of the two-year period beginning on the effective date of the election—

''(I) the election is vitiated; and

''(II) the amount by which the person's retired pay was reduced under section 1452 of this title that is attributable to the election shall be paid in a lump sum to the person who would have been the deceased person's beneficiary under the vitiated election if the deceased person had died after the end of such two-year period.''.

(b) CHANGE IN PREMIUM FOR COVERAGE OF NEW BENEFICIARY.—Section 1452(c) of such title is amended by adding at the end the following new paragraph:

''(5) RULE FOR DESIGNATION OF NEW INSURABLE INTEREST BENEFICIARY FOLLOWING DEATH OF ORIGINAL BENEFICIARY.—The Secretary of Defense shall prescribe in regulations premiums which a participant making an election under section 1448(b)(1)(G) of this title shall be required to pay for participating in the Plan pursuant to that election. The total amount of the premiums to be paid by a participant under the regulations shall be equal to the sum of the following:

''(A) The total additional amount by which the retired pay of the participant would have been reduced before the effective date of the election if the original beneficiary (i) had not died and had been covered under the Plan through the date of the election, and (ii) had been the same number of years younger than the participant (if any) as the new beneficiary designated under the election.

''(B) Interest on the amounts by which the retired pay of the participant would have been so reduced, computed from the dates on which the retired pay would have been so reduced at such rate or rates and according to such methodology as the Secretary of Defense determines reasonable.

''(C) Any additional amount that the Secretary determines necessary to protect the actuarial soundness of the Department of Defense Military Retirement Fund against any increased risk for the fund that is associated with the election.''.

(c) TRANSITION.—

(1) TRANSITION PERIOD.—In the case of a participant in the Survivor Benefit Plan who made a covered insurable-interest election (as defined in paragraph (2)) and whose designated beneficiary under that election dies before the date of the enactment of this Act or during the 18-month period beginning on such date, the time period applicable for purposes of the limitation in the third sentence of subparagraph (G)(i) of section 1448(b)(1) of title 10, United States Code, as added by subsection (a), shall be the two-year period beginning on the date of the enactment of this Act (rather than the 180-day period specified in that sentence).

(2) COVERED INSURABLE-INTEREST ELECTIONS.—For purposes of paragraph (1), a covered insurable-interest election is an election under section 1448(b)(1) of title 10, United States Code, made before the date of the enactment of this Act, or during the 18-month period beginning on such date, by a participant in the Survivor Benefit Plan to provide an annuity under that plan to a natural person with an insurable interest in that person.

(3) SURVIVOR BENEFIT PLAN.—For purposes of this subsection, the term ''Survivor Benefit Plan'' means the program under subchapter II of chapter 73 of title 10, United States Code.

SEC. 642. RETROACTIVE PAYMENT OF ADDITIONAL DEATH GRATUITY FOR CERTAIN MEMBERS NOT PREVIOUSLY COVERED.

(a) SPECIFICATION OF ADDITIONAL MEMBERS COVERED.—Section 1478(d)(2) of title 10, United States Code, is amended by striking ''May 11, 2005'' and inserting ''August 31, 2005''.

(b) FUNDING.—Amounts for payments under section 1478(d) of title 10, United States Code, as amended by subsection (a), with respect to deaths during the period beginning on May 12, 2005, and ending on August 31, 2005, may be derived from appropriations available to for the Department of Defense for fiscal year 2006 or fiscal year 2007.

SEC. 643. EQUITY IN COMPUTATION OF DISABILITY RETIRED PAY FOR RESERVE COMPONENT MEMBERS WOUNDED IN ACTION.

Section 1208(b) of title 10, United States Code, is amended by adding at the end the following new sentence: ''However, in the case of such a member who is retired under this chapter, or whose name is placed on the temporary disability retired list under this chapter, because of a disability incurred after the date of the enactment of this sentence for which the member is awarded the Purple Heart, the member shall be credited, for the purposes of this chapter, with the number of years of service that would be counted if computing the member's years of service under section 12732 of this title.''.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 651. TREATMENT OF PRICE SURCHARGES OF TOBACCO PRODUCTS AND CERTAIN OTHER MERCHANDISE SOLD AT COMMISSARY STORES.

(a) MERCHANDISE PROCURED FROM EXCHANGES.—Subsection (c)(3) of section 2484 of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(3)'';

(2) by striking ''Subsections'' and inserting ''Except as provided in subparagraph (B), subsections''; and

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

''(B) When a military exchange is the vendor of tobacco products or other merchandise authorized for sale in a commissary store under paragraph (1), any revenue above the cost of procuring the merchandise shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).''.

(b) MERCHANDISE TREATED AS NONCOMMISSARY STORE INVENTORY.—Subsection (g) of such section is amended—

(1) by inserting ''(1)'' before ''Notwithstanding'';

(2) by striking ''Subsections'' and inserting ''Except as provided in paragraph (2), subsections''; and

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

''(2) When tobacco products are authorized for sale in a commissary store as noncommissary store inventory, any revenue above the cost of procuring the tobacco products shall be allocated as if the revenue were a uniform sales price surcharge described in subsection (d).''.

SEC. 652. LIMITATION ON USE OF DEPARTMENT OF DEFENSE LEASE AUTHORITY TO UNDERMINE COMMISSARIES AND EXCHANGES AND OTHER MORALE, WELFARE, AND RECREATION PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) Except in the case of a lease under this subsection, a lease of real property may not be entered into under this section to fascilitate the establishment or operation of an ancillary supporting facility (as defined in section 2871 of this title) if, as determined by the Secretary concerned, the facility is to be used for providing merchandise or services in direct competition with—

''(A) the Army and Air Force Exchange Service;

''(B) the Navy Exchange Service Command;

''(C) a Marine Corps exchange;

''(D) the Defense Commissary Agency; or

''(E) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.''.

SEC. 653. USE OF NONAPPROPRIATED FUNDS TO SUPPLEMENT OR REPLACE APPROPRIATED FUNDS FOR CONSTRUCTION OF FACILITIES OF EXCHANGE STORES SYSTEM AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES, MILITARY LODGING FACILITIES, AND COMMUNITY FACILITIES.

(a) IN GENERAL.—Subchapter III of chapter 147 of title 10, United States Code, is amended by inserting after section 2491c the following new section:

''§2491d. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities

''(a) USE OF NONAPPROPRIATED FUNDS.—The Secretary of Defense may authorize the use of nonappropriated funds in lieu of or to supplement funds appropriated to the Department of Defense for the construction of the following:

''(1) Facilities of the exchange stores system and other revenue-generating facilities operated by nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

''(2) Facilities of other nonappropriated fund instrumentalities of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

''(3) Military lodging facilities used to provide temporary lodging to authorized members of the armed forces, including temporary duty lodging, permanent change of station lodging, recreational lodging, and military treatment facility lodging.

''(4) Community facilities intended to supplement mission activities, such as military museums and service academy extra-curricular activities, or to facilitate private organizations or enterprises, such as financial services, memorials, and thrift shop facilities, on military installations.

''(b) USE CRITERIA.—The Secretary of Defense may prescribe by regulation the criteria under which nonappropriated funds may be used under subsection (a).

''(c) CONGRESSIONAL NOTIFICATION.—When a decision is made to use nonappropriated funds under subsection (a), the Secretary of Defense shall submit a report to the congressional defense committees containing the reasons for using nonappropriated funds in lieu of or to supplement appropriated funds and the amount of nonappropriated funds to be used. The nonappropriated funds may be used only after the end of the 21-day period beginning on the date the report is received by such committees or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2491c the end the following new item:

''2491d. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.''.

SEC. 654. REPORT ON COST EFFECTIVENESS OF PURCHASING COMMERCIAL INSURANCE FOR COMMISSARY AND EXCHANGE FACILITIES AND FACILITIES OF OTHER MORALE, WELFARE, AND RECREATION PROGRAMS AND NONAPPROPRIATED FUND INSTRUMENTALITIES.

(a) REPORT REQUIRED.—Not later than July 31, 2007, the Secretary of Defense shall submit to Congress a report evaluating the cost effectiveness of the Defense Commissary Agency and the nonappropriated fund activities specified in subsection (b) purchasing commercial insurance to protect financial interests in facilities operated by the Defense Commissary Agency or those nonappropriated fund activities.

(b) COVERED NONAPPROPRIATED FUND ACTIVITIES.—The report shall apply with respect to—

(1) the Army and Air Force Exchange Service;

(2) the Navy Exchange Service Command;

(3) a Marine Corps exchange; and

(4) any nonappropriated fund activity of the Department of Defense for the morale, welfare, and recreation of members of the armed forces.

Subtitle F—Other Matters

SEC. 661. REPEAL OF ANNUAL REPORTING REQUIREMENT REGARDING EFFECTS OF RECRUITMENT AND RETENTION INITIATIVES.

(a) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of title 37, United States Code, is amended by striking the item relating to section 1015.

SEC. 662. PILOT PROJECT REGARDING PROVIDING GOLF CARTS ACCESSIBLE FOR DISABLED PERSONS AT MILITARY GOLF COURSES.

(a) PILOT PROJECT REQUIRED.—The Secretary of Defense shall conduct a pilot project at not less than three military golf courses to evaluate the cost effectiveness and utility of making available at military golf courses golf carts that are accessible for disabled persons authorized to use such courses and the demand among disabled persons authorized to use such courses for accessible golf carts. The Secretary shall provide at least two accessible golf carts at each pilot project location.

(b) PILOT PROJECT LOCATIONS.—The military golf courses selected to participate in the pilot project shall be geographically dispersed, except that one of the military golf courses shall be in the Washington metropolitan area.

(c) DURATION.—The Secretary shall conduct the pilot project for a minimum of one year.

(d) REPORT REQUIRED.—Not later than 180 days after the conclusion of the pilot project, the Secretary shall submit a report to Congress

containing the results of the project and such recommendations as the Secretary considers appropriate regarding providing golf carts accessible to disabled persons.

SEC. 663. ENHANCED AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS OF THE ARMED FORCES INCURRED ON ACTIVE DUTY.

(a) PERIOD OF EXERCISE OF SERVICE SECRETARY AUTHORITY AFTER SEPARATION FROM ACTIVE DUTY.—Sections 4837(b), 6161(b), and 9837(b) of title 10, United States Code, are each amended by striking ''one-year period'' each place it appears and inserting ''five-year period''.

(b) TWO-YEAR EXTENSION OF ENHANCED AUTHORITY.—Subsections (a)(3), (b)(3), and (c)(3) of section 683 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3322) are amended by striking ''December 31, 2007'' in the first sentence and inserting ''December 31, 2009''.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—TRICARE Program Improvements

Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
Sec. 703. Improvements to descriptions of cancer screening.
Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
Sec. 705. Services of mental health counselors.
Sec. 706. Demonstration project on coverage of selected over-the-counter medications under the pharmacy benefit program.
Sec. 707. Requirement to reimburse certain travel expenses of certain beneficiaries covered by TRICARE for life.
Sec. 708. Inflation adjustment of differential payments to children's hospitals participating in TRICARE program.
Sec. 709. Expanded eligibility of Selected Reserve members under TRICARE program.
Sec. 710. Extension to TRICARE of medicare prohibition of financial incentives not to enroll in group health plan.

Subtitle B—Studies and Reports

Sec. 711. Department of Defense task force on the future of military health care.
Sec. 712. Study and plan relating to chiropractic health care services.
Sec. 713. Comptroller General study and report on Defense Health Program.
Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
Sec. 715. Study on allowing dependents of activated members of Reserve Components to retain civilian health care coverage.

Subtitle C—Other Matters

Sec. 721. Costs of incentive payments to employees for TRICARE enrollment made unallowable for contractors.
Sec. 722. Requirement for military medical personnel to be trained in preservation of remains.

Subtitle D—Pharmacy Benefits Program Improvements

Sec. 731. TRICARE pharmacy program cost-share requirements.

Subtitle A—TRICARE Program Improvements

SEC. 701. TRICARE COVERAGE FOR FORENSIC EXAMINATION FOLLOWING SEXUAL ASSAULT OR DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(17) Forensic examinations following a sexual assault or domestic violence may be provided.''.

SEC. 702. AUTHORIZATION OF ANESTHESIA AND OTHER COSTS FOR DENTAL CARE FOR CHILDREN AND CERTAIN OTHER PATIENTS.

Section 1079(a)(1) of title 10, United States Code, is amended to read as follows:

''(1) With respect to dental care—

''(A) except as provided in subparagraph (B), only that care required as a necessary adjunct to medical or surgical treatment may be provided; and

''(B) in connection with dental treatment for patients with developmental, mental, or physical disabilities or for pediatric patients age 5 or under, only institutional and anesthesia services may be provided.''.

SEC. 703. IMPROVEMENTS TO DESCRIPTIONS OF CANCER SCREENING.

(a) TERMS RELATED TO PRIMARY AND PREVENTIVE HEALTH CARE SERVICES FOR WOMEN.—Section 1074d(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''Papanicolaou tests (pap smear)'' and inserting ''Cervical cancer screening''; and

(2) in paragraph (2), by striking ''Breast examinations and mammography'' and inserting ''Breast cancer screening''.

(b) TERMS RELATED TO CONTRACTS FOR MEDICAL CARE FOR SPOUSES AND CHILDREN.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of breast and cervical cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms or'' and inserting ''cervical, breast,''.

SEC. 704. PROHIBITION ON INCREASES IN CERTAIN HEALTH CARE COSTS FOR MEMBERS OF THE UNIFORMED SERVICES.

(a) PROHIBITION ON INCREASE IN CHARGES UNDER CONTRACTS FOR MEDICAL CARE.—Section 1097(e) of title 10, United States Code, is amended by adding at the end the following: ''A premium, deductible, copayment, or other charge prescribed by the Secretary under this subsection may not be increased during the period beginning on April 1, 2006, and ending on December 31, 2007.''.

(b) PROHIBITION ON INCREASE IN CHARGES FOR INPATIENT CARE.—Section 1086(b)(3) of title 10, United States Code, is amended by inserting after ''charges for inpatient care'' the following: '', except that in no case may the charges for inpatient care for a patient exceed $535 per day during the period beginning on April 1, 2006, and ending on December 31, 2007.''.

(c) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR CERTAIN MEMBERS IN THE SELECTED RESERVE.—Section 1076d(d)(3) of title 10, United States Code, is amended by adding at the end the following: ''During the period beginning on April 1, 2006, and ending on December 31, 2007, the monthly amount of the premium may not be increased above the amount in effect for the month of March 2006.''.

(d) PROHIBITION ON INCREASE IN PREMIUMS UNDER TRICARE COVERAGE FOR MEMBERS OF THE READY RESERVE.—Section 1076b(e)(3) of title 10, United States Code, is amended by adding at the end the following: ''During the period beginning on April 1, 2006, and ending on December 31, 2007, the monthly amount of a premium under paragraph (2) may not be increased above the amount in effect for the first month health care is provided under this section as amended by Public Law 109–163.''.

SEC. 705. SERVICES OF MENTAL HEALTH COUNSELORS.

(a) REIMBURSEMENT OF MENTAL HEALTH COUNSELORS UNDER TRICARE.—

(1) REIMBURSEMENT UNDER TRICARE.—Section 1079(a)(8) of title 10, United States Code, is amended—

(A) by inserting ''or licensed or certified mental health counselors'' after ''certified marriage and family therapists'' both places it appears; and

(B) by inserting ''or licensed or certified mental health counselors'' after ''that the therapists.''

(2) AUTHORITY TO ASSESS MEDICAL OR PSYCHOLOGICAL NECESSITY OF SERVICE OR SUPPLY.—Section 1079(a)(13) of such title is amended by inserting '', licensed or certified mental health counselor, '' after ''certified marriage and family therapist''.

(b) SERVICES OF MENTAL HEALTH COUNSELORS.—

(1) AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.—Section 704(c)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2799; 10 U.S.C. 1091 note) is amended by inserting ''mental health counselors,'' after ''psychologists,''.

(2) APPLICABILITY OF LICENSURE REQUIREMENT FOR HEALTH-CARE PROFESSIONALS.—Section 1094(e)(2) of title 10, United States Code, is amended by inserting ''mental health counselor,'' after ''psychologist,''.

SEC. 706. DEMONSTRATION PROJECT ON COVERAGE OF SELECTED OVER-THE-COUNTER MEDICATIONS UNDER THE PHARMACY BENEFIT PROGRAM.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION.—The Secretary of Defense shall conduct a demonstration project under section 1092 of title 10, United States Code, to allow particular over-the-counter medications to be included on the uniform formulary under section 1074g of such title.

(b) ELEMENTS OF DEMONSTRATION PROJECT.—

(1) INCLUSION OF CERTAIN OVER-THE-COUNTER MEDICATIONS.—As part of the demonstration project, the Secretary shall modify uniform formulary specifications under section 1074g(a)(2) of such title to include on the uniform formulary any pharmaceutical agent that does not require a prescription (commonly referred to as an over-the-counter medication) if the Pharmacy and Therapeutics Committee finds that the over-the-counter medication is a clinically effective and cost-effective alternative to a pharmaceutical agent that requires a prescription. If the Pharmacy and Therapeutics Committee makes such a finding, the over-the-counter medication shall be considered to be in the same therapeutic class of pharmaceutical agents that the agent requiring a prescription is in, and to the same extent as any agent in the class that requires a prescription. Such an over-the-counter medication shall be made available to a beneficiary through the demonstration program only if the medication is in place of a pharmaceutical agent requiring a prescription and the beneficiary has a prescription for that pharmaceutical agent.

(2) CONDUCT THROUGH MILITARY FACILITIES, RETAIL PHARMACIES, OR MAIL ORDER PROGRAM.—The Secretary shall conduct the demonstration project through at least two of the means described in subparagraph (E) of section 1074g(a)(2) through which over-the-counter medications are provided and may conduct the demonstration project throughout the entire pharmacy benefits program or at a limited number of sites. If the project is conducted at a limited number of sites, the number of sites shall be not less than five in each TRICARE region for each of the two means described in such subparagraph (E).

(3) PERIOD OF DEMONSTRATION.—The Secretary shall provide for conducting the demonstration project for a period of time necessary to evaluate the feasibility and cost effectiveness of the demonstration. Such period shall be at least as long as the period covered by pharmacy contracts in existence on the date of the enactment of this Act (including any extensions of

the contracts), or five years, whichever is shorter.

(4) IMPLEMENTATION DEADLINE.— Implementation of the demonstration project shall begin not later than May 1, 2007.

(c) REPORT.—Not later than 60 days before the end of the demonstration project, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate a report on the demonstration project. The report shall contain an evaluation by the Secretary of the costs and benefits of the project, and recommendations on whether permanent authority should be provided to cover over-the-counter medications under the pharmacy benefits program.

(d) CONTINUATION OF DEMONSTRATION PROJECT.—If the Secretary recommends in the report under subsection (c) that permanent authority should be provided, the Secretary may continue the demonstration project for up to one year after submitting the report.

SEC. 707. REQUIREMENT TO REIMBURSE CERTAIN TRAVEL EXPENSES OF CERTAIN BENEFICIARIES COVERED BY TRICARE FOR LIFE.

(a) REQUIREMENT.—Section 1074i of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) TRICARE FOR LIFE BENEFICIARIES.—

''(1) An eligible TRICARE for Life beneficiary shall be provided reimbursement for travel expenses to a military medical treatment facility if—

''(A) the purpose of the travel is for a follow-up appointment for medical treatment of a condition of the beneficiary; and

''(B) the initial appointment for medical treatment of the condition was at the same facility.

''(2) Reimbursement under this subsection shall, as nearly as practicable, be under the same terms and conditions, and shall be at the same rate, as apply to beneficiary travel reimbursement provided under subsection (a), except that reimbursement shall be provided—

''(A) for no more than 3 follow-up appointments; and

''(B) only if adequate follow-up medical treatment, as determined under the TRICARE program, cannot be obtained within 100 miles of the residence of the beneficiary.

''(3) In this subsection, the term 'eligible TRICARE for Life beneficiary' means a person—

''(A) who is eligible for health benefits under section 1086 of this title by reason of subsection (d)(2)(A) of that section;

''(B) who attained age 65 after an initial appointment for medical treatment at a military medical treatment facility; and

''(C) who resides more than 100 miles from the military medical treatment facility and was referred to such facility for treatment by a specialty care provider.''.

(b) EFFECTIVE DATE.—Subsection (c) of section 1074i of title 10, United States Code, as added by subsection (a), shall apply with respect to beneficiaries who attain age 65 after the date of the enactment of this Act.

SEC. 708. INFLATION ADJUSTMENT OF DIFFERENTIAL PAYMENTS TO CHILDREN'S HOSPITALS PARTICIPATING IN TRICARE PROGRAM.

(a) ANNUAL INFLATION ADJUSTMENT.—Beginning in fiscal year 2007, the Secretary of Defense shall annually adjust for inflation the TRICARE children's hospital differential payment rate. The adjustment for a fiscal year shall be the same as the applicable percentage increase defined under section 1886(d)(3)(B)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(B)(i)) for that fiscal year for hospitals located in large urban areas.

(b) TRICARE CHILDREN'S HOSPITAL DIFFERENTIAL PAYMENT RATE.—In this section, the term ''TRICARE children's hospital differential payment rate'' means the differential payment rate by the Department of Defense to children's hospitals for health care services for dependent children of members of the uniformed services under the TRICARE program.

SEC. 709. EXPANDED ELIGIBILITY OF SELECTED RESERVE MEMBERS UNDER TRICARE PROGRAM.

(a) GENERAL ELIGIBILITY.—Subsection (a) of section 1076d of title 10, United States Code, is amended—

(1) by striking ''(a) ELIGIBILITY.—A member'' and inserting ''(a) ELIGIBILITY.—(1) Except as provided in paragraph (2), a member'';

(2) by striking ''after the member completes'' and all that follows through ''one or more whole years following such date''; and

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

''(2) Paragraph (1) does not apply to a member who is enrolled, or is eligible to enroll, in a health benefits plan under chapter 89 of title 5.''.

(b) CONDITION FOR TERMINATION OF ELIGIBILITY.—Subsection (b) of such section is amended—

(1) by striking ''(b) PERIOD OF COVERAGE.—(1) TRICARE Standard'' and all that follows through ''(4) Eligibility'' and inserting ''(b) TERMINATION OF ELIGIBILITY UPON TERMINATION OF SERVICE.—Eligibility''; and

(2) by striking paragraph (5).

(c) CONFORMING AMENDMENTS.—

(1) Such section is further amended—

(A) by striking subsection (e);

(B) by redesignating subsection (g) as subsection (e) and transferring such subsection within such section so as to appear following subsection (d); and

(C) by striking paragraph (3) of subsection (f).

(2) The heading for such section is amended to read as follows:

''§ 1076d. TRICARE program: TRICARE standard coverage for members of the Selected Reserve''.

(d) REPEAL OF OBSOLETE PROVISION.—Section 1076b of title 10, United States Code, is repealed.

(e) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of title 10, United States Code, is amended—

(1) by striking the item relating to section 1076b; and

(2) by striking the item relating to section 1076d and inserting the following:

''1076d. TRICARE program: TRICARE Standard coverage for members of the Selected Reserve.''.

(f) SAVINGS PROVISION.—Enrollments in TRICARE Standard that are in effect on the day before the date of the enactment of this Act under section 1076d of title 10, United States Code, as in effect on such day, shall be continued until terminated after such day under such section 1076d as amended by this section.

(g) EFFECTIVE DATE.—The Secretary of Defense shall ensure that health care under TRICARE Standard is provided under section 1076d of title 10, United States Code, as amended by this section, beginning not later than October 1, 2007.

SEC. 710. EXTENSION TO TRICARE OF MEDICARE PROHIBITION OF FINANCIAL INCENTIVES NOT TO ENROLL IN GROUP HEALTH PLAN.

(a) IN GENERAL.—Section 1097b of title 10, United States Code, is amended by redesignating subsection (c) as subsection (d) and by adding the following after subsection (b):

''(c) PROHIBITION OF FINANCIAL INCENTIVES NOT TO ENROLL IN A GROUP HEALTH PLAN.—(1) Except as provided in this subsection, the provisions of section 1862(b)(3)(C) of the Social Security Act shall apply with respect to financial or other incentives for an individual eligible for benefits under section 1086 of this title not to enroll (or to terminate enrollment) under a health plan which would (in the case of such enrollment) be a primary plan under sections 1079(j)(1) and 1086(g) of this title in the same manner as such section 1862(b)(3)(C) applies to financial or other incentives for an individual entitled to benefits under title XVIII of the Social Security Act not to enroll (or to terminate enrollment) under a group health plan or a large group health plan which would (in the case of enrollment) be a primary plan (as defined in section 1862(b)(2)(A) of such Act).

''(2)(A) The Secretary of Defense may by regulation adopt such exceptions to the prohibition referenced and applied under paragraph (1) as the Secretary deems appropriate and such paragraph (1) shall be implemented taking into account the adoption of such exceptions.

''(B) The Secretary of Defense and the Secretary of Health and Human Services are authorized to enter into agreements for carrying out this subsection. Any such agreement shall provide that any expenses incurred by the Secretary of Health and Human Services pertaining to carrying out this subsection shall be reimbursed by the Secretary of Defense.

''(C) Authorities of the Inspector General of the Department of Defense shall be available for oversight and investigations of responsibilities of employers and other entities under this subsection.

''(D) Information obtained under section 1095(k) of this title may be used in carrying out this subsection in the same manner as information obtained under section 1862(b)(5) may be used in carrying out section 1862(b).

''(E) Any amounts collected in carrying out paragraph (1) shall be handled in accordance with section 1079a of this title.

''(3) In addition to any penalty applied under the authority of paragraph (1), the Secretary of Defense may by regulation provide that repeated violations by an employer or other entity of the prohibition referenced and applied under paragraph (1) are grounds for exclusion of the employer or other entity from any contract or subcontract to provide goods or services to, or any financial assistance from, the Department of Defense.''.

(b) CONFORMING AMENDMENT.—Section 1095(k)(5) of such title is amended by striking ''and 1086(d)'' and inserting '', 1086(d), and 1097b(c)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 2008.

Subtitle B—Studies and Reports

SEC. 711. DEPARTMENT OF DEFENSE TASK FORCE ON THE FUTURE OF MILITARY HEALTH CARE.

(a) REQUIREMENT TO ESTABLISH.—The Secretary of Defense shall establish within the Department of Defense a task force to examine matters relating to the future of military health care.

(b) COMPOSITION.—

(1) MEMBERS.—The task force shall consist of not more than 14 members appointed by the Secretary of Defense from among individuals described in paragraph (2) who have demonstrated expertise in the area of health care programs and costs.

(2) RANGE OF MEMBERS.—The individuals appointed to the task force shall include—

(A) at least one member of each of the Medical Departments of the Army, Navy, and Air Force;

(B) a number of persons from outside the Department of Defense equal to the total number of personnel from within the Department of Defense (whether members of the Armed Forces or civilian personnel) who are appointed to the task force;

(C) persons who have experience in—

(i) health care actuarial forecasting;

(ii) health care program development;

(iii) health care budget management;

(iv) evidence-based medicine;

(v) health care performance measurement;

(vi) health care quality improvement; and

(vii) academic institute research in health care services;

(D) at least one member from the Institute of Medicine;

(E) at least one member from the Defense Business Board; and

(F) at least one representative from a military or veterans service organization who has experience in health care.

(3) INDIVIDUALS APPOINTED OUTSIDE THE DEPARTMENT OF DEFENSE.—

(A) Individuals appointed to the task force from outside the Department of Defense may include officers or employees of other departments or agencies of the Federal Government, officers or employees of State and local governments, or individuals from the private sector.

(B) Individuals appointed to the task force from outside the Department of Defense shall include—

(i) an officer or employee of the Department of Veterans Affairs; and

(ii) an officer or employee of the Department of Health and Human Services.

(4) DEADLINE FOR APPOINTMENT.—All appointments of individuals to the task force shall be made not later than 90 days after the date of the enactment of this Act.

(5) CO-CHAIRS OF TASK FORCE.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of Defense at the time of appointment from among the Department of Defense personnel appointed to the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by members so appointed.

(c) ASSESSMENT AND RECOMMENDATIONS ON THE FUTURE OF MILITARY HEALTH CARE.—

(1) IN GENERAL.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary a report containing an assessment of, and recommendations for, sustaining the military health care services being provided to members of the Armed Forces, retirees, and their families.

(2) UTILIZATION OF OTHER EFFORTS.—In preparing the report, the task force shall take into consideration the findings and recommendation included in the Healthcare for Military Retirees Task Group of the Defense Business Board, previous Government Accountability Office reports, studies and reviews by the Assistant Secretary of Defense for Health Affairs, and any other studies or research conducted by organizations regarding improvements to sustain the military health care system.

(3) ELEMENTS.—The assessment and recommendations (including recommendations for legislative or administrative action) shall include measures to improve the following:

(A) Wellness initiatives and disease management programs of the Department of Defense, including health risk tracking and the use of rewards for wellness.

(B) Education programs focused on prevention awareness and patient-initiated health care.

(C) The ability to account for the true and accurate cost of health care in the military health system.

(D) Alternative health care initiatives to manage patient behavior and costs.

(E) The appropriate command and control structure within the Department of Defense and the Armed Forces to manage the military health system.

(F) The adequacy of the military health care procurement system, including methods to streamline existing procurement activities.

(G) The appropriate mix of military and civilian personnel to meet future readiness and high-quality health care service requirements.

(H) The beneficiary and Government cost sharing structure required to sustain the military health benefits over the long term.

(I) Programs focused on managing the health care needs of Medicare-eligible military beneficiaries.

(J) Efficient and cost effective contracts for health care services, including performance-based requirements for health care provider reimbursement.

(c) ADMINISTRATIVE MATTERS.—

(1) COMPENSATION.—Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be treated for purposes of section 3161 of title 5, United States Code, as having been appointed under subsection (b) of such section.

(2) OVERSIGHT.—The Under Secretary of Defense for Personnel and Readiness shall oversee the activities of the task force.

(3) ADMINISTRATIVE SUPPORT.—The Washington Headquarters Services of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the duties of the task force.

(4) ACCESS TO FACILITIES.—The Under Secretary of Defense for Personnel and Readiness shall, in coordination with the Secretaries of the military departments, ensure appropriate access by the task force to military installations and facilities for purposes of the discharge of the duties of the task force.

(e) REPORT.—

(1) IN GENERAL.—The task force shall submit to the Secretary of Defense a report on its activities under this section. The report shall include—

(A) a description of the activities of the task force;

(B) the assessment and recommendations required by subsection (c); and

(C) such other matters relating to the activities of the task force that the task force considers appropriate.

(2) TRANSMITTAL TO CONGRESS.—Not later than 90 days after receipt of the report under paragraph (1), the Secretary shall transmit the report to the Committees on Armed Services of the Senate and the House of Representatives. The Secretary may include in the transmittal such comments on the report as the Secretary considers appropriate.

(f) PLAN REQUIRED.—Not later than 6 months after receipt of the report from the task force under subsection (e)(1), the Secretary of Defense shall develop a plan based on the recommendations of the task force and submit the plan to the Committees on Armed Services of the Senate and the House of Representatives.

(g) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to Congress under subsection (e)(2).

SEC. 712. STUDY AND PLAN RELATING TO CHIROPRACTIC HEALTH CARE SERVICES.

(a) STUDY REQUIRED.—

(1) GROUPS COVERED.—The Secretary of Defense shall conduct a study of providing chiropractic health care services and benefits to the following groups:

(A) All members of the uniformed services on active duty and entitled to care under section 1074(a) of title 10, United States Code.

(B) All members described in subparagraph (A) and their eligible dependents, and all members of reserve components of the uniformed services and their eligible dependents.

(C) All members or former members of the uniformed services who are entitled to retired or retainer pay or equivalent pay and their eligible dependents.

(2) MATTERS EXAMINED.—

(A) For each group listed in subparagraphs (A), (B), and (C) of paragraph (1), the study shall examine the following with respect to chiropractic health care services and benefits:

(i) The cost of providing such services and benefits.

(ii) The feasibility of providing such services and benefits.

(iii) An assessment of the health care benefits of providing such services and benefits.

(iv) An estimate of the potential cost savings of providing such services and benefits in lieu of other medical services.

(v) The identification of existing and planned health care infrastructure, including personnel, equipment, and facilities, to accommodate the provision of chiropractic health care services.

(B) For the members of the group listed in subparagraph (A) of paragraph (1), the study shall examine the effects of providing chiropractic health care services and benefits—

(i) on the readiness of such members; and

(ii) on the acceleration of the return to duty of such members following an identified injury or other malady that can be appropriately treated with chiropractic health care services.

(3) SPACE AVAILABLE COSTS.—The study shall also include a detailed analysis of the projected costs of providing chiropractic health care services on a space available basis in the military treatment facilities currently providing chiropractic care under section 702 of the Floyd D. Spence National Defense Authorization Act of Fiscal Year 2001 (as enacted by Public Law 106–398; 10 U.S.C. 1092 note).

(4) ELIGIBLE DEPENDENTS DEFINED.—In this section, the term ''eligible dependent'' has the meaning given that term in section 1076a(k) of title 10, United States Code.

(b) PLAN REQUIRED.—Not later than March 31, 2007, the Secretary of Defense shall revise the plan required under section 702 of the Floyd D. Spence National Defense Authorization Act of Fiscal Year 2001 (as enacted by Public Law 106–398; 10 U.S.C. 1092 note), including a detailed analysis of the projected costs, to provide chiropractic health care services and benefits as a permanent part of the Defense Health Program (including the TRICARE program) as required under that section.

(c) REPORT REQUIRED.—Not later than March 31, 2007, the Secretary of Defense shall submit a report on the study required under subsection (a), together with the plan required under subsection (b), to the Committees on Armed Services of the Senate and the House of Representatives.

SEC. 713. COMPTROLLER GENERAL STUDY AND REPORT ON DEFENSE HEALTH PROGRAM.

(a) STUDY REQUIRED.—The Comptroller General, in cooperation with the Congressional Budget Office, shall conduct a study of the projected cost savings to the Defense Health Program included in the fiscal year 2007 budget request.

(b) ELEMENTS.—The study required by subsection (a) shall include the following:

(1) An evaluation of the rationale for calculations made by the Department of Defense for the portion of total health care costs paid by beneficiaries in 1995 and in 2005, including issues such as—

(A) the rationale for the Department's stated costs of providing the benefit in 1995 and in 2005;

(B) the basis for the Department's calculations of increases in cost between 1995 and 2005; and

(C) the amounts paid by beneficiaries for health care in 1995 and 2005.

(2) An evaluation of the rationale for calculations and assumptions made by the Department of Defense for the estimated savings associated with the implementation of its cost share increases.

(3) A review of the annual rate of medical inflation of the Department of Defense and how it compares with the annual rates of increase in health care premiums in the Federal Employee Health Benefit Program and other health care programs as well as other health care indexes for the past 5 years.

(4) An assessment of the rationale for the cost share increase amounts made by the Department of Defense.

(c) INDEPENDENT EXPERTS.—To ensure the availability of appropriate expertise in addressing the elements of the study required under this

section, the Comptroller General may use independent experts, such as actuaries, if needed.

(d) REPORT.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required by subsection (a) not later than June 1, 2007.

SEC. 714. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-up Agency (in this section referred to as the ''Agency'') of the Institute of Medicine of the National Academy of Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—The Secretary of Defense shall make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study and shipment of data and specimens to the Medical Follow-up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that year. The Secretary of Defense is authorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—The Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007 from amounts available from the Department of Defense for that year.

SEC. 715. STUDY ON ALLOWING DEPENDENTS OF ACTIVATED MEMBERS OF RESERVE COMPONENTS TO RETAIN CIVILIAN HEALTH CARE COVERAGE.

(a) STUDY REQUIREMENT.—The Secretary of Defense shall conduct a study on the feasibility of allowing family members of members of the Reserve Components who are called or ordered to active duty to continue health care coverage under a civilian health care program and provide reimbursement for such health care.

(b) ELEMENTS.—The study required by subsection (a) shall include the following:

(1) An assessment of the number of military dependents with special health care needs (such as ongoing chemotherapy or physical therapy) who would benefit from continued coverage under the member's civilian health care plan instead of enrolling in the TRICARE program.

(2) An assessment of the feasibility of providing reimbursement to the member or the sponsor of the civilian health coverage.

(3) A recommendation on the appropriate rate of reimbursement for civilian employers or members.

(4) The feasibility of including dependents who do not have access to health care providers that accept payment under the TRICARE program (such as those in rural areas).

(c) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study required under subsection (a).

Subtitle C—Other Matters

SEC. 721. COSTS OF INCENTIVE PAYMENTS TO EMPLOYEES FOR TRICARE ENROLLMENT MADE UNALLOWABLE FOR CONTRACTORS.

(a) DEFENSE CONTRACTS.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

''(Q) Costs incurred by a contractor for incentive payments to employees to encourage enrollment in the TRICARE program under chapter 55 of this title or any other Government-sponsored health care program, except that this subparagraph does not apply to such costs incurred by a contractor performing a contract to which any of the following applies:

''(i) The Services Contract Act of 1965 (41 U.S.C. 351 et seq.).

''(ii) Any other law or labor agreement that requires a company to compensate its employees for health care whether or not the employee participates in a company health plan.''.

(b) CIVILIAN AGENCY CONTRACTS.—Section 306(e)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(e)(1)) is amended by adding at the end the following new subparagraph:

''(P) Costs incurred by a contractor for incentive payments to employees to encourage enrollment in the TRICARE program under chapter 55 of title 10, United States Code, or any other Government-sponsored health care program, except that this subparagraph does not apply to such costs incurred by a contractor performing a contract to which any of the following applies:

''(i) The Services Contract Act of 1965 (41 U.S.C. 351 et seq.).

''(ii) Any other law or labor agreement that requires a company to compensate its employees for health care whether or not the employee participates in a company health plan.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contracts entered into after the date occurring 180 days after the date of the enactment of this Act.

SEC. 722. REQUIREMENT FOR MILITARY MEDICAL PERSONNEL TO BE TRAINED IN PRESERVATION OF REMAINS.

(a) REQUIREMENT.—The Secretary of Defense shall develop a program requiring each military department to include training in the preservation of remains for health care professionals under the department's jurisdiction. The training shall be provided before a health care professional is deployed into a theater of operation and periodically thereafter as determined necessary for refresher training.

(b) MATTERS COVERED BY TRAINING.—The training shall include, at a minimum—

(1) best practices and procedures for the preservation of the remains of a member of the Armed Forces after death, taking into account the needs, sensitivities, and potential wishes of the family of the decedent, including the return of the remains to the family in the best possible condition; and

(2) practical case studies to illustrate the objectives of paragraph (1) and provide a real world perspective.

(c) HEALTH CARE PROFESSIONAL.—In this section, the term ''health care professional'' means a physician, dentist, clinical psychologist, nurse, nurse practitioner, or physician assistant and any other person providing direct patient care as may be designated by the Secretary of Defense in regulations.

Subtitle D—Pharmacy Benefits Program Improvements

SEC. 731. TRICARE PHARMACY PROGRAM COST-SHARE REQUIREMENTS.

Paragraph (6) of section 1074g(a) of title 10, United States Code, is amended to read as follows:

''(6)(A) The Secretary, in regulations prescribed under subsection (g), may establish cost-sharing requirements (which may be established as a percentage or fixed dollar amount) under the pharmacy benefits program for generic, formulary, and nonformulary agents.

''(B)(i) With respect to agents available through the national mail-order pharmacy program, the Secretary of Defense may not establish requirements for cost sharing for generic and formulary agents that are in excess of cost sharing requirements for generic and formulary agents available through facilities of the uniformed services.

''(ii) With respect to agents available through retail pharmacies, the Secretary of Defense may not establish cost sharing in excess of—

''(I) $6 for generic agents;

''(II) $16 for formulary agents; and

''(III) $22 for nonformulary agents.

''(iii) The cost sharing requirements of this subparagraph shall be in effect during the period beginning 90 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007 and ending on December 31, 2007.''.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

Sec. 801. Requirements Management Certification Training Program.

Sec. 802. Additional requirements relating to technical data rights.

Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.

Sec. 804. Quarterly updates on implementation of acquisition reform in the Department of Defense.

Sec. 805. Establishment of defense challenge process for critical cost growth threshold breaches in major defense acquisition programs.

Sec. 806. Market research required for major defense acquisition programs before proceeding to Milestone B.

Subtitle B—Acquisition Policy and Management

Sec. 811. Applicability of statutory executive compensation cap made prospective.

Sec. 812. Prohibition on procurement from beneficiaries of foreign subsidies.

Sec. 813. Time-certain development for Department of Defense information technology business systems.

Sec. 814. Establishment of Panel on Contracting Integrity.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 821. Extension of special temporary contract closeout authority.

Sec. 822. Limitation on contracts for the acquisition of certain services.

Sec. 823. Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack.
Sec. 824. Waivers to extend task order contracts for advisory and assistance services.
Sec. 825. Enhanced access for small business.
Sec. 826. Procurement goal for Hispanic-serving institutions.
Sec. 827. Prohibition on defense contractors requiring licenses or fees for use of military likenesses and designations.

Subtitle D—United States Defense Industrial Base Provisions

Sec. 831. Protection of strategic materials critical to national security.
Sec. 832. Strategic Materials Protection Board.

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

SEC. 801. REQUIREMENTS MANAGEMENT CERTIFICATION TRAINING PROGRAM.

(a) TRAINING PROGRAM.—

(1) REQUIREMENT.—The Under Secretary of Defense for Acquisition, Technology, and Logistics, in consultation with the Defense Acquisition University, shall develop a training program to certify civilian and military personnel of the Department of Defense with responsibility for generating requirements for major defense acquisition programs (as defined in section 2430 of title 10, United States Code).

(2) COMPETENCY AND OTHER REQUIREMENTS.—The Under Secretary shall establish competency requirements for the personnel undergoing the training program. The Under Secretary shall define the target population for such training program by identifying which civilian and military personnel should have responsibility for generating requirements. The Under Secretary also may establish other training programs for personnel not subject to chapter 87 of title 10, United States Code, and who contribute significantly to other types of acquisitions by the Department of Defense.

(3) MATTERS COVERED.—At a minimum, the training program shall, with respect to a major defense acquisition program—

(A) provide instruction on the interrelationship among the requirements generation process, the budget process, and the acquisition process within the Department of Defense for such a program;

(B) stress the importance of generating requirements for such a program that result in joint applications to the maximum extent possible;

(C) provide instruction on the effects of introducing new requirements for such a program—

(i) both before and after the commencement of system development and demonstration; and

(ii) during initial operational test and evaluation;

(D) ensure that requirements for such a program are derived primarily from capability shortfalls in the program identified by a commander of a combatant command;

(E) ensure that requirements for such a program are informed by a sound analysis of alternatives, by realistic technical assessments based on technology readiness levels, and by fiscal guidance, including consultation with production engineers on the cost, schedule and technical feasibility of the requirements;

(F) ensure that, for the introduction of any changes to requirements for such a program, an engineering feasibility assessment that weighs technology readiness, integration, cost, and schedule impacts is conducted after Milestone B approval at the latest, and before Milestone B approval to the maximum extent practicable;

(G) stress the importance of introducing requirements for such a program that are technologically mature, feasible, and achievable without schedule risk; and

(H) stress the importance of stable requirements for such a program to provide the baseline for successful execution of the program.

(4) AVAILABILITY.—The training program shall be made available on the Internet to ensure the widest dissemination possible.

(b) APPLICABILITY.—Effective on and after September 30, 2007, a member of the Armed Forces or an employee of the Department of Defense with authority to generate requirements for a major defense acquisition program may not continue to participate in the requirements generation process unless the member or employee successfully completes the certification training program developed under this section.

SEC. 802. ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS.

(a) ADDITIONAL REQUIREMENTS RELATING TO TECHNICAL DATA RIGHTS .—Section 2320 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) ADDITIONAL REGULATIONS.—(1) Regulations prescribed under subsection (a) shall ensure, at a minimum, that—

''(A) in the case of a major system that is developed exclusively with Federal funds, in part with Federal funds and in part at private expense, or exclusively at private expense, rights are acquired in full by the United States to technical data necessary to support competition for contracts required for sustainment of the system; and

''(B) any contract for a major system includes price and delivery options for acquiring, at any point during the life cycle of the system, major elements of technical data not acquired at the time of initial contract award.

''(2) Regulations prescribed under subsection (a) also shall establish a standard for acquiring rights in technical data that supports the purchase of data rights appropriate to minimize life cycle costs.

''(3) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall ensure that members of the acquisition workforce working with any contract in an amount greater than $5,000,000 and involving the acquisition of rights in technical data be provided information and formal training sufficient to carry out the regulations prescribed under subsection (a) to implement this subsection.''.

(b) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise regulations under section 2320 of title 10, United States Code, to implement subsection (e) of such section (as added by this section).

SEC. 803. STUDY AND REPORT ON REVISIONS TO SELECTED ACQUISITION REPORT REQUIREMENTS.

(a) STUDY REQUIREMENT.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics in coordination with the service acquisition executives of each military department, shall conduct a study on revisions to requirements relating to Selected Acquisition Reports, as set forth in section 2432 of title 10, United States Code.

(b) MATTERS COVERED.—The study required under subsection (a) shall—

(1) focus on incorporating into the Selected Acquisition Report those elements of program progress that the Department of Defense considers most relevant to evaluating the performance and progress of major defense acquisition programs, with particular reference to the cost estimates and program schedule established when a major defense acquisition program receives Milestone B approval; and

(2) include any recommendations to eliminate elements of the Selected Acquisition Report that the Department believes are no longer needed (other than the elimination of any unit cost information).

(c) REPORT.—Not later than March 1, 2007, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study, including such recommendations as the Secretary considers appropriate.

SEC. 804. QUARTERLY UPDATES ON IMPLEMENTATION OF ACQUISITION REFORM IN THE DEPARTMENT OF DEFENSE.

(a) QUARTERLY UPDATES REQUIREMENT.—Not later than 45 days after the date of the enactment of this Act, and on the first day of each calendar quarter thereafter, the Secretary of Defense shall provide an update to the Committees on Armed Services of the Senate and the House of Representatives on the implementation of plans to reform the acquisition system in the Department of Defense.

(b) MATTERS COVERED.—Each update provided under subsection (a) shall cover the implementation of reforms of the processes for acquisition, including generation of requirements, award of contracts, and financial management. At a minimum, the updates shall take into account the recommendations made by the following:

(1) The Defense Acquisition Performance Assessment Panel.

(2) The Defense Science Board Summer Study on Transformation, issued in February 2006.

(3) The Beyond Goldwater-Nichols Study of the Center for Strategic and International Studies.

(4) The Quadrennial Defense Review, issued February 6, 2006.

(5) The Committee Defense Review of the Committee on Armed Services of the House of Representatives (when available).

(c) RECOMMENDATIONS.—Each report submitted under subsection (a) shall include such recommendations as the Secretary considers appropriate, and implementation plans for the recommendations.

(d) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit reports under subsection (a) shall terminate on the first day of the calendar quarter following the first calendar quarter in which the Selected Acquisition Report submitted to Congress under section 2432 of title 10, United States Code, does not indicate that there has been an increase by a percentage equal to or greater than the significant cost growth threshold or the critical cost growth threshold in any major defense acquisition program (as such thresholds are defined in section 2433(a) of such title).

SEC. 805. ESTABLISHMENT OF DEFENSE CHALLENGE PROCESS FOR CRITICAL COST GROWTH THRESHOLD BREACHES IN MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) PRELIMINARY EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—

(1) SUBMISSION OF CHALLENGE PROPOSALS.—Section 2359b(c)) of title 10, United States Code, is amended—

(A) in paragraph (1), by striking ''Panel,'' and all that follows through the end and inserting the following: ''Panel—

''(A) through the unsolicited proposal process;

''(B) in response to a broad agency announcement; or

''(C) in response to a solicitation issued as a result of a critical cost growth threshold breach (as defined in paragraph (4)).'';

(B) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (7), and (8), respectively;

(C) by inserting after paragraph (3) the following new paragraph (4):

''(4)(A) If the program acquisition unit cost or procurement unit cost of a major defense acquisition program increases by a percentage equal to or greater than the critical cost growth threshold for the program, as determined by the Secretary concerned under section 2433(d) of this title (in this section referred to as a 'critical cost growth threshold breach'), the Under Secretary shall issue a solicitation for challenge proposals that would result in improvements in affordability of the program. The solicitation shall specifically identify (i) the cost and schedule variances, and (ii) the design, engineering,

manufacturing, or technology integration issues, contributing to the breach.

''(B) A solicitation referred to in subparagraph (A) shall be made public before the end of the 14-day period beginning on the day the Selected Acquisition Report containing the information described in section 2433(g) of this title is required to be submitted under section 2432(f) of this title.

''(C) A solicitation referred to in subparagraph (A) shall require any challenge proposals responding to the solicitation to be submitted within 30 days after the date of issuance of the solicitation.'';

(D) in paragraph (5) (as so redesignated) in the matter preceding subparagraph (A)—

(i) by striking ''or submitted'' and inserting ''submitted''; and

(ii) by inserting after ''paragraph (2),'' the following: ''or submitted in response to a solicitation issued as a result of a critical cost growth threshold breach''; and

(E) by inserting after paragraph (5) (as so redesignated) the following new paragraph (6):

''(6) A panel shall complete a preliminary evaluation of challenge proposals submitted in response to a solicitation issued as a result of a critical cost growth threshold breach before the end of the 60-day period beginning on the day the Selected Acquisition Report referred to in paragraph (4)(B) is submitted to Congress and shall inform the Secretary of Defense of the results of the evaluation to aid in the completion of the Secretary's certification under section 2433(e)(2)(B) of this title.''.

(b) ACTION UPON FAVORABLE FULL REVIEW AND EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—Section 2359b(e) of such title is amended by adding at the end the following new paragraph:

''(3) In the case of a challenge proposal referred to in paragraph (1) that was submitted in response to a solicitation issued as a result of a critical cost growth threshold breach, the costs of the proposal shall be borne by the major defense acquisition program with respect to which the breach occurred.''.

(c) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL COST BREACHES.—Section 2359b of such title, as amended by section 213, is further amended—

(1) by redesignating subsections (f), (g), (h), and (i) as subsections (g), (h), (i), and (j), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) ACTION UPON UNFAVORABLE FULL REVIEW AND EVALUATION OF CRITICAL COST BREACH SOLICITATIONS.—In the case of a challenge proposal that was submitted in response to a solicitation issued as a result of a critical cost growth threshold breach and that is not determined under a full review and evaluation to satisfy each of the criteria specified in subsection (c)(5), the following provisions apply:

''(1) The office carrying out the full review and evaluation shall provide to the Panel that conducted the preliminary evaluation a statement containing a summary of the rationale for the unfavorable evaluation.

''(2) If the Panel disagrees with the rationale provided under paragraph (1), the Panel may return the challenge proposal to the office for further consideration.

''(3) The full review and evaluation, including a further consideration of the review and evaluation under paragraph (2), shall be completed not later than the expiration of the 60-day period beginning on the date of completion of the preliminary evaluation of the proposal by a Panel under subsection (c).

''(4) After a full review and evaluation of all such challenge proposals submitted for such review and evaluation are completed, including further consideration under paragraph (2), the Under Secretary shall submit to the congressional defense committees a report containing a list of each challenge proposal with an unfavorable evaluation, including an identification of each such challenge proposal returned to an office for further consideration, and a detailed rationale for the unfavorable evaluations upon both initial and further consideration (if any). Such report shall be submitted not later than the expiration of the 60-day period beginning on the date of completion of the last preliminary evaluation of the proposals by a Panel under subsection (c).''.

(d) AMENDMENTS TO UNIT COST REPORTS PROVISIONS.—

(1) ADDITIONAL ASSESSMENT REQUIRED UPON BREACH OF CRITICAL COST GROWTH THRESHOLD.—Section 2433(e)(2)(A) of title 10, United States Code, is amended—

(A) by striking ''and'' at the end of clause (ii);

(B) by inserting ''and'' at the end of clause (iii); and

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

''(iv) the availability of components, subsystems, or systems that may result in near-term improvements in affordability of the program, as identified under the Defense Acquisition Challenge Program through a solicitation issued pursuant to section 2359b(c)(1)(C) of this title;''.

(2) ADDITIONAL CERTIFICATION REQUIRED UPON BREACH OF CRITICAL COST GROWTH THRESHOLD.—Section 2433(e)(2)(B) of such title is amended—

(A) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following new clause (iii):

''(iii) the Panel conducting preliminary evaluation of challenge proposals submitted in response to the solicitation issued under the Defense Acquisition Challenge Program pursuant to section 2359b(c)(1)(C) of this title has identified no promising proposals meriting full review and evaluation;''.

(3) ADDITIONAL INFORMATION IN CERTAIN REPORT REQUIRED.—Section 2433(g)(1)(P)(vi) of such title is amended by inserting after ''of the program'' the following: ''and design, engineering, manufacturing, or technology integration issues''.

(e) ADDITIONAL CONFORMING AMENDMENTS.—Section 2359b of such title is further amended—

(1) in subsection (c)(8), as redesignated by subsection (a), by striking ''paragraph (4)'' and inserting ''paragraph (5)'';

(2) in subsection (d)(1), by striking ''subsection (c)(6)'' and inserting ''subsection (c)(8)'';

(3) in subsection (d)(2), by striking ''subsection (c)(4)'' and inserting ''subsection (c)(5)''; and

(4) in subsection (e)(1), by striking ''subsection (c)(4)'' and inserting ''subsection (c)(5)''.

SEC. 806. MARKET RESEARCH REQUIRED FOR MAJOR DEFENSE ACQUISITION PROGRAMS BEFORE PROCEEDING TO MILESTONE B.

Section 2366a(a) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following new paragraph (1):

''(1) market research has been conducted prior to technology development to reduce duplication of existing technology and products;''.

Subtitle B—Acquisition Policy and Management

SEC. 811. APPLICABILITY OF STATUTORY EXECUTIVE COMPENSATION CAP MADE PROSPECTIVE.

(a) PROSPECTIVE APPLICABILITY OF EXECUTIVE COMPENSATION CAP.—Section 808(e)(2) of Public Law 105–85 (41 U.S.C. 435 note; 111 Stat. 1838) is amended by striking ''before, on,'' and inserting ''on''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as if included in Public Law 105–85 as enacted.

SEC. 812. PROHIBITION ON PROCUREMENT FROM BENEFICIARIES OF FOREIGN SUBSIDIES.

(a) PROHIBITION.—The Secretary of Defense may not enter into a contract for the procurement of goods or services from any foreign person to which the government of a foreign country that is a member of the World Trade Organization has provided a subsidy if—

(1) the United States has requested consultations with that foreign country under the Agreement on Subsidies and Countervailing Measures on the basis that the subsidy is a prohibited subsidy under that Agreement; and

(2) either—

(A) the issue before the World Trade Organization has not been resolved; or

(B) the World Trade Organization has ruled that the subsidy provided by the foreign country is a prohibited subsidy under the Agreement on Subsidies and Countervailing Measures.

(b) JOINT VENTURES.—The prohibition under subsection (a) with respect to a foreign person also applies to any joint venture, cooperative organization, partnership, or contracting team of which that foreign person is a member.

(c) SUBCONTRACTS AND TASK ORDERS.—The prohibition under subsection (a) with respect to a contract also applies to any subcontracts at any tier entered into under the contract and any task orders at any tier issued under the contract.

(d) DEFINITIONS.—In this section:

(1) The term ''Agreement on Subsidies and Countervailing Measures'' means the agreement described in section 101(d)(12) of the Uruguay Round Agreements Act (19 U.S.C. 3501(d)(12)).

(2) The term ''foreign person'' means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(3) The term ''United States person'' means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.

(e) APPLICABILITY.—

(1) PROGRAMS WITH MILESTONE B APPROVAL NOT COVERED.—The prohibition under subsection (a) shall not apply to any contract under a major defense acquisition program that has received Milestone B approval as of the date of the enactment of this Act.

(2) DEFINITIONS.—In this subsection:

(A) The term ''major defense acquisition program'' means a Department of Defense acquisition program that is a major defense acquisition program for purposes of section 2430 of title 10, United States Code.

(B) The term ''Milestone B approval'' has the meaning provided that term in section 2366(e)(7) of such title.

SEC. 813. TIME-CERTAIN DEVELOPMENT FOR DEPARTMENT OF DEFENSE INFORMATION TECHNOLOGY BUSINESS SYSTEMS.

(a) MILESTONE A LIMITATION.—The Department of Defense executive or entity that is the milestone decision authority for an information system described in subsection (c) may not provide Milestone A approval for the system unless, as part of the decision process for such approval, that authority determines that the system will achieve initial operational capability within five years of such approval.

(b) INITIAL OPERATIONAL CAPABILITY LIMITATION.—Funds appropriated or otherwise available to the Department of Defense may not be

obligated or expended for an information system described in subsection (c) if the system, having received Milestone A approval, has not achieved initial operational capability within five years of the date of such approval.

(c) COVERED SYSTEMS.—An information system described in this subsection is any Department of Defense information technology business system that is not a national security system, as defined in 3542(b)(2) of title 44, United States Code.

(d) APPLICABILITY TO EXISTING PROGRAMS.—

(1) WAIVER AUTHORITY FOR EXISTING PROGRAMS IN DEVELOPMENT.—The Secretary of Defense may waive the applicability of subsection (b) in the case of a program described in subsection (c) that as of the date of the enactment of this Act has received Milestone A approval but has not as of such date achieved initial operational capability.

(2) INAPPLICABILITY TO PROGRAMS THROUGH DEVELOPMENT.—This section does not apply to an information system that achieved initial operational capability before the date of the enactment of this Act.

(e) DEFINITIONS.—In this section:

(1) MILESTONE DECISION AUTHORITY.—The term ''milestone decision authority'' has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

(2) MILESTONE A.—The term ''Milestone A'' has the meaning given that term in Department of Defense Instruction 5000.2, dated May 12, 2003.

SEC. 814. ESTABLISHMENT OF PANEL ON CONTRACTING INTEGRITY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Defense shall establish a panel to be known as the ''Panel on Contracting Integrity''.

(2) COMPOSITION.—The panel shall be composed of the following:

(A) The Deputy Secretary of Defense, who shall be the chairman of the panel.

(B) The service acquisition executive of each military department.

(C) The Inspector General of the Department of Defense.

(D) The Director of the Defense Logistics Agency.

(E) The Director of the Defense Contract Management Agency.

(F) The Director of the Defense Contract Audit Agency.

(G) Such other members as determined appropriate by the Secretary of Defense.

(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the panel shall—

(1) conduct reviews of progress made by the Department of Defense to eliminate areas of vulnerability of the defense contracting system that allow fraud, waste, and abuse to occur;

(2) review the report by the Comptroller General required by section 841 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3389), relating to areas of vulnerability of Department of Defense contracts to fraud, waste, and abuse; and

(3) recommend changes in law, regulations, and policy that it determines necessary to eliminate such areas of vulnerability.

(c) MEETINGS.—The panel shall meet as determined necessary by the Secretary of Defense but not less often than once every six months.

(d) REPORT.—

(1) REQUIREMENT.—The panel shall prepare and submit to the congressional defense committees an annual report on its activities. The report shall contain a summary of its findings and recommendations for the year covered by the report.

(2) FIRST REPORT.—The first report under this subsection shall be submitted not later than 180 days after the date of the enactment of this Act and shall contain an examination of the current structure in the Department of Defense for personnel accountability relating to the contracting system and recommendations for any changes needed to the system of administrative safeguards and disciplinary actions to ensure accountability at the appropriate level for any violations of appropriate standards of behavior in contracting.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 821. EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1541) is amended in subsection (d) by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 822. LIMITATION ON CONTRACTS FOR THE ACQUISITION OF CERTAIN SERVICES.

(a) LIMITATION.—Except as provided in subsection (b), the Secretary of Defense may not enter into a contract for covered services if the amount of the contract—

(1) exceeds 75 percent of the estimated value of any asset required for the provision of services under the contract, as of the date on which contract performance begins; or

(2) exceeds $150,000,000 in payments over the life of the contract assuming all options to extend the contract are exercised.

(b) WAIVER.—The Secretary of Defense may waive subsection (a) with respect to a contract for covered services if the Secretary—

(1) determines that a waiver is necessary for national security purposes; and

(2) provides to the congressional defense committees an economic analysis as described in subsection (c) at least 30 days before the waiver takes effect.

(c) ECONOMIC ANALYSIS.—The economic analysis provided under subsection (b) shall include, at a minimum, the following:

(1) A clear explanation of the need for the contract for covered services.

(2) An examination of at least two alternatives for fulfilling the requirements that the contract is meant to fulfill, including the following with respect to each alternative:

(A) A rationale for including the alternative.

(B) A cost estimate of the alternative and an analysis of the quality of each cost estimate.

(C) A discussion of the benefits to be realized from the alternative.

(D) A best value determination of each alternative and a detailed explanation of the lifecycle cost calculations used in the determination.

(d) COVERED SERVICES.—The limitation in subsection (a) applies to any contract for the following types of services:

(1) Operation, maintenance, or support of facilities or installations, or construction of facilities needed for performing the contract.

(2) Maintenance or modification of aircraft, ships, vehicles, or other highly complex military equipment, or the provision of aircraft, ships, vehicles, or other highly complex military equipment needed for performing the contract.

(3) Specialized training necessitating high quality instructor skills (for example, pilot and air crew members; foreign language training).

(4) Base services (for example, ground maintenance, in-plane refueling; bus transportation; refuse collection and disposal).

SEC. 823. USE OF FEDERAL SUPPLY SCHEDULES BY STATE AND LOCAL GOVERNMENTS FOR GOODS AND SERVICES FOR RECOVERY FROM NATURAL DISASTERS, TERRORISM, OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

(a) AUTHORITY TO USE SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—Section 502 of title 40, United States Code, is amended by adding at the end the following new subsection:

''(d) USE OF SUPPLY SCHEDULES FOR CERTAIN GOODS AND SERVICES.—

''(1) IN GENERAL.—The Administrator may provide for the use by State or local governments of Federal supply schedules of the General Services Administration for goods or services that are to be used to facilitate recovery from a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) or to facilitate recovery from terrorism or nuclear, biological, chemical, or radiological attack.

''(2) DETERMINATION BY SECRETARY OF HOMELAND SECURITY.—The Secretary of Homeland Security shall determine which goods and services qualify as goods and services described in paragraph (1) before the Administrator provides for the use of the Federal supply schedule relating to such goods and services.

''(3) VOLUNTARY USE.—In the case of the use by a State or local government of a Federal supply schedule pursuant to paragraph (1), participation by a firm that sells to the Federal Government through the supply schedule shall be voluntary with respect to a sale to the State or local government through such supply schedule.

''(4) DEFINITIONS.—The definitions in subsection (c)(3) shall apply for purposes of this subsection.''.

(b) PROCEDURES.—Not later than 30 days after the date of the enactment of this Act, the Administrator of General Services shall establish procedures to implement section 502(d) of title 40, United States Code (as added by subsection (a)).

SEC. 824. WAIVERS TO EXTEND TASK ORDER CONTRACTS FOR ADVISORY AND ASSISTANCE SERVICES.

(a) DEFENSE CONTRACTS.—Section 2304b(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''The period'';

(2) by inserting before the period the following: ''or a waiver is issued under paragraph (2)''; and

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

''(2) The head of an agency may issue a waiver to extend a task order contract entered into under this section for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

''(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

''(B) that award of a new contract would create a large disruption in services provided to the Department of Defense; and

''(C) the Department of Defense would endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.''.

(b) CIVILIAN AGENCY CONTRACTS.—Section 303I(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253i) is amended—

(1) by inserting ''(1)'' before ''The period'';

(2) by inserting before the period the following: ''or a waiver is issued under paragraph (2)''; and

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

''(2) An executive agency may issue a waiver to extend a task order contract entered into under this section for a period not exceeding 10 years, through five one-year options, if the head of the agency determines in writing—

''(A) that the contract provides engineering or technical services of such a unique and substantial technical nature that award of a new contract would be harmful to the continuity of the program for which the services are performed;

''(B) that award of a new contract would create a large disruption in services provided to the executive agency; and

''(C) the executive agency would endure program risk during critical program stages due to loss of program corporate knowledge of ongoing program activities.''.

(c) REPORT.—Not later than April 1, 2007, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the

House of Representatives a report on advisory and assistance services. The report shall include the following information:

(1) The methods used by the Department of Defense to identify a contract as an advisory and assistance services contract, as defined in section 2304b of title 10, United States Code.

(2) The number of such contracts awarded by the Department during the five-year period preceding the date of enactment of this Act.

(3) The average annual expenditures by the Department for such contracts.

(4) The average length of such contracts.

(5) The number of such contracts recompeted and awarded to the previous award winner.

(6) The number of contractors performing such contracts that previously qualified as a small business but no longer qualify as a small business for a recompetition.

(7) The number of such contracts required for a period of greater than five years and a justification of why those services are required for greater than five years, including the rationale for not performing the services inside the Department of Defense.

(8) The percentage of such contracts awarded by the Department during the five-year period preceding the date of the enactment of this Act for assistance in the introduction and transfer of engineering and technical knowledge for fielded systems, equipment, and components.

(9) The actions taken by the Department to prevent organizational conflicts of interest in the use of such contracts.

(d) PROHIBITION ON USE OF AUTHORITY BY DEPARTMENT OF DEFENSE IF REPORT NOT SUBMITTED.—The head of an agency may not issue a waiver under 2304b(b)(2) of title 10, United States Code, as added by subsection (a), if the report required by subsection (c) is not submitted by the date set forth in that subsection.

SEC. 825. ENHANCED ACCESS FOR SMALL BUSINESS.

Section 9(a) of the Contract Disputes Act of 1978 (41 U.S.C. 608) is amended by striking the period at the end of the first sentence and inserting the following: ''or, in the case of a small business concern (as defined in the Small Business Act and regulations under that Act), $150,000 or less.''.

SEC. 826. PROCUREMENT GOAL FOR HISPANIC-SERVING INSTITUTIONS.

Section 2323 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking ''and'' at the end of subparagraph (B);

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

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

''(D) Hispanic-serving institutions, as designated by the Department of Education.'';

(2) in subsection (a)(2)—

(A) by inserting after ''historically Black colleges and universities'' the following: '', Hispanic-serving institutions,''; and

(B) by inserting after ''such colleges and universities'' the following: ''and institutions'';

(3) in subsection (c)(1), by inserting after ''historically Black colleges and universities'' the following: '', Hispanic-serving institutions,''; and

(4) in subsection (c)(3), by inserting after ''historically Black colleges and universities'' the following: '', to Hispanic-serving institutions,''.

SEC. 827. PROHIBITION ON DEFENSE CONTRACTORS REQUIRING LICENSES OR FEES FOR USE OF MILITARY LIKENESSES AND DESIGNATIONS.

The Secretary of Defense shall require that any contract entered into or renewed by the Department of Defense include a provision prohibiting the contractor from requiring toy and hobby manufacturers, distributors, or merchants to obtain licenses from or pay fees to the contractor for the use of military likenesses or designations on items provided under the contract.

Subtitle D—United States Defense Industrial Base Provisions

SEC. 831. PROTECTION OF STRATEGIC MATERIALS CRITICAL TO NATIONAL SECURITY.

(a) REQUIREMENT TO BUY FROM AMERICAN SOURCES.—

(1) IN GENERAL.—Chapter 148 of title 10, United States Code, is amended by inserting after section 2533a the following new section:

''§ 2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions

''(a) REQUIREMENT.—Except as provided in subsections (c) through (h), funds appropriated or otherwise available to the Department of Defense may not be used for the procurement of an item described in subsection (b) if the item is not reprocessed, reused, or produced in the United States.

''(b) COVERED ITEMS.—An item referred to in subsection (a) is any of the following:

''(1) A specialty metal.

''(2) An item critical to national security, as determined by the Strategic Materials Protection Board.

''(c) AVAILABILITY EXCEPTION.—Subsection (a) does not apply to the extent that the Secretary of Defense or the Secretary of the military department concerned determines that satisfactory quality and sufficient quantity of any item described in subsection (b) cannot be procured as and when needed.

''(d) EXCEPTION FOR CERTAIN PROCUREMENTS.—Subsection (a) does not apply to the following:

''(1) Procurements outside the United States in support of combat operations or in support of contingency operations.

''(2) Procurements by vessels in foreign waters for use of the item.

''(3) Procurements for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.

''(e) EXCEPTION RELATING TO AGREEMENTS WITH FOREIGN GOVERNMENTS.—Subsection (a) does not preclude the procurement of an item described in subsection (b) if—

''(1) the procurement is necessary—

''(A) to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements; or

''(B) in furtherance of agreements with foreign governments in which both such governments agree to remove barriers to purchases of supplies produced in the other country or services performed by sources of the other country;

''(2) any such agreement with a foreign government complies, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and with section 2457 of this title; and

''(3) the item is grown, produced, or manufactured in the United States or in the country from which it is procured.

''(f) EXCEPTION FOR COMMISSARIES, EXCHANGES, AND OTHER NONAPPROPRIATED FUND INSTRUMENTALITIES.—Subsection (a) does not apply to items purchased for resale purposes in commissaries, exchanges, and nonappropriated fund instrumentalities operated by the Department of Defense.

''(g) EXCEPTION FOR SMALL PURCHASES.—Subsection (a) does not apply to procurements in amounts not greater than the simplified acquisition threshold referred to in section 2304(g) of this title.

''(h) APPLICABILITY TO PROCUREMENTS OF COMMERCIAL ITEMS.—This section applies to procurements of commercial items notwithstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430).

''(i) APPLICABILITY TO SUBCONTRACTS.—This section applies to subcontracts at any tier under a prime contract.

''(j) APPLICABILITY TO NONCOMPLIANT COMPONENTS.—A procurement subject to subsection (a) shall not be considered to be in compliance with subsection (a) if noncompliant components are delivered under the procurement without charge to the Federal Government. In this subsection, the term 'noncompliant component' means a component that is not reprocessed, reused, or produced in the United States.

''(k) SPECIALTY METAL DEFINED.—In this section, the term 'specialty metal' means any of the following:

''(1) Steel—

''(A) with a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper, 0.60 percent; or

''(B) containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

''(2) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent.

''(3) Titanium and titanium alloys.

''(4) Zirconium and zirconium base alloys.

''(5) A metal determined by the Strategic Materials Protection Board (established under section 187 of this title) to be a specialty metal critical to national security.

''(l) ADDITIONAL DEFINITIONS.—In this section:

''(1) The term 'United States' includes possessions of the United States.

''(2) The term 'micropurchase' means a procurement in an amount not greater than the micropurchase threshold, as defined by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

''(3) The term 'component' has the meaning provided in section 4 of such Act (41 U.S.C. 403).''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2533b. Requirement to buy strategic materials critical to national security from American sources; exceptions.''.

(3) CONFORMING AMENDMENTS.—Section 2533a of title 10, United States Code, is amended—

(A) by striking paragraph (2) of subsection (b);

(B) in subsection (c), by striking ''or specialty metals (including stainless steel flatware)''; and

(C) in subsection (e)—

(i) by striking ''SPECIALTY METALS AND'' in the heading; and

(ii) by striking ''specialty metals or''.

(4) EFFECTIVE DATES.—

(A) Section 2533b of title 10, United States Code, as added by paragraph (1), shall apply with respect to contracts entered into after the date occurring 30 days after the date of the enactment of this Act.

(B) The amendments made by paragraph (3) shall take effect on the date occurring 30 days after the date of the enactment of this Act.

(b) ONE-TIME INADVERTENT MICROPURCHASE WAIVER OF SPECIALTY METALS DOMESTIC SOURCE REQUIREMENT.—

(1) NOTICE OF NONCOMPLIANCE.—In the case of a contract with the Department of Defense in effect before the date of the enactment of this Act with respect to which the contracting officer for the contract determines the contractor is not in compliance with section 2533a of title 10, United States Code (as in effect before such date of enactment) with respect to specialty metals, the contracting officer shall—

(A) post a notice on FedBizOpps.gov that the contractor is not in compliance with such section;

(B) notify the contractor (and any subcontractor under the prime contract that is also

noncompliant) in writing that the contractor (or subcontractor) is not in compliance with such section; and

(C) require the contractor and any subcontractor notified under subparagraph (B) to submit to the contracting officer a compliance plan for becoming compliant with such section.

(2) WAIVER AUTHORITY.—In the case of a contract described in paragraph (1), the contracting officer for the contract may waive the applicability to the contract of section 2533a of title 10, United States Code (as in effect before such date of enactment) with respect to specialty metals if—

(A) the procurement is a micropurchase of components (whether in a prime contract or a subcontract under such contract) and the aggregate value of all such procurements in the prime contract and all the subcontracts under such contract does not exceed 1 percent of the amount of the contract or $100,000, whichever is less;

(B) the contracting officer determines in writing that the contractor was and continues to be inadvertently not in compliance with such section with respect to such metals and the contractor has submitted a compliance plan under paragraph (1)(C); and

(C) the Secretary of the military department concerned approves the waiver.

(3) NOTICE.—Not later than 15 days after a contracting officer makes a determination under paragraph (2)(B) with respect to a contract, the contracting officer shall post a notice on FedBizOpps.gov that a waiver has been granted for the contract under this subsection. The notice shall include information about the applicability of section 1001 of title 18, United States Code (relating to criminal penalties for false statements).

(4) CHALLENGE PERIOD.—

(A) During the 15-day period beginning on the date of the posting of a notice of a waiver under paragraph (3) for a contract (in this subsection referred to as the ''challenge period''), the contracting officer shall accept challenges submitted with respect to the contract.

(B) For purposes of this paragraph, a challenge, with respect to a contract for which a waiver has been granted under this subsection, is a submission of information by an entity (referred to as a ''challenger'' in this section) stating that the challenger can provide the specialty metals needed for performance of the contract and can certify in writing that the metals are reprocessed, reused, or produced in the United States. The information shall be submitted to the contracting officer in such form and manner as may be prescribed by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(5) DETERMINATION BY CONTRACTING OFFICER.—During the 15-day period beginning on the day after the end of the challenge period with respect to a contract, if any challenge has been submitted to the contracting officer, the contracting officer shall make a determination regarding whether the challenger can provide the specialty metals for the components concerned in sufficient quantity, of satisfactory quality, within a reasonable time, and at a cost that is not unreasonable.

(6) RESCISSION OF WAIVER.—(A) Except as provided in subparagraph (B), if the determination under paragraph (5) is in the affirmative, the contracting officer shall—

(i) rescind the waiver granted with respect to the contract under this subsection; and

(ii) require the contractor to comply with subsection (a) by purchasing specialty metals from the challenger.

(B) If the contracting officer makes a determination in the affirmative under paragraph (5) with respect to two or more challengers, the contracting officer shall select or require the contractor to select, in such manner as the contracting officer considers appropriate, the challenger to provide specialty metals under the contract.

(7) DEFINITIONS.—In this subsection:

(A) The term ''micropurchase'' means a procurement in an amount not greater than the micropurchase threshold, as defined by section 32(f) of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(B) The term ''component'' has the meaning provided in section 4 of such Act (41 U.S.C. 403).

(C) The term ''FedBizOpps.gov'' means the website maintained by the General Services Administration known as FedBizOpps.gov (or any successor site).

(8) TERMINATION OF WAIVER AUTHORITY.—A contracting officer may exercise the waiver authority under this subsection only after the date of the enactment of this Act and before July 1, 2008.

SEC. 832. STRATEGIC MATERIALS PROTECTION BOARD.

(a) IN GENERAL.—Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 187. Strategic Materials Protection Board

''(a) ESTABLISHMENT.—(1) The Secretary of Defense shall establish a Strategic Materials Protection Board.

''(2) The Board shall be composed of the following:

''(A) The Secretary of Defense, who shall be the chairman of the Board.

''(B) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(C) The Under Secretary of Defense for Intelligence.

''(D) The Secretary of the Army.

''(E) The Secretary of the Navy.

''(F) The Secretary of the Air Force.

''(b) DUTIES.—In addition to other matters assigned to it by the Secretary of Defense, the Board shall—

''(1) determine the need to provide a long term domestic supply of items designated as critical to national security to ensure that national defense needs are met;

''(2) analyze the risk associated with each item designated as critical to national security and the affect on national defense that the nonavailability of such item from a domestic source would have;

''(3) recommend a strategy to the President to ensure the domestic availability of items designated as critical to national security;

''(4) recommend such other strategies to the President as the Board considers appropriate to strengthen the industrial base with respect to items critical to national security; and

''(5) publish, not less frequently than once every two years, in the Federal Register a list of items determined to be critical to national security, including a list of specialty metals determined to be critical to national security for purposes of section 2533b of this title (and referred to in section 2533b(l)((1)(5) of such title).

''(c) MEETINGS.—The Board shall meet as determined necessary by the Secretary of Defense but not less frequently than once every two years to—

''(1) determine and publish a list of items critical to national security as described in subsection (b)(5); and

''(2) review items previously determined by the Board to be critical to national security, including specialty metals critical to national security for purposes of section 2533b of this title, to determine the appropriateness of their continuing classification as critical to national security.

''(d) REPORTS.—After each meeting of the Board, the Board shall prepare and submit to Congress a report containing the results of the meeting and such recommendations as the Board determines appropriate.

''(e) REMOVAL OF ITEMS FROM LIST.—The Board may not remove from the list referred to in subsection (b)(5) an item previously determined to be critical to national security by the Board until a period of 30 days expires after the Board submits to the congressional defense committees a written notification of the removal.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''187. Strategic Materials Protection Board.''.

(c) FIRST MEETING OF BOARD.—The first meeting of the Strategic Materials Protection Board, established by section 187 of title 10, United States Code (as added by paragraph (1)) shall be not later than 180 days after the date of the enactment of this Act.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Management

Sec. 901. Standardization of statutory references to ''national security system'' within laws applicable to Department of Defense.

Sec. 902. Correction of reference to predecessor of Defense Information Systems Agency.

Sec. 903. Addition to membership of specified council.

Sec. 904. Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies.

Sec. 905. Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps.

Subtitle B—Space Activities

Sec. 911. Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board.

Sec. 912. Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities.

Sec. 913. Operationally Responsive Space.

Subtitle C—Chemical Demilitarization Program

Sec. 921. Transfer to Secretary of the Army of responsibility for Assembled Chemical Weapons Alternatives Program.

Sec. 922. Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana.

Sec. 923. Sense of Congress regarding the safe and expeditious disposal of chemical weapons.

Subtitle D—Intelligence-Related Matters

Sec. 931. Repeal of termination of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

Subtitle A—Department of Defense Management

SEC. 901. STANDARDIZATION OF STATUTORY REFERENCES TO "NATIONAL SECURITY SYSTEM" WITHIN LAWS APPLICABLE TO DEPARTMENT OF DEFENSE.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''in section 2315 of this title'' and inserting ''in section 3542(b)(2) of title 44''.

(b) CHIEF INFORMATION OFFICER RESPONSIBILITIES.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For purposes of subtitle III of title 40, the term 'national security system', with respect to a telecommunications and information system operated by the Department of Defense, has the meaning given that term by section 3542(b)(2) of title 44.''.

SEC. 902. CORRECTION OF REFERENCE TO PREDECESSOR OF DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

''(1) The Defense Information Systems Agency.''.

SEC. 903. ADDITION TO MEMBERSHIP OF SPECIFIED COUNCIL.

Section 179(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) The commander of the United States Strategic Command.''.

SEC. 904. CONSOLIDATION AND STANDARDIZATION OF AUTHORITIES RELATING TO DEPARTMENT OF DEFENSE REGIONAL CENTERS FOR SECURITY STUDIES.

(a) BASIC AUTHORITIES FOR REGIONAL CENTERS.—

(1) IN GENERAL.—Section 184 of title 10, United States Code, is amended to read as follows:

''§ 184. Regional Centers for Security Studies

''(a) IN GENERAL.—The Secretary of Defense shall administer the Department of Defense Regional Centers for Security Studies in accordance with this section as international venues for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

''(b) REGIONAL CENTERS SPECIFIED.—(1) A Department of Defense Regional Center for Security Studies is a Department of Defense institution that—

''(A) is operated, and designated as such, by the Secretary of Defense for the study of security issues relating to a specified geographic region of the world; and

''(B) serves as a forum for bilateral and multilateral research, communication, and exchange of ideas involving military and civilian participants.

''(2) The Department of Defense Regional Centers for Security Studies are the following:

''(A) The George C. Marshall European Center for Security Studies, established in 1993 and located in Garmisch-Partenkirchen, Germany.

''(B) The Asia-Pacific Center for Security Studies, established in 1995 and located in Honolulu, Hawaii.

''(C) The Center for Hemispheric Defense Studies, established in 1997 and located in Washington, D.C.

''(D) The Africa Center for Strategic Studies, established in 1999 and located in Washington, D.C.

''(E) The Near East South Asia Center for Strategic Studies, established in 2000 and located in Washington, D.C.

''(3) No institution or element of the Department of Defense may be designated as a Department of Defense Regional Center for Security Studies for purposes of this section, other than the institutions specified in paragraph (2), except as specifically provided by law after the date of the enactment of this section.

''(c) REGULATIONS.—The administration of the Regional Centers under this section shall be carried out under regulations prescribed by the Secretary.

''(d) PARTICIPATION.—Participants in activities of the Regional Centers may include United States military and civilian personnel, governmental and nongovernmental personnel, and foreign military and civilian, governmental and nongovernmental personnel.

''(e) EMPLOYMENT AND COMPENSATION OF FACULTY.—At each Regional Center, the Secretary may, subject to appropriations—

''(1) employ a Director, a Deputy Director, and as many civilians as professors, instructors, and lecturers as the Secretary considers necessary; and

''(2) prescribe the compensation of such persons, in accordance with Federal guidelines.

''(f) PAYMENT OF COSTS.—(1) Participation in activities of a Regional Center shall be on a reimbursable basis (or by payment in advance), except in a case in which reimbursement is waived in accordance with paragraph (3).

''(2) For a foreign national participant, payment of costs may be made by the participant, the participant's own government, by a Department or agency of the United States other than the Department of Defense, or by a gift or donation on behalf of one or more Regional Centers accepted under section 2611 of this title on behalf of the participant's government.

''(3) The Secretary of Defense may waive reimbursement of the costs of activities of the Regional Centers for foreign military officers and foreign defense and security civilian government officials from a developing country if the Secretary determines that attendance of such personnel without reimbursement is in the national security interest of the United States. Costs for which reimbursement is waived pursuant to this paragraph shall be paid from appropriations available to the Regional Centers.

''(4) Funds accepted for the payment of costs shall be credited to the appropriation then currently available to the Department of Defense for the Regional Center that incurred the costs. Funds so credited shall be merged with the appropriation to which credited and shall be available to that Regional Center for the same purposes and same period as the appropriation with which merged.

''(5) Funds available for the payment of personnel expenses under the Latin American cooperation authority set forth in section 1050 of this title are also available for the costs of the operation of the Center for Hemispheric Defense Studies.

''(g) SUPPORT TO OTHER AGENCIES.—The Director of a Regional Center may enter into agreements with the Secretaries of the military departments, the heads of the Defense Agencies, and, with the concurrence of the Secretary of Defense, the heads of other Federal departments and agencies for the provision of services by that Regional Center under this section. Any such participating department and agency shall transfer to the Regional Center funds to pay the full costs of the services received.

''(h) ANNUAL REPORT.—Not later than February 1 of each year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the operation of the Regional Centers for security studies during the preceding fiscal year. The annual report shall include, for each Regional Center, the following information:

''(1) The status and objectives of the center.

''(2) The budget of the center, including the costs of operating the center.

''(3) A description of the extent of the international participation in the programs of the center, including the costs incurred by the United States for the participation of each foreign nation.

''(4) A description of the foreign gifts and donations, if any, accepted under section 2611 of this title.''.

(2) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

''184. Regional Centers for Security Studies.''.

(b) CONFORMING AMENDMENTS.—

(1) EMPLOYMENT AND COMPENSATION AUTHORITY FOR CIVILIAN FACULTY.—Section 1595 of title 10, United States Code, is amended—

(A) in subsection (c)—

(i) by striking paragraphs (3) and (5); and

(ii) by redesignating paragraphs (4) and (6) as paragraphs (3) and (4), respectively; and

(B) by striking subsection (e).

(2) STATUS OF CENTER FOR HEMISPHERIC DEFENSE STUDIES.—Section 2165 of title 10, United States Code, is amended—

(A) in subsection (b)—

(i) by striking paragraph (6); and

(ii) by redesignating paragraph (7) as paragraph (6); and

(B) by striking subsection (c).

SEC. 905. REDESIGNATION OF THE DEPARTMENT OF THE NAVY AS THE DEPARTMENT OF THE NAVY AND MARINE CORPS.

(a) REDESIGNATION OF MILITARY DEPARTMENT.—The military department designated as the Department of the Navy is redesignated as the Department of the Navy and Marine Corps.

(b) REDESIGNATION OF SECRETARY AND OTHER STATUTORY OFFICES.—

(1) SECRETARY.—The position of the Secretary of the Navy is redesignated as the Secretary of the Navy and Marine Corps.

(2) OTHER STATUTORY OFFICES.—The positions of the Under Secretary of the Navy, the four Assistant Secretaries of the Navy, and the General Counsel of the Department of the Navy are redesignated as the Under Secretary of the Navy and Marine Corps, the Assistant Secretaries of the Navy and Marine Corps, and the General Counsel of the Department of the Navy and Marine Corps, respectively.

(c) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—

(1) DEFINITION OF ''MILITARY DEPARTMENT''.—Paragraph (8) of section 101(a) of title 10, United States Code, is amended to read as follows:

''(8) The term 'military department' means the Department of the Army, the Department of the Navy and Marine Corps, and the Department of the Air Force.''.

(2) ORGANIZATION OF DEPARTMENT.—The text of section 5011 of such title is amended to read as follows: ''The Department of the Navy and Marine Corps is separately organized under the Secretary of the Navy and Marine Corps.''.

(3) POSITION OF SECRETARY.—Section 5013(a)(1) of such title is amended by striking ''There is a Secretary of the Navy'' and inserting ''There is a Secretary of the Navy and Marine Corps''.

(4) CHAPTER HEADINGS.—

(A) The heading of chapter 503 of such title is amended to read as follows:

''CHAPTER 503—DEPARTMENT OF THE NAVY AND MARINE CORPS''.

(B) The heading of chapter 507 of such title is amended to read as follows:

''CHAPTER 507—COMPOSITION OF THE DEPARTMENT OF THE NAVY AND MARINE CORPS''.

(5) OTHER AMENDMENTS.—

(A) Title 10, United States Code, is amended by striking ''Department of the Navy'' and ''Secretary of the Navy'' each place they appear other than as specified in paragraphs (1), (2), (3), and (4) (including in section headings, subsection captions, tables of chapters, and tables of sections) and inserting ''Department of the Navy and Marine Corps'' and ''Secretary of the Navy and Marine Corps'', respectively, in each case with the matter inserted to be in the same typeface and typestyle as the matter stricken.

(B)(i) Sections 5013(f), 5014(b)(2), 5016(a), 5017(2), 5032(a), and 5042(a) of such title are amended by striking ''Assistant Secretaries of the Navy'' and inserting ''Assistant Secretaries of the Navy and Marine Corps''.

(ii) The heading of section 5016 of such title, and the item relating to such section in the table of sections at the beginning of chapter 503 of such title, are each amended by inserting ''and Marine Corps'' after ''of the Navy'', with the matter inserted in each case to be in the same typeface and typestyle as the matter amended.

(d) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended by striking ''Department of the Navy'' and ''Secretary of the Navy'' each place they appear and inserting ''Department of the Navy and Marine Corps'' and ''Secretary of the Navy and Marine Corps'', respectively.

(e) OTHER REFERENCES.—Any reference in any law other than in title 10 or title 37, United

States Code, or in any regulation, document, record, or other paper of the United States, to the Department of the Navy shall be considered to be a reference to the Department of the Navy and Marine Corps. Any such reference to an office specified in subsection (b)(2) shall be considered to be a reference to that office as redesignated by that subsection.

(f) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first month beginning more than 60 days after the date of the enactment of this Act.

Subtitle B—Space Activities

SEC. 911. DESIGNATION OF SUCCESSOR ORGANIZATIONS FOR THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING EXECUTIVE BOARD.

(a) SUCCESSOR ORGANIZATIONS.— Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (10 U.S.C. 2281 note) is amended by striking ''by Congress'' and all that follows and inserting ''for the functions and activities of the following organizations established pursuant to the national security presidential directive issued December 8, 2004 (and any successor organization, to the extent the successor organization performs the functions of the specified organization):

''(1) The interagency committee known as the National Space-Based Positioning, Navigation, and Timing Executive Committee.

''(2) The support office for the committee specified in paragraph (1) known as the National Space-Based Positioning, Navigation, and Timing Coordination Office.

''(3) The Federal advisory committee known as the National Space-Based Positioning, Navigation, and Timing Advisory Board.''.

(b) CLARIFICATION.—Such section is further amended by striking ''interagency funding'' and inserting ''multi-agency funding''.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted'' and all that follows and inserting ''may be conducted through September 30, 2009.''.

SEC. 913. OPERATIONALLY RESPONSIVE SPACE.

(a) OPERATIONALLY RESPONSIVE SPACE PROGRAM OFFICE.—

(1) ESTABLISHMENT OF OFFICE.—Section 2273a of title 10, United States Code, is amended to read as follows:

''§ 2273a. Operationally Responsive Space Program Office

''(a) ESTABLISHMENT OF OFFICE.—(1) The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Program Office.

''(2) The head of the Office shall be the official in the Department of Defense who is designated by the Secretary of Defense as the Department of Defense Executive Agent for Space.

''(b) MISSION.—The mission of the Office shall be to contribute to the development of low-cost, rapid reaction payloads, spacelift, and launch control capabilities in order to fulfill joint military operational requirements for on-demand space support or reconstitution. The Office shall manage the program element required under subsection (g).

''(c) ORGANIZATION.—The Office shall be organized into integrated and co-located elements that include the following:

''(1) A science and technology section, which shall perform the functions specified in subsection (d).

''(2) An operations section, which shall perform the functions specified in subsection (e).

''(3) An acquisition section, which shall perform the functions specified in subsection (f).

''(d) SCIENCE AND TECHNOLOGY.—As directed by the head of the Office, the science and technology section shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on (but not limited to) payloads, bus, and launch equipment.

''(e) OPERATIONS.—As directed by the head of the Office, the operations section shall serve as the primary intermediary between the Office and the combatant commands in order to—

''(1) ascertain the needs of the warfighter; and

''(2) integrate operationally responsive space capabilities into—

''(A) operations plans of the combatant commands;

''(B) techniques, tactics, and procedures of the military departments; and

''(C) military exercises, demonstrations, and war games.

''(f) ACQUISITION.—(1) As directed by the head of the Office, the acquisition section shall undertake the acquisition of systems necessary to integrate, sustain, and launch assets for operationally responsive space.

''(2) In the case of any system or subsystem to be acquired by the Office, the acquisition may be carried out only after the commander of the United States Strategic Command has validated the system requirements for the system or subsystem to be acquired.

''(3) The commander of the United States Strategic Command shall participate in the approval of any acquisition program initiated by the Office.

''(g) REQUIRED PROGRAM ELEMENT.—(1) The Secretary of Defense shall ensure that, within budget program elements for space programs of the Department of Defense—

''(A) that there is a separate, dedicated program element for operationally responsive national security payloads and buses of the Department of Defense for space satellites; and

''(B) that programs and activities for such payloads and buses are planned, programmed, and budgeted for through that program element.

''(2) In this subsection, the term 'operationally responsive', with respect to a national security payload and bus for a space satellite, means an experimental or operational payload and bus with a weight not in excess of 5,000 pounds that—

''(A) can be developed and acquired within 18 months after authority to proceed with development is granted; and

''(B) is responsive to requirements for capabilities at the operational and tactical levels of warfare.''.

(2) CLERICAL AMENDMENT.—The item relating to that section in the table of sections at the beginning of chapter 135 of such title is amended to read as follows:

''2273a. Operationally Responsive Space Program Office.''.

(b) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the capabilities required by the Department to fulfill the mission of the Department with respect to operationally responsive space.

(B) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Program Office established under section 2273a of title 10, United States Code, as amended by subsection (a).

(D) A description of the classification of information required for that Office in order to ensure that the Office carries out its responsibilities in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to that Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A complete schedule for the implementation of the plan.

(G) The funding required to implement the plan over the course of the future-years defense program under section 221 of title 10, United States Code, in effect as of the submission of the plan.

(3) DEFINITION.—In this subsection, the term ''operationally responsive space'' means the development and launch of space assets upon demand in a low-cost manner.

Subtitle C—Chemical Demilitarization Program

SEC. 921. TRANSFER TO SECRETARY OF THE ARMY OF RESPONSIBILITY FOR ASSEMBLED CHEMICAL WEAPONS ALTERNATIVES PROGRAM.

Effective January 1, 2007, the text of section 142 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 1521 note) is amended to read as follows:

''(a) PROGRAM MANAGEMENT.—(1) The program manager for the Assembled Chemical Weapons Alternatives program shall report to the Secretary of the Army.

''(2) The Secretary of the Army shall provide for that program to be managed as part of the management organization within the Department of the Army specified in section 1412(e) of Public Law 99–145 (50 U.S.C. 1521(e)).

''(b) CONTINUED IMPLEMENTATION OF PREVIOUSLY SELECTED ALTERNATIVE TECHNOLOGIES.—(1) In carrying out the destruction of lethal chemical munitions at Pueblo Chemical Depot, Colorado, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the Under Secretary of Defense for Acquisition, Technology, and Logistics on July 16, 2002.

''(2) In carrying out the destruction of lethal chemical munitions at Blue Grass Army Depot, Kentucky, the Secretary of the Army shall continue to implement fully the alternative technology for such destruction at that depot selected by the Under Secretary of Defense for Acquisition, Technology, and Logistics on February 3, 2003.''.

SEC. 922. COMPTROLLER GENERAL REVIEW OF COST-BENEFIT ANALYSIS OF OFF-SITE VERSUS ON-SITE TREATMENT AND DISPOSAL OF HYDROLYSATE DERIVED FROM NEUTRALIZATION OF VX NERVE GAS AT NEWPORT CHEMICAL DEPOT, INDIANA.

(a) REVIEW REQUIRED.—Not later than December 1, 2006, the Comptroller General shall submit to Congress a report containing a review of the cost-benefit analysis prepared by the Secretary of the Army entitled ''Cost-Benefit Analysis of Off-Site Versus On-Site Treatment and Disposal of Newport Caustic Hydrolysate'' and dated April 24, 2006.

(b) CONTENT OF REVIEW.—In conducting the review under subsection (a), the Comptroller General shall consider and assess at a minimum the following matters:

(1) The adequacy of the rationale contained in the cost-benefit analysis referred to in subsection (a) in dismissing five of the eight technologies for hydrolysate treatment directed for consideration on page 116 of the the Report of the Committee on Armed Services of the House of Representatives on H.R. 1815 (House Report 109–89).

(2) The rationale for the failure of the Secretary of the Army to consider other technical solutions, such as constructing a wastewater disposal system at the Newport Chemical Depot.

(3) The adequacy of the cost-benefit analysis presented for the three technologies considered.

(c) DELAY PENDING REPORT.—The Secretary of the Army shall not proceed with any action to transport or relocate neutralized bulk nerve agent (other than those small quantities necessary for laboratory evaluation of the disposal process) from the Newport Chemical Depot until—

(1) the report required by subsection (a) is submitted; and

(2) a period of 60 days expires after the submission of the report.

SEC. 923. SENSE OF CONGRESS REGARDING THE SAFE AND EXPEDITIOUS DISPOSAL OF CHEMICAL WEAPONS.

(a) FINDINGS.—Congress makes the following findings:

(1) The disposal of chemical weapons needs to be accomplished as safely and expeditiously as possible.

(2) It is apparent, however, that any disposal method for chemical weapons that involves the transportation of chemical munitions or processed chemical munitions is difficult to implement

(b) SENSE OF CONGRESS.—In light of these findings, it is the sense of Congress that, when chemical munitions or processed chemical munitions are proposed for treatment or disposal at a location remote from the location where the munitions are stored—

(1) the method of actually selecting the disposal location should be free from political interference; and

(2) a process like that used for selecting and approving military installations for closure or realignment should be considered.

Subtitle D—Intelligence-Related Matters

SEC. 931. REPEAL OF TERMINATION OF AUTHORITY OF SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking the last sentence.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. General transfer authority.
Sec. 1002. Authorization of supplemental appropriations for fiscal year 2006.
Sec. 1003. Increase in fiscal year 2006 general transfer authority.
Sec. 1004. United States contribution to NATO common-funded budgets in fiscal year 2007.
Sec. 1005. Report on budgeting for fluctuations in fuel cost rates.
Sec. 1006. Reduction in authorizations due to savings resulting from lower-than-expected inflation.

Subtitle B—Policy Relating to Vessels and Shipyards

Sec. 1011. Transfer of naval vessels to foreign nations based upon vessel class.
Sec. 1012. Overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 1013. Report on options for future lease arrangement for Guam Shipyard.
Sec. 1014. Shipbuilding Industrial Base Improvement Program.
Sec. 1015. Transfer of operational control of certain patrol coastal ships to Coast Guard.
Sec. 1016. Limitation on leasing of foreign-built vessels.
Sec. 1017. Overhaul, repair, and maintenance of vessels carrying Department of Defense cargo.
Sec. 1018. Riding gang member documentation requirement.

Subtitle C—Counter-Drug Activities

Sec. 1021. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of Federal, State, local, and foreign law enforcement agencies.
Sec. 1022. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of certain foreign governments.
Sec. 1023. Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counter-drug activities.
Sec. 1025. Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions.

Subtitle D—Other Matters

Sec. 1031. Revision to authorities relating to Commission on the implementation of the New Strategic Posture of the United States.
Sec. 1032. Enhancement to authority to pay rewards for assistance in combating terrorism.
Sec. 1033. Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism.
Sec. 1034. Presidential report on improving interagency support for United States 21st century national security missions.
Sec. 1035. Quarterly reports on implementation of 2006 Quadrennial Defense Review Report.
Sec. 1036. Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans.
Sec. 1037. Technical and clerical amendments.
Sec. 1038. Database of emergency response capabilities.
Sec. 1039. Information on certain criminal investigations and prosecutions.
Sec. 1040. Date for final report of EMP Commission.

Subtitle A—Financial Matters

SEC. 1001. GENERAL TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,750,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

Amounts authorized to be appropriated to the Department of Defense and the Department of Energy for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to an emergency supplemental appropriations Act for 2006.

SEC. 1003. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$3,750,000,000''.

SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1005. REPORT ON BUDGETING FOR FLUCTUATIONS IN FUEL COST RATES.

(a) SECRETARY OF DEFENSE REPORT.—

(1) REPORT ON BUDGETING FOR FUEL COST FLUCTUATIONS.—Not later than January 15, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the fuel rate and cost projection used in the annual Department of Defense budget presentation.

(2) MATTERS TO BE INCLUDED.—In the report under paragraph (1), the Secretary shall—

(A) identify alternative approaches for selecting fuel rates that would produce more realistic estimates of amounts required to be appropriated or otherwise made available for the Department of Defense to accommodate fuel rate fluctuations;

(B) discuss the advantages and disadvantages of each approach identified pursuant to subparagraph (A); and

(C) identify the Secretary's preferred approach among the alternative identified pursuant to subparagraph (A) and provide the Secretary's rationale for preferring that approach.

(3) IDENTIFICATION OF ALTERNATIVE APPROACHES.—In identifying alternative approaches pursuant to paragraph (2)(A), the Secretary shall examine—

(A) approaches used by other Federal departments and agencies; and

(B) the feasibility of using private economic forecasting.

(b) COMPTROLLER GENERAL REVIEW AND REPORT.—The Comptroller General shall review the report under subsection (a), including the basis for the Secretary's conclusions stated in the report, and shall submit, not later than March 15, 2007, to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of that review.

SEC. 1006. REDUCTION IN AUTHORIZATIONS DUE TO SAVINGS RESULTING FROM LOWER-THAN-EXPECTED INFLATION.

(a) REDUCTION.—The total amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of the separate amounts authorized to be appropriated by those titles reduced by $1,583,000,000.

(b) SOURCE OF SAVINGS.—Reduction required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in title I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to those accounts.

Subtitle B—Policy Relating to Vessels and Shipyards

SEC. 1011. TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BASED UPON VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended—

(1) by striking ''disposition of that vessel is approved'' and inserting ''disposal of that vessel, or of a vessel of the class of that vessel, is authorized''; and

(2) by adding at the end the following new sentences: ''In the case of an authorization by law for the disposal of such a vessel that names a specific vessel as being authorized for such disposal, the Secretary of Defense may substitute another vessel of the same class, if the vessel substituted has virtually identical capabilites as the named vessel. In the case of an authorization by law for the disposal of vessels of a specified class, the Secretary may dispose of vessels of that class pursuant to that authorization only in the number of such vessels specified in that law as being authorized for disposal.''.

SEC. 1012. OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

(a) IN GENERAL.—Section 7310 of title 10, United States Code, is amended to read as follows:

''§ 7310. Overhaul, repair, etc. of vessels in foreign shipyards

''(a) IN GENERAL.—A vessel covered by this section the homeport of which is in the United States may not be overhauled, repaired, or maintained in a shipyard outside the United States, other than in the case of emergency voyage repairs.

''(b) COVERED VESSELS.—(1) Vessels covered by this section are the following:

''(A) Any naval vessel.

''(B) Any other vessel under the jurisdiction of the Secretary of the Navy, including any vessel under the jurisdiction of the Military Sealift Command that is owned or chartered by the United States.

''(2)(A) Notwithstanding paragraph (1), a naval vessel or other vessel certified by the Secretary of the Navy that is deployed conducting special mission operations is not subject to this section.

''(B) The Secretary of the Navy shall submit to the congressional defense committees each year a written certification of those vessels that are excluded from this section. The certification shall be submitted each year with the annual submission of the Navy budget justification materials.

''(c) CERTAIN VESSELS TO BE CONSIDERED TO BE HOMEPORTED IN UNITED STATES.—In the case of a vessel that does not have a designated homeport, the vessel shall be considered to have a homeport in the United States for the purposes of this section if any of the following applies to the vessel during the preceding 12-month period:

''(1) The vessel has operated within 1,400 nautical miles of the United States.

''(2) The vessel has returned to the United States more than two times.

''(3) The vessel has made a port call or return to the United States that exceeded seven days.

''(d) VESSEL CHANGING HOMEPORTS.—(1) In the case of a vessel covered by this section the homeport of which is not in the United States, the Secretary of the Navy may not during the 15-month period preceding the planned reassignment of the vessel to a homeport in the United States begin any work for the overhaul, repair, or maintenance of the vessel that is scheduled to be for a period of more than six months

''(2) In the case of a vessel covered by this section the homeport of which is in the United States, the Secretary of the Navy shall—

''(A) not less than 60 days before designating a homeport for that vessel at a location outside the United States, submit to Congress notification in writing of the intent to designate a homeport for that vessel outside the United States, together with the reasons for that designation; and

''(B) during the 15-month period preceding the planned reassignment of the vessel to a homeport not in the United States, perform in the United States any work for the overhaul, repair, or maintenance of the vessel that is scheduled—

''(i) to begin during the 15-month period; and

''(ii) to be for a period of more than six months.

''(e) DEFINITIONS.—In this section:

''(1)(A) The term 'emergency voyage repair' means the following:

''(i) Repairs on mission-essential or safety-essential items that are needed for a vessel to deploy, to continue on a deployment, or to comply with regulatory requirements.

''(ii) Standard maintenance, but only to the extent that such maintenance is absolutely necessary to ensure machinery and equipment operational reliability or to comply with regulatory requirements.

''(iii) Repair or maintenance that is not executed with a contract request for proposal.

''(B) Such term does not include corrective maintenance actions that may be deferred until the next scheduled regular overhaul and dry docking availability at a shipyard in the Unites States without degrading operational readiness, habitability standards, or personnel safety or adversely affecting regulatory compliance.

''(2) The term 'United States', when used in a geographic sense, includes the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands.''.

(b) EFFECTIVE DATE.—Subsection (c) of section 7310 of title 10, United States Code, as amended by subsection (a), shall take effect on October 1, 2006, or the date of the enactment of this Act, whichever is later, and shall apply only with respect to events specified in paragraphs (1), (2), and (3) of that subsection occurring on or after that effective date.

(c) LIMITATION ON APPLICATION TO VESSEL OPERATING UNDER EXISTING CHARTER.—This section does not affect the application of section 7310 of title 10, United States Code, to a vessel operating under a charter to the United States in effect on the date of the enactment of this Act, unless such charter is terminated or renewed after such date of enactment.

SEC. 1013. REPORT ON OPTIONS FOR FUTURE LEASE ARRANGEMENT FOR GUAM SHIPYARD.

(a) REPORT REQUIRED.— Not later than December 15, 2006, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report describing the options available with respect to the Guam Shipyard in Santa Rita, Guam.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An evaluation of the performance of the entities that, as of the date of the enactment of this Act, are the lessee and operators of the Guam Shipyard under the terms of the lease in effect on the date of the enactment of this Act.

(2) An evaluation of each of the following options with respect to the Guam Shipyard lease:

(A) Terminating the remaining term of the lease and issuing a new 25 year lease with the same entity.

(B) Terminating the remaining term of the lease with respect to the approximately 73 acres within the Guam Shipyard that are required for mission requirements and leaving the remaining term of the lease in effect with respect to the approximately 27 acres within the Facility that are not required for mission requirements.

(C) Terminating the remaining term of the lease and negotiating a new use arrangement with a different lessee or operator. The new use arrangement options shall include:

(i) Government-owned and government-operated facility.

(ii) Government-owned and contractor-operated facility.

(iii) Government-leased property for contractor-owned and contractor-operated facility.

(c) OPTIONS FOR NEW USE ARRANGEMENTS.—In evaluating the options under subsection (b)(2)(C), the Secretary of the Navy shall include an evaluation of each of the following:

(1) The anticipated future military vessel repair and workload on Guam in relation to the 2006 Quadrennial Defense Review, issued on February 6, 2006, pursuant to section 118 of title 10, United States Code.

(2) The anticipated military vessel repair and workload attributable to vessels comprising the Maritime Prepositioning Ship Squadron Three.

(3) The anticipated military vessel repair and workload due to a change in section 7310 of title 10, United States Code, that would designate Guam as a United States homeport facility.

(4) The expected workload if the submarine tender the U.S.S. Frank Cable (AS–40) is decommissioned.

(5) The estimated reacquisition costs of transferred Government property.

(6) Costs to improve floating dry dock mooring certification and required nuclear certification for the floating dry dock designated as AFDB–8 to conduct the following maintenance:

(A) Dry-docking selected restricted availabilities and mid-term availability for attack submarines.

(B) Dry-docking phased maintenance availabilities for amphibious vessels, including to amphibious assault ships, dock landing ships, and amphibious transport dock ships.

(C) Dry-docking phased maintenance availabilities for surface combatants, including cruisers, destroyers, and frigates.

(7) Commercial opportunities for development to expand commercial ship repair and general industrial services, given anti-terrorism force protection requirements at the current facility.

(8) Estimates from three contractors for the maintenance and repair costs associated with executing a multiship, multioption contract that would generate a minimum 60,000 manday commitment for the Department of the Navy and Military Sealift Command vessels.

(9) A projection of the maintenance and repair costs associated with executing a minimum 60,000 mandays for the Department of the Navy and Military Sealift Command vessels as a Government-owned and Government-operated Navy ship repair facility.

(d) INPUT FROM CONTRACTORS.—In evaluating the options under clauses (ii) and (iii) of subsection (b)(2)(C) for the purposes of paragraphs (1), (2), and (3) of subsection (c), the Secretary of the Navy shall seek input from at least three contractors on the viability of operations based on the projected workload fiscal years 2008 through 2013.

(e) RECOMMENDATIONS.—The Secretary of the Navy shall include in the report the following:

(1) The recommendations of the Secretary with respect to continuation of the existing Guam Shipyard lease based on evaluations conducted pursuant to subsection (b)(1).

(2) The option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

(f) GAO REPORT.—Not later than March 1, 2007, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Service of the House of Representatives a report evaluating the report submitted by the Secretary of the Navy under subsection (a). The report shall include the option under subsection (b)(2) that the Secretary recommends for fiscal year 2008.

(g) SUPPORT FOR NATIONAL STRATEGIC OBJECTIVES.—For fiscal year 2007, the Secretary of the Navy, under the authority of section 2304(c)(3) of title 10, United States Code, and section 6.302–3(a)(2)(i) of the Federal Acquisition Regulation, shall award contracts to the Guam Shipyard in amounts equal to the average amount of the mandays contracts awarded to the Guam Shipyard for fiscal years 1998 through 2006 for the purpose of maintaining the industrial base in case of a national emergency or to achieve industrial mobilization.

SEC. 1014. SHIPBUILDING INDUSTRIAL BASE IMPROVEMENT PROGRAM.

(a) PROGRAM FOR UNITED STATES PRIVATE SHIPYARDS.—The Secretary of the Navy shall establish a program, to be known as the Shipbuilding Industrial Base Improvement Program, under which the Secretary—

(1) shall make grants to qualified applicants to facilitate the development of innovative design and production technologies and processes for naval vessel construction and the development of modernized shipbuilding infrastructure; and

(2) shall provide loan guarantees for qualifying shipyards to facilitate the acquisition by such shipyards of technologies, processes, and infrastructure to improve their productivity and cost effectiveness.

(b) PURPOSES OF PROGRAM.—The purposes of the program established under subsection (a) are—

(1) to improve the efficiency and cost-effectiveness of the construction of naval vessels for the United States;

(2) to enhance the quality of naval vessel construction; and

(3) to promote the international competitiveness of United States shipyards for the construction of commercial ships and naval ships intended for sale to foreign governments.

(c) SELECTION OF GRANT RECIPIENTS.—

(1) APPLICATION FOR DEVELOPMENT FUNDING.—An entity requesting a grant under subsection (a)(1) to develop new design or production technologies or processes for naval vessels or to improve shipbuilding infrastructure shall submit to the Secretary of the Navy an application that describes the proposal of the entity and provides evidence of its capability to develop one or more of the following:

(A) Numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology designed to improve shipbuilding and related industrial productivity.

(B) Novel techniques and processes designed to improve shipbuilding quality, productivity, and practice on a broad and sustained basis, including in such areas as engineering design, quality assurance, concurrent engineering, continuous process production technology, employee skills enhancement, and management of customers and suppliers.

(C) Technology, techniques, and processes appropriate to enhancing the productivity of shipyard infrastructure.

(2) SELECTION .—From applications submitted under paragraph (1), the Secretary of the Navy shall select entities to receive funds under subsection (a)(1) based on their ability to research and develop innovative technologies, processes, and infrastructure to alleviate areas of shipyard construction inefficiencies as determined through the assessment described in subsection (f).

(d) MATCHING REQUIREMENT FOR GRANTS.—

(1) FEDERAL FUNDING.—Except as provided in paragraph (2), Federal funds from a grant under subsection (a)(1) for any purpose shall not exceed 75 percent of the total cost.

(2) EXCEPTIONS.—

(A) SMALL PROJECTS.—Paragraph (1) shall not apply to grants under this section for standalone projects costing not more than $25,000. The amount under this subparagraph shall be indexed to the consumer price index and modified each fiscal year after the annual publication of the consumer price index.

(B) REDUCTION IN MATCHING REQUIREMENT.—If the Secretary of the Navy determines that a proposed project merits support and cannot be undertaken without a higher percentage of Federal financial assistance, the Secretary may award a grant for such project with a lesser matching requirement than is described in paragraph (1).

(e) LOAN GUARANTEES FOR SHIPYARD USE OF DEVELOPED TECHNOLOGIES, PROCESSES, AND INFRASTRUCTURE.—

(1) IN GENERAL.—Upon making a determination that a technology, a process, or an infrastructure improvement (whether developed using a grant under subsection (a)(1), through the National Shipbuilding Research Program, or otherwise) will improve the productivity and cost-effectiveness of naval vessel construction, the Secretary of the Navy may provide a loan guarantee under subsection (a)(2) for a qualifying shipyard to facilitate the purchase by such shipyard of such technology, process, or infrastructure improvement.

(2) PAYMENT OF COST OF LOAN GUARANTEE.—The cost of a guarantee under this subsection shall be paid for with amounts made available in appropriations Acts.

(3) PERCENTAGE LIMITATION; TERM.—A loan guarantee under this subsection may apply—

(A) to up to 87.5 percent of the loan principal; and

(B) for a term of up to 30 years.

(4) AUTHORITIES, PROCEDURES, REQUIREMENTS, AND RESTRICTIONS.—The Secretary of the Navy, subject to the other provisions of this section—

(A) in implementing this section, may exercise authorities that are similar to the authorities available to the Secretary of Transportation under title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), with respect to loan guarantees under that title; and

(B) may establish such additional requirements for loan guarantees under this section as the Secretary determines to be necessary to minimize the cost of such guarantees.

(5) LIMITATION ON TOTAL AMOUNT OF LOAN GUARANTEES.—The total amount of loans for which guarantees are provided under this subsection may not exceed $1,000,000,000.

(6) DEFINITIONS.—In this subsection:

(A) QUALIFYING SHIPYARD.—The term ''qualifying shipyard'', with respect to a loan guarantee under this section, means a shipyard that, over the three years preceding the year in which the loan guarantee is made, derived less than 40 percent of its revenue either directly or indirectly from United States Government contracts.

(B) COST.—The term ''cost'', with respect to a loan guarantee under this section, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a), with cost for that purpose calculated assuming that the borrowing entity receives no revenue directly or indirectly from United States Government contracts.

(7) TERMINATION OF AUTHORITY.—The authority of the Secretary of the Navy to provide loan guarantees under this subsection expires at the close of September 30, 2011.

(f) ASSESSMENTS OF NAVAL VESSEL CONSTRUCTION INEFFICIENCIES.—

(1) PERIODIC ASSESSMENTS REQUIRED.—The Secretary of the Navy shall conduct, in the third quarter of each fiscal year or as often as necessary, an assessment of the following aspects of naval vessel construction to determine where and to what extent inefficiencies exist and to what extent innovative design and production technologies, processes, and infrastructure can be developed to alleviate such inefficiencies:

(A) Program design, engineering, and production engineering.

(B) Organization and operating systems.

(C) Steelwork production.

(D) Ship construction and outfitting.

(2) CONSIDERATION OF PRIOR ASSESSMENTS.—In making the assessments required by paragraph (1), the Secretary shall take into consideration the results of—

(A) the study of the cost effectiveness of the ship construction program of the Navy required by section 1014 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2041); and

(B) the assessment of the United States naval shipbuilding industry required by section 254 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3180).

(g) AVAILABILITY OF FUNDS.—

(1) AUTHORITY SUBJECT TO AVAILABILITY OF APPROPRIATIONS.—The authority of the Secretary of the Navy to make grants and provide loan guarantees under this section for any fiscal year is subject to the availability of appropriations for that purpose.

(2) FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 201(2) for research, development, test, and evaluation for the Navy for fiscal year 2007—

(A) $50,000,000 shall be available to the Secretary of the Navy only to make grants under this section; and

(B) $50,000,000 shall be available only for the cost (as defined in subsection (e)(6)(B)) of loan guarantees under this section.

(h) IDENTIFICATION IN BUDGET OF ANNUAL AMOUNT FOR SUPPORT OF NSRP ACTIVITIES.—Amounts in the budget of the President for any fiscal year for research, development, test, and evaluation for the Navy that are intended to be made available for the National Shipbuilding Research Program shall be separately identified and set forth in budget justification materials submitted to Congress for that fiscal year in support of that budget.

(i) DEFINITION OF SHIPYARD.—In this section, the term ''shipyard'' means a private shipyard

located in the United States the business of which includes the construction, repair, and maintenance of United States naval vessels.

SEC. 1015. TRANSFER OF OPERATIONAL CONTROL OF CERTAIN PATROL COASTAL SHIPS TO COAST GUARD.

Not later than September 30, 2008, the Secretary of the Navy shall enter into an agreement with the Commandant of the Coast Guard for the transfer by the Secretary of the Navy to the Coast Guard of operational control of not less than five 179-foot Cyclone-class patrol coastal ships for a period extending at least through September 30, 2012.

SEC. 1016. LIMITATION ON LEASING OF FOREIGN-BUILT VESSELS.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2401a the following new section:

''§2401b. Limitation on lease of foreign-built vessels

''(a) LIMITATION.—The Secretary of a military department may not make a contract for a lease or charter of a vessel for a term of more than 24 months (including all options to renew or extend the contract) if the hull, or a component of the hull and superstructure of the vessel, is constructed in a foreign shipyard.

''(b) PRESIDENTIAL WAIVER FOR NATIONAL SECURITY INTEREST.—(1) The President may authorize exceptions to the limitation in subsection (a) when the President determines that it is in the national security interest of the United States to do so.

''(2) The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized until the end of the 30-day period beginning on the date on which the notice of the determination is received by Congress.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2401a the following new item:

''2401b. Limitation on lease of foreign-built vessels.''.

(b) EFFECTIVE DATE.—Section 2401b of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date of the enactment of this Act.

SEC. 1017. OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS CARRYING DEPARTMENT OF DEFENSE CARGO.

The Secretary of Defense may not award any contract for the carriage by vessel of cargo for the Department of Defense, unless the contract includes a requirement under which the contractor shall—

(1) ensure that all overhaul, repair, and maintenance performed on the vessel during the period of the contract is performed in a shipyard located in the United States; or

(2) report to the Secretary every fiscal year quarter all overhaul, repair, and maintenance performed on the vessel in a shipyard located outside the United States during the period covered by the report.

SEC. 1018. RIDING GANG MEMBER DOCUMENTATION REQUIREMENT.

(a) REQUIREMENT.—The Secretary of Defense may not award any charter of a vessel for the Department of Defense, or contract for the carriage of cargo by vessel for the Department of Defense, unless the charter or contract, respectively, requires that each riding gang member that performs any work on the vessel during the effective period of the charter or contract holds a merchant mariner's document issued under chapter 73 of title 46, United States Code.

(b) RIDING GANG MEMBER DEFINED.—In this section the term ''riding gang member'' means an individual who—

(1) does not perform—

(A) watchstanding, automated engine room duty watch, or personnel safety functions; or

(B) cargo handling functions, including any activity relating to the loading or unloading of cargo, the operation of cargo-related equipment (whether or not integral to the vessel), and the handling of mooring lines on the dock when the vessel is made fast or let go;

(2) does not serve as part of the crew complement required under section 8101 of title 46, United States Code;

(3) is not a member of the steward's department; and

(4) is not a citizen or temporary or permanent resident of a country designated by the United States as a sponsor of terrorism or any other country that the Secretary of Defense, in consultation with the Secretary of State and the heads of other appropriate United States agencies, determines to be a security threat to the United States.

(c) LIMITATIONS ON APPLICATION.—

(1) VESSEL OPERATING UNDER EXISTING CHARTER OR CONTRACT.—This section does not apply with respect to a vessel operating under a charter or contract in effect on the date of the enactment of this section, unless such charter or contract is renewed after such date of enactment.

(2) EXEMPTIONS BY SECRETARY OF DEFENSE.—

(A) IN GENERAL.—The Secretary of Defense may issue regulations that exempt a riding gang member from subsection (a) for the performance of specific technical work on original equipment of a vessel.

(B) BACKGROUND CHECK.—Such regulations shall include a requirement that a riding gang member must pass a background check before performing work under such an exemption.

Subtitle C—Counter-Drug Activities

SEC. 1021. RESTATEMENT IN TITLE 10, UNITED STATES CODE, AND REVISION OF DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE SUPPORT FOR COUNTER-DRUG ACTIVITIES OF FEDERAL, STATE, LOCAL, AND FOREIGN LAW ENFORCEMENT AGENCIES.

(a) RESTATEMENT AND REVISION OF AUTHORITY.—Chapter 18 of title 10, United States Code, is amended by adding at the end a new section 383 consisting of—

(1) a heading as follows:

***''§383. Support for counter-drug activities: Federal, State, local, and foreign law enforcement agencies''**; and*

(2) a text consisting of the text of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note), revised as follows:

(A) In subsection (a), by replacing ''During fiscal years 2002 through 2006, the'' with ''The''.

(B) In subsection (e), by replacing ''section 376 of title 10, United States Code,'' with ''section 376 of this title,''.

(C) In subsection (f), by deleting the parenthetical phrase beginning ''(including training'' and ending ''1564))''.

(D) In subsection (g)—

(i) in paragraph (1), by replacing ''chapter 18, United States Code'' with ''this chapter''; and

(ii) in paragraph (2), by replacing ''title 10, United States Code'' with ''this title''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''383. Support for counter-drug activities: Federal, State, local, and foreign law enforcement agencies.''.

(c) REPEAL OF FISCAL YEAR 1991 AUTHORITY.—Section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is repealed.

SEC. 1022. RESTATEMENT IN TITLE 10, UNITED STATES CODE, AND REVISION OF DEPARTMENT OF DEFENSE AUTHORITY TO PROVIDE SUPPORT FOR COUNTER-DRUG ACTIVITIES OF CERTAIN FOREIGN GOVERNMENTS.

(a) RESTATEMENT AND REVISION OF AUTHORITY.—Chapter 18 of title 10, United States Code, is amended by inserting after section 383, as added by section 1021, a new section 384 consisting of—

(1) a heading as follows:

***''§384. Support for counter-drug activities: foreign governments''**; and*

(2) a text consisting of the text of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), revised as follows:

(A) In subsection (a)(2)—

(i) by deleting the first sentence; and

(ii) by replacing ''the governments'' with ''those governments''.

(B) In subsection (b), by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.

''(11) The Government of Kazakhstan.

''(12) The Government of Kyrgyzstan.

''(13) The Government of Guatemala.

''(14) The Government of Belize.

''(15) The Government of Panama.''.

(C) In subsection (c), by replacing paragraphs (1), (2), and (3) with the following new paragraphs:

''(1) The transfer of nonlethal protective and utility personnel equipment.

''(2) The transfer of the following nonlethal specialized equipment:

''(A) Navigation equipment.

''(B) Secure and nonsecure communications equipment.

''(C) Photo equipment.

''(D) Radar equipment.

''(E) Night vision systems.

''(3) The transfer of nonlethal components, accessories, attachments, parts (including ground support equipment), firmware, and software and repair equipment related to the equipment specified in paragraph (2).

''(4) The transfer of patrol boats, vehicles, and aircraft and detection, interception, monitoring and testing equipment.

''(5) The maintenance and repair or upgrade of equipment of the government that is used for counter-drug activities.

''(6) For fiscal years 2007 and 2008, for the Government of Afghanistan only, individual and crew-served weapons of 50 caliber or less and ammunition for such weapons for counter-narcotics security forces.''.

(D) In subsection (d), by replacing ''the provisions of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note)'' with ''section 383 of this title''.

(E) By replacing subsection (e) with the following new subsection (e):

''(e) LIMITATION ON OBLIGATIONS.—Amounts made available to carry out this section shall remain available until expended, except that the total amount obligated and expended under this section may not exceed $40,000,000 during fiscal year 2006 or $60,000,000 during fiscal year 2007 or fiscal year 2008.''.

(F) In subsection (f), by replacing paragraphs (3) and (4) with the following new paragraph:

''(3) For purposes of this subsection and subsection (h), the term 'congressional committees' means the following:

''(A) The Committee on Armed Services, the Committee on Appropriations, and the Committee on Foreign Relations of the Senate.

''(B) The Committee on Armed Services, the Committee on Appropriations, and the Committee on International Relations of the House of Representatives.''.

(G) In subsection (g)(1), by replacing ''United States Armed Forces'' with ''armed forces''.

(H) In subsection (h)—

(i) in the first sentence, by replacing ''prepare for fiscal year 2004 (and revise as necessary for subsequent fiscal years) a counter-drug plan'' with ''submit to the congressional committees not later than December 31 of each fiscal year a counter-drug plan for the next fiscal year''; and

(ii) by adding at the end the following new paragraph:.

''(10) A copy of the certification required by subsection (f)(1) with respect to the government.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 383, as added by section 1021, the following new item:

''384. Support for counter-drug activities: foreign governments.''.

(c) REPEAL OF FISCAL YEAR 1998 AUTHORITY.—Section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is repealed.

SEC. 1023. EXTENSION OF AUTHORITY TO SUPPORT UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''and 2006'' and inserting ''through 2008''; and

(2) in subsection (c), by striking ''and 2006'' and inserting ''through 2008''.

SEC. 1024. CONTINUATION OF REPORTING REQUIREMENT REGARDING DEPARTMENT OF DEFENSE EXPENDITURES TO SUPPORT FOREIGN COUNTER-DRUG ACTIVITIES.

(a) ADDITIONAL REPORT REQUIRED.—Section 1022 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–255), as amended by section 1022 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1215) and section 1021 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3426), is further amended by inserting ''and February 15, 2007,'' after ''April 15, 2006,''.

(b) FORM OF REPORT AND ADDITIONAL INFORMATION REQUIRED.—Such section is further amended—

(1) in the first sentence, by inserting '', in both classified and unclassified form,'' after ''report''; and

(2) in paragraph (2), by inserting before the period at the end the following: ''and the amount of funds provided for each type of counter-drug activity assisted''.

SEC. 1025. REPORT ON INTERAGENCY COUNTER-NARCOTICS PLAN FOR AFGHANISTAN AND SOUTH AND CENTRAL ASIAN REGIONS.

(a) REPORT REQUIRED.—Not later than December 31, 2006, the Secretary of Defense shall submit to the congressional defense committees a report updating the interagency counter-narcotics implementation plan for Afghanistan and the South and Central Asian regions, including Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan, Iran, Azerbaijan, Pakistan, India, and China, originally prepared pursuant to section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881).

(b) CONSULTATION.—The report under this section shall be prepared in consultation with the Secretary of State, the Administrator of the Agency for International Development, and the Director of the Drug Enforcement Administration.

(c) MATTERS TO BE INCLUDED.—The report shall include the following for each foreign government covered by the report:

(1) A consideration of what activities should be reallocated among the United States and the foreign government based on the capabilities of each department and agency involved.

(2) Any measures necessary to clarify the legal authority required to complete the mission and the measures necessary for the United States to successfully complete its counter-narcotics efforts in Afghanistan and the South and Central Asian regions.

(3) Current and proposed United States funding to support counter-narcotics activities of the foreign government.

Subtitle D—Other Matters

SEC. 1031. REVISION TO AUTHORITIES RELATING TO COMMISSION ON THE IMPLEMENTATION OF THE NEW STRATEGIC POSTURE OF THE UNITED STATES.

Section 1051 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3431) is amended—

(1) in subsections (b)(1)(E) and (b)(2)(B), by striking ''though 2008'' and inserting ''through 2025'';

(2) in subsection (c)(1), by striking ''Not later than June 30, 2007'' and inserting ''Not later than 18 months after the date of the Commission's first meeting''; and

(3) in subsection (f), by striking ''July 30, 2007'' and inserting ''60 days after the date of the submission of its report''.

SEC. 1032. ENHANCEMENT TO AUTHORITY TO PAY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) INCREASE IN DELEGATION LIMITATION.—Paragraph (2) of section 127b(c) of title 10, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

(b) EXPANSION OF SENIOR OFFICERS TO WHOM COMBATANT COMMANDER AUTHORITY MAY BE DELEGATED.—Such paragraph is further amended—

(1) by inserting after ''deputy commander'' the following: '', or to the commander of a command directly subordinate to that commander,''; and

(2) by adding at the end the following new sentence: ''Such a delegation may be made to the commander of a command directly subordinate to the commander of a combatant command only with the approval of the Secretary of Defense, the Deputy Secretary of Defense, or an Under Secretary of Defense designated by the Secretary.''.

SEC. 1033. REPORT ON ASSESSMENT PROCESS OF CHAIRMAN OF THE JOINT CHIEFS OF STAFF RELATING TO GLOBAL WAR ON TERRORISM.

Not later than March 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the findings of the semiannual assessment process relating to the Global War on Terrorism that is described in the annex to the National Military Strategic Plan for the War on Terrorism, issued by the Secretary of Defense on February 1, 2006, that is designated as the Implementation and Assessment Annex (Annex R).

SEC. 1034. PRESIDENTIAL REPORT ON IMPROVING INTERAGENCY SUPPORT FOR UNITED STATES 21ST CENTURY NATIONAL SECURITY MISSIONS.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the President shall submit to Congress a report on building interagency capacity and enhancing the integration of civilian capabilities of the executive branch with the capabilities of the Armed Forces as required to achieve United States national security goals and objectives. To the maximum extent practicable, the report shall be unclassified, with a classified annex if necessary.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following:

(1) An assessment of the capabilities required within the executive branch (other than the Armed Forces) to achieve the full spectrum of United States national security goals and objectives, to defend United States national security interests, and, in particular, to coordinate with the efforts of elements of the Armed Forces where deployed, including at least in the following areas:

(A) Organizations and organizational structure.

(B) Planning and assessment capabilities.

(C) Information sharing policies, practices, and systems.

(D) Leadership issues, including command and control of forces and personnel in the field.

(E) Personnel policies and systems, including recruiting, retention, training, education, promotion, awards, employment, deployment, and retirement.

(F) Acquisition authorities.

(2) The criteria and considerations used to evaluate progress in each of the areas specified in paragraph (1) towards building and integrating the interagency capacities required to achieve United States national security goals and objectives.

(3) Recommendations for specific legislative proposals that would improve interagency capacity and enhance the integration of civilian capabilities with the capabilities of deployed elements of the Armed Forces for each of the areas specified in paragraph (1).

SEC. 1035. QUARTERLY REPORTS ON IMPLEMENTATION OF 2006 QUADRENNIAL DEFENSE REVIEW REPORT.

(a) REPORTS REQUIRED.—Not later than 30 days after the end of each fiscal-year quarter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the implementation of recommendations described in the Department of Defense 2006 Quadrennial Defense Review Report.

(b) CONTENTS OF REPORTS.—Each quarterly report under subsection (a) shall, at a minimum—

(1) describe the processes and procedures established by the Secretary of Defense to examine the various recommendations referred to in subsection (a);

(2) discuss implementation plans and strategies for each area highlighted by the Quadrennial Defense Review Report;

(3) provide relevant information about the status of such implementation; and

(4) indicate changes in the Secretary's assessment of the defense strategies or capabilities required since the publication of the 2006 Quadrennial Defense Review Report.

(c) INITIAL REPORT.—The first report under subsection (a) shall be submitted not later than January 31, 2007.

(d) EXPIRATION OF REQUIREMENT.—The reporting requirement in subsection (a) shall terminate upon the earlier of the following:

(1) The date of the publication of the next Quadrennial Defense Review Report after the date of the enactment of this Act pursuant to section 118 of title 10, United States Code.

(2) The date of transmission of a written notification by the Secretary of Defense to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives that implementation of the recommendations of the 2006 Quadrennial Defense Review is complete.

SEC. 1036. INCREASED HUNTING AND FISHING OPPORTUNITIES FOR MEMBERS OF THE ARMED FORCES, RETIRED MEMBERS, AND DISABLED VETERANS.

(a) ACCESS FOR MEMBERS, RETIRED MEMBERS, AND DISABLED VETERANS.—Consistent with section 2671 of title 10, United States Code, and using such funds as are made available for this purpose, the Secretary of Defense shall ensure that members of the Armed Forces, retired members, disabled veterans, and persons assisting disabled veterans are able to utilize lands under the jurisdiction of the Department of Defense that are available for hunting or fishing.

(b) ASSESSMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report containing the results of an assessment of those lands under the jurisdiction of the Department of Defense and suitable for hunting or fishing and describing the actions necessary—

(1) to further increase the acreage made available to members of the Armed Forces, retired members, disabled veterans, and persons assisting disabled veterans for hunting and fishing; and

(2) to make that acreage more accessible to disabled veterans.

(c) RECREATIONAL ACTIVITIES ON SANTA ROSA ISLAND.—The Secretary of the Interior shall immediately cease the plan, approved in the settlement agreement for case number 96–7412 WJR and case number 97–4098 WJR, to exterminate the deer and elk on Santa Rosa Island, Channel Islands, California, by helicopter and shall not exterminate or nearly exterminate the deer and elk.

SEC. 1037. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 1406(i)(3)(B)(vi) is amended by striking ''Advisor for'' and inserting ''Advisor to''.

(2) Section 2105 is amended by striking by adding a period at the end of the last sentence.

(3) Section 2703(h) is amended by striking ''subsection'' in the first sentence and inserting ''section''.

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 210(c)(6) is amended by striking ''Advisor for'' and inserting ''Advisor to''.

(2) Section 308g(h) is amended by striking the second period at the end.

(3) Section 308j is amended by striking subsection (g) and inserting the following new subsection:

''(g) REPAYMENT.—A person who enters into an agreement under this section and receives all or part of the bonus under the agreement, but who does not accept a commission or an appointment as an officer or does not commence to participate or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.''.

(4) Section 414(c) is amended by striking '', or the Senior Enlisted Advisor for the Chairman of the Joint Chiefs of Staff'' before the period at the end.

(c) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2006.—Effective as of January 6, 2006, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended as follows:

(1) Section 608(b) (119 Stat. 3289) is amended—

(A) in paragraph (1), by striking ''the first sentence'' and inserting ''the second sentence''; and

(B) in paragraph (2), by striking ''the second sentence'' and inserting ''the third sentence''.

(2) Section 683 (119 Stat. 3322) is amended—

(A) in subsection (a)(3), by striking ''section 4873'' and inserting ''section 4837'';

(B) in subsetion (c)(3), by striking ''section 9873'' and inserting ''section 9837''.

(C) in subsection (b)(2)—

(i) by striking ''by striking the penultimate word.'' and inserting ''to read as follows:''; and

(ii) by adding at the end the following:

''6161. Settlement of accounts: remission or cancellation of indebtedness of members.''.

(3) Section 685(a) (119 Stat. 3325) is amended by striking ''Advisor for'' both places it appears and inserting ''Advisor to''.

(4) Section 687(a)(2) (119 Stat. 3327) is amended by striking ''subsection (a)'' and inserting ''subsection (e)''.

(5) Section 687(b)(15) (119 Stat. 3330) is amended—

(A) by striking ''Subsection (d)'' and inserting ''Subsection (e)''; and

(B) in the matter inserted by that section, by striking ''(d) REPAYMENT.—'' and inserting ''(e) REPAYMENT.—''.

SEC. 1038. DATABASE OF EMERGENCY RESPONSE CAPABILITIES.

The Secretary of Defense shall ensure that a database of emergency response capabilities is maintained by the Department of Defense that includes the following:

(1) The types of capabilities that each State's National Guard will likely provide in response to domestic natural and manmade disasters, both to their home States and under State-to-State mutual assistance agreements.

(2) The types of capabilities that the Department of Defense will likely provide in order to fulfill Department of Defense responsibilities to provide support under the National Response Plan's 15 Emergency Support Functions, as well as identification of the units that provide those capabilities.

SEC. 1039. INFORMATION ON CERTAIN CRIMINAL INVESTIGATIONS AND PROSECUTIONS.

(a) ANNUAL REPORT.—Subsection (c) of section 1093 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2070) is amended—

(1) in paragraph (1)—

(A) by inserting '', or any prosecution on account of,'' after ''Notice of any investigation into''; and

(B) by inserting before the period at the end the following: '', and, as to any such criminal investigation or prosecution described in this paragraph, a detailed and comprehensive description of such investigation or prosecution and any resulting judicial or nonjudicial punishment or other disciplinary action''; and

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

''(3) Information about any officer nominated for command, or nominated for promotion or appointment to a position requiring the advice and consent of the Senate, who has been subject to any investigation into, or prosecution of, a violation of international obligations or laws of the United States regarding the treatment of individuals detained by the United States Armed Forces or by a person providing services to the Department of Defense on a contractual basis, if the inclusion of such information in the report will not compromise any ongoing criminal or administrative investigation or prosecution, and including the following:

''(A) A description of any allegation of detainee death, torture or abuse.

''(B) The status of any investigation or prosecution.

''(C) Any judicial or nonjudicial punishment or other disciplinary action.''.

(b) NOMINATION INFORMATION.—Such section is further amended by adding at the end the following new subsection:

''(f) NOMINATIONS.—Information described in paragraph (3) of subsection (c), in addition to being included in the annual report under that subsection, shall be submitted to the Committee of Armed Services of the Senate and the Committee on Armed Services of the House of Representatives on a regular, timely basis in advance of any nomination described in that paragraph.''.

SEC. 1040. DATE FOR FINAL REPORT OF EMP COMMISSION.

(a) REVISED DEADLINE FOR SUBMISSION OF FINAL REPORT.—The final report of the EMP Commission shall be submitted to Congress not later than the end of the 18-month period beginning on the date of the commission's first meeting after being reestablished pursuant to section 1052 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434) (rather than the date prescribed in section 1403(a) of the Commisssion Charter).

(b) DEFINITIONS.—For purposes of this section:

(1) EMP COMMISSION.—The term ''EMP Commission'' means the Commission to Assess the Threat to the United States from Electromagnetic Pulse (EMP) Attack Commission, established pursuant to title XIV of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A-345 et seq.) and reestablished pursuant to section 1052 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434).

(2) COMMISSION CHARTER.—The term ''Commission charter'' means title XIV of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A-345 et seq.), as amended by section 1052 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3434).

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. Increase in authorized number of defense intelligence senior executive service employees.
Sec. 1102. Authority for Department of Defense to pay full replacement value for personal property claims of civilians.
Sec. 1103. Accrual of annual leave for members of the uniformed services performing dual employment.
Sec. 1104. Death gratuity authorized for Federal employees.

SEC. 1101. INCREASE IN AUTHORIZED NUMBER OF DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE EMPLOYEES.

Section 1606(a) of title 10, United States Code, is amended by striking ''594'' and inserting ''644''.

SEC. 1102. AUTHORITY FOR DEPARTMENT OF DEFENSE TO PAY FULL REPLACEMENT VALUE FOR PERSONAL PROPERTY CLAIMS OF CIVILIANS.

Section 2636a(a) of title 10, United States Code, is amended by striking ''of baggage and household effects for members of the armed forces at Government expense'' and inserting ''at Government expense of baggage and household effects for members of the armed forces or civilian employees of the Department of Defense (or both)''.

SEC. 1103. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member also is entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of a uniformed service.''.

SEC. 1104. DEATH GRATUITY AUTHORIZED FOR FEDERAL EMPLOYEES.

(a) DEATH GRATUITY AUTHORIZED.—Chapter 81 of title 5, United States Code, is amended by inserting after section 8102 the following new section:

''§ 8102a. Death gratuity

''(a) DEATH GRATUITY AUTHORIZED.—The United States shall pay a death gratuity of $100,000 to or for the survivor prescribed by subsection (d) immediately upon receiving official notification of the death of an employee who dies of injuries incurred in connection with the employee's service with an Armed Force in a contingency operation, or who dies of injuries incurred in connection with a terrorist incident occurring during the employee's service with an Armed Force.

''(b) RETROACTIVE PAYMENT IN CERTAIN CASES.—With respect to an employee who dies on or after October 7, 2001, as a result of wounds, injuries, or illnesses incurred in the performance of duty in the theater of operations of Operation Enduring Freedom or Operation Iraqi Freedom, subsection (a) also shall apply.

''(c) OTHER BENEFITS.—The death gratuity payable under this section is in addition to any death benefits otherwise provided for in law.

''(d) ELIGIBLE SURVIVORS.—

''(1) A death gratuity payable upon the death of a person covered by subsection (a) shall be paid to or for the living survivor highest on the following list:

''(A) The employee's surviving spouse.

''(B) The employee's children, as prescribed by paragraph (2), in equal shares.

''(C) If designated by the employee, any one or more of the following persons:

''(i) The employee's parents or persons in loco parentis, as prescribed by paragraph (3).

''(ii) The employee's brothers.

''(iii) The employee's sisters.

''(D) The employee's parents or persons in loco parentis, as prescribed by paragraph (3), in equal shares.

''(E) The employee's brothers and sisters in equal shares.

Subparagraphs (C) and (E) of this paragraph include brothers and sisters of the half blood and those through adoption.

''(2) Paragraph (1)(B) applies, without regard to age or marital status, to—

''(A) legitimate children;

''(B) adopted children;

''(C) stepchildren who were a part of the decedent's household at the time of death;

''(D) illegitimate children of a female decedent; and

''(E) illegitimate children of a male decedent—

''(i) who have been acknowledged in writing signed by the decedent;

''(ii) who have been judicially determined, before the decedent's death, to be his children;

''(iii) who have been otherwise proved, by evidence satisfactory to the employing agency, to be children of the decedent; or

''(iv) to whose support the decedent had been judicially ordered to contribute.

''(3) Subparagraphs (C) and (D) of paragraph (1), so far as they apply to parents and persons in loco parentis, include fathers and mothers through adoption, and persons who stood in loco parentis to the decedent for a period of not less than one year at any time before the decedent became an employee. However, only one father and one mother, or their counterparts in loco parentis, may be recognized in any case, and preference shall be given to those who exercised a parental relationship on the date, or most nearly before the date, on which the decedent became an employee.

''(4) If an eligible survivor dies before he receives the death gratuity, it shall be paid to the living survivor next in the order prescribed by paragraph (1).

''(e) DEFINITIONS.—The term 'contingency operation' has the meaning given to that term in section 1482a(c) of title 10, United States Code.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by inserting after the item relating to section 8102 the following new item:

''8102a. Death gratuity.''.

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

Subtitle A—Assistance and Training

Sec. 1201. Logistic support for allied forces participating in combined operations.
Sec. 1202. Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability.
Sec. 1203. Recodification and revision to law relating to Department of Defense humanitarian demining assistance.
Sec. 1204. Enhancements to Regional Defense Combating Terrorism Fellowship Program.
Sec. 1205. Capstone overseas field studies trips to People's Republic of China and Republic of China on Taiwan.
Sec. 1206. Military educational exchanges between senior officers and officials of the United States and Taiwan.

Subtitle B—Nonproliferation Matters and Countries of Concern

Sec. 1211. Procurement restrictions against foreign persons that transfer certain defense articles and services to the People's Republic of China.

Subtitle C—Other Matters

Sec. 1221. Execution of the President's policy to make available to Taiwan diesel electric submarines.

Subtitle A—Assistance and Training

SEC. 1201. LOGISTIC SUPPORT FOR ALLIED FORCES PARTICIPATING IN COMBINED OPERATIONS.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127b the following new section:

''§ 127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services

''(a) AUTHORITY.—Subject to subsections (b) and (c), the Secretary of Defense may provide logistic support, supplies, and services to allied forces participating in a combined operation with the armed forces. Provision of such support, supplies, and services to the forces of an allied nation may be made only with the concurrence of the Secretary of State.

''(b) LIMITATIONS.—The authority provided by subsection (a) may be used only—

''(1) in accordance with the Arms Export Control Act and other export control laws of the United States; and

''(2) for a combined operation—

''(A) that is carried out during active hostilities or as part of a contingency operation or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, a country stabilization operation, or a peacekeeping operation under chapter VI or VII of the Charter of the United Nations); and

''(B) in a case in which the Secretary of Defense determines that the allied forces to be provided logistic support, supplies, and services (i) are essential to the success of the combined operation, and (ii) would not be able to participate in the combined operation but for the provision of such logistic support, supplies, and services by the Secretary.

''(c) LIMITATION ON VALUE.—The value of logistic support, supplies, and services provided under this section in any fiscal year may not exceed $100,000,000.

''(d) DEFINITION.—In this section, the term 'logistic support, supplies, and services' has the meaning given that term in section 2350(1) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127b the following new item:

''127c. Allied forces participating in combined operations: authority to provide logistic support, supplies, and services.''.

SEC. 1202. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LEND CERTAIN MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2), (3), and (4), the Secretary of Defense may treat covered military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for the purpose of providing for the use of such equipment by military forces of a nation participating in combined operations with the United States in Iraq or Afghanistan.

(2) REQUIRED DETERMINATIONS.—Equipment may be provided to the military forces of a nation under the authority of this section only upon—

(A) a determination by the Secretary of Defense that the United States forces in the combined operation have no unfilled requirements for that equipment; and

(B) a determination by the Secretary of Defense, with the concurrence of the Secretary of State, that it is in the national security interest of the United States to provide for the use of such equipment by the military forces of that nation under this section.

(3) LIMITATION ON USE OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by those forces only in Iraq or Afghanistan and only for personnel protection or to aid in the personnel survivability of those forces.

(4) LIMITATION ON DURATION OF PROVISION OF EQUIPMENT.—Equipment provided to the military forces of a nation under the authority of this section may be used by the military forces of that nation for not longer than one year.

(b) SEMIANNUAL REPORTS TO CONGRESSIONAL COMMITTEES.—

(1) USE OF AUTHORITY DURING FIRST SIX MONTHS OF FISCAL YEAR.—If the authority provided in subsection (a) is exercised during the first six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following April 30.

(2) USE OF AUTHORITY DURING SECOND SIX MONTHS OF FISCAL YEAR.—If the authority provided in subsection (a) is exercised during the second six months of a fiscal year, the Secretary of Defense shall submit to the specified congressional committees a report on that exercise of such authority not later than the following October 30.

(3) CONTENT.—Each report under paragraph (1) or (2) shall include, with respect to each exercise of the authority provided in subsection (a) during the period covered by the report, the following:

(A) A description of the basis for the determination of the Secretary of Defense that it is in the national security interests of the United States to provide for the use of covered military equipment in the manner authorized in subsection (a).

(B) Identification of each foreign force that receives such equipment.

(C) A description of the type, quantity, and value of the equipment provided to each foreign force that receives such equipment.

(D) A description of the terms and duration of the provision of the equipment to each foreign force that receives such equipment.

(4) COORDINATION.—Each report under paragraph (1) or (2) shall be prepared in coordination with the Secretary of State.

(c) LIMITATIONS ON PROVISION OF MILITARY EQUIPMENT.—The provision of military equipment under this section is subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control process under laws relating to the transfer of military equipment and technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''covered military equipment'' means items designated as significant military equipment in categories I, II, III, and VII of the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(2) The term ''specified congressional committees'' means—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

(e) EXPIRATION.—The authority to provide military equipment to the military forces of a foreign nation under this section expires on September 30, 2008.

SEC. 1203. RECODIFICATION AND REVISION TO LAW RELATING TO DEPARTMENT OF DEFENSE HUMANITARIAN DEMINING ASSISTANCE.

(a) REPEAL.—Section 401 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (4);

(2) in subsection (b)—

(A) by striking ''(1)'' after ''(b)''; and

(B) by striking paragraph (2);

(3) in subsection (c), by striking paragraphs (2) and (3); and

(4) in subsection (e), by striking paragraph (5).

(b) RECODIFICATION AND REVISION.—

(1) IN GENERAL.—Chapter 20 of such title is amended by adding at the end the following new section:

''§ 407. Humanitarian demining assistance: authority; limitations

''(a) AUTHORITY.—(1) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department may carry out humanitarian demining assistance in conjunction with authorized military operations of the armed forces in a country if the Secretary concerned determines that the assistance will promote either—

''(A) the security interests of both the United States and the country in which the activities are to be carried out; or

''(B) the specific operational readiness skills of the members of the armed forces who participate in the activities.

''(2) Humanitarian demining assistance under this section shall complement, and may not duplicate, any other form of social or economic assistance which may be provided to the country concerned by any other department or agency of the United States.

''(3) The Secretary of Defense shall ensure that no member of the armed forces, while providing humanitarian demining assistance under this section—

''(A) engages in the physical detection, lifting, or destroying of landmines or other explosive remnants of war (unless the member does so for the concurrent purpose of supporting a United States military operation); or

''(B) provides such assistance as part of a military operation that does not involve the armed forces.

''(b) LIMITATIONS.—(1) Humanitarian demining assistance may not be provided under this section unless the Secretary of State specifically approves the provision of such assistance.

''(2) Any authority provided under any other provision of law to provide humanitarian demining assistance to a foreign country shall be carried out in accordance with, and subject to, the limitations prescribed in this section.

''(c) EXPENSES.—(1) Expenses incurred as a direct result of providing humanitarian demining assistance under this section to a foreign country shall be paid for out of funds specifically appropriated for the purpose of the provision by the Department of Defense of overseas humanitarian assistance.

''(2) Expenses covered by paragraph (1) include the following:

''(A) Travel, transportation, and subsistence expenses of Department of Defense personnel providing such assistance.

''(B) The cost of any equipment, services, or supplies acquired for the purpose of carrying out or supporting humanitarian demining activities, including any nonlethal, individual, or small-team equipment or supplies for clearing landmines or other explosive remnants of war that are to be transferred or otherwise furnished to a foreign country in furtherance of the provision of assistance under this section.

''(3) The cost of equipment, services, and supplies provided in any fiscal year under this section may not exceed $10,000,000.

''(d) ANNUAL REPORT.—The Secretary of Defense shall include in the annual report under section 401 of this title a separate discussion of activities carried out under this section during the preceding fiscal year, including—

''(1) a list of the countries in which humanitarian demining assistance was carried out during the preceding fiscal year; and

''(2) the amount expended in carrying out such assistance in each such country during the preceding fiscal year.

''(e) HUMANITARIAN DEMINING ASSISTANCE DEFINED.—In this section, the term 'humanitarian demining assistance' means detection and clearance of landmines and other explosive remnants of war, including activities related to the furnishing of education, training, and technical assistance with respect to the detection and clearance of landmines and other explosive remnants of war.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''407. Humanitarian demining assistance: authority; limitations.''.

SEC. 1204. ENHANCEMENTS TO REGIONAL DEFENSE COMBATING TERRORISM FELLOWSHIP PROGRAM.

(a) AUTHORIZED PURPOSES.—Subsection (a) of section 2249c of title 10, United States Code, is amended by striking ''associated with'' and all that follows and inserting: ''associated with the education and training of foreign military officers, ministry of defense officials, or security officials at military or civilian educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Combating Terrorism Fellowship Program. Costs for which payment may be made under this section include the costs of transportation and travel and subsistence costs.''.

(b) ANNUAL LIMITATION ON AMOUNT OBLIGATED.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(c) EXPENDITURES ACROSS FISCAL YEARS.—Such section is further amended by adding at the end the following new subsection:

''(d) OBLIGATION OF FUNDS ACROSS FISCAL YEARS.—Funds made available for a fiscal year may be obligated for the total cost of an education or training program conducted under subsection (a) that begins in that fiscal year, including a program that begins in that fiscal year and ends in the next fiscal year, so long as the duration of the program does not exceed one year.''.

(d) CLERICAL AMENDMENTS.—

(1) REFERENCE TO PROGRAM.—Subsection (c)(3) of such section is amended by striking ''Regional Defense Counterterrorism Fellowship Program'' and inserting ''program referred to in subsection (a)''

(2) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials''.

(3) TABLE OF SECTIONS.—The item relating to such section in the table of sections at the beginning of subchapter I of chapter 134 of such title is amended to read as follows

''2249c. Regional Defense Combating Terrorism Fellowship Program: authority to use appropriated funds for costs associated with education and training of foreign officials.''.

SEC. 1205. CAPSTONE OVERSEAS FIELD STUDIES TRIPS TO PEOPLE'S REPUBLIC OF CHINA AND REPUBLIC OF CHINA ON TAIWAN.

Section 2153 of title 10, United States Code, is amended by adding at the end of the following new subsection:

''(c) OVERSEAS FIELD STUDIES TO CHINA AND TAIWAN.—The Secretary of Defense shall direct the National Defense University to ensure that visits to China and Taiwan are an integral part of the field study programs conducted by the university as part of the military education course carried out pursuant to subsection (a) and that such field study programs include annually at least one class field study trip to the People's Republic of China and at least one class field study trip to the Republic of China on Taiwan.''.

SEC. 1206. MILITARY EDUCATIONAL EXCHANGES BETWEEN SENIOR OFFICERS AND OFFICIALS OF THE UNITED STATES AND TAIWAN.

(a) DEFENSE EXCHANGES.—The Secretary of Defense shall undertake a program of senior military officer and senior official exchanges with Taiwan designed to improve Taiwan's defenses against the People's Liberation Army of the People's Republic of China.

(b) EXCHANGES DESCRIBED.—For purposes of this section, the term ''exchange'' means an activity, exercise, event, or observation opportunity between Armed Forces personnel or Department of Defense officials of the United States and armed forces personnel and officials of Taiwan.

(c) FOCUS OF EXCHANGES.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall include exchanges focused on the following, especially as they relate to defending Taiwan against potential submarine attack and potential missile attack:

(1) Threat analysis

(2) Military doctrine

(3) Force planning

(4) Logistical support

(5) Intelligence collection and analysis

(6) Operational tactics, techniques, and procedures.

(d) CIVIL-MILITARY AFFAIRS.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall include activities and exercises focused on civil-military relations, including parliamentary relations.

(e) LOCATION OF EXCHANGES.—The senior military officer and senior official exchanges undertaken pursuant to subsection (a) shall be conducted in both the United States and Taiwan.

(f) DEFINITIONS.—For purposes of this section:

(1) The term ''senior military officer'' means a general or flag officer of the Armed Forces on active duty.

(2) The term ''senior official'' means a civilian official of the Department of Defense at the level of Deputy Assistant Secretary or above.

Subtitle B—Nonproliferation Matters and Countries of Concern

SEC. 1211. PROCUREMENT RESTRICTIONS AGAINST FOREIGN PERSONS THAT TRANSFER CERTAIN DEFENSE ARTICLES AND SERVICES TO THE PEOPLE'S REPUBLIC OF CHINA.

(a) DECLARATION OF POLICY.—Congress declares that it is the policy of the United States to deny the People's Republic of China such defense goods and defense technology that could be used to threaten the United States or undermine the security of Taiwan or the stability of the Western Pacific region.

(b) PROCUREMENT SANCTION.—(1) The Secretary of Defense may not procure, by contract or otherwise, any goods or services from—

(A) any foreign person the Secretary of Defense determines has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to governmental or nongovernmental entities of the People's Republic of China any item or class of items on the United States Munitions List (or any item or class of items that are identical, substantially identical, or directly competitive to an item or class of items on the United States Munitions List); or

(B) any foreign person the Secretary of Defense determines—

(i) is a successor entity to a person referred to in paragraph (1):

(ii) is a parent or subsidiary of a person referred to in paragraph (1); or

(iii) is an affiliate of a person referred to in paragraph (1) if that affiliate is controlled in fact by such person.

(2) The prohibition under paragraph (1) with respect to a foreign person shall last for a period of five years after a determination is made by the Secretary of Defense with respect to that person under paragraph (1)(A).

(c) PUBLIC AVAILABILITY OF LIST OF SANCTIONED PERSONS.—(1) The Secretary of Defense shall annually publish in the Federal Register a current list of any foreign persons sanctioned under subsection (b). The removal of foreign persons from, and the addition of foreign persons to, the list shall also be published.

(2) The Secretary shall maintain the list published under paragraph (1) on the internet website of the Department of Defense.

(c) REMOVAL FROM LIST OF SANCTIONED PERSONS.—The Secretary of Defense may remove a person from the list of sanctioned persons referred to in subsection (c) only after the five-year prohibition period imposed under subsection (b) with respect to the person has expired.

(d) EXCEPTIONS.—(1) Subsection (b) shall not apply

(A) to contracts, or subcontracts under such contracts, in existence on the date of the enactment of this Act, including options under such contracts;

(B) if the Secretary of Defense determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the goods or services being procured, that the goods or services are essential, and that alternative sources are not readily or reasonably available;

(C) in the case of a contract for routine servicing and maintenance, if the Secretary of Defense determines in writing alternative sources for performing the contract are not readily or reasonably available; or

(D) if the Secretary of Defense determines in writing that goods or services proposed to be procured under the contract are essential to the national security of the United States.

(2) Determinations under paragraph (1) shall be published in the Federal Register.

(f) DEFINITIONS.—In this section:

(1) The term ''foreign person'' has the meaning given the term in section 14 of the Iran and Libya Sanctions Act of 1996 (50 U.S.C. 1701 note).

(2) The term ''United States Munitions List'' means the list referred to in section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778 (a)(1)).

Subtitle C—Other Matters

SEC. 1221. EXECUTION OF THE PRESIDENT'S POLICY TO MAKE AVAILABLE TO TAIWAN DIESEL ELECTRIC SUBMARINES.

(a) FINDINGS.—Congress makes the following findings:

(1) It is the policy of the United States under the Taiwan Relations Act of 1979 to ''make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability''.

(2) In April 2001, the President of the United States approved for sale eight diesel electric submarines to the Republic of China on Taiwan.

(3) The buildup of attack submarines by the People's Republic of China threatens the stability in the Taiwan Strait and longstanding United States national security interests in the Western Pacific.

(4) Taiwan has a legitimate defense need for diesel electric submarines.

(5) The sale of diesel electric submarines to Taiwan supports stability in the Taiwan Strait and Western Pacific.

(6) The Legislative Yuan of the Republic of China on Taiwan should make every effort to support the President of Taiwan to fund the acquisition of diesel electric submarines from the United States.

(7) The sale of diesel electric submarines to Taiwan is beneficial to the health and wellbeing of the United States shipbuilding industrial base and, therefore, United States national security.

(b) POLICY OF THE UNITED STATES.—It shall be the policy of the United States to make available to Taiwan plans and options for design work and construction work on future diesel electric submarines under the United States foreign military sales process. The availability of such design work and construction work shall be made in a manner consistent with United States national disclosure policy and is subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control law of the United States.

(c) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the present and future efforts of the Department of the Navy to execute the policy of the President to sell diesel electric submarines to the Republic of China on Taiwan. The report shall include the following:

(1) Ongoing activities by the Navy International Programs Office, in consultation with the Defense Security and Cooperation Agency, to make the Government of Taiwan aware of available Foreign Military Sales options.

(2) Future activities planned by the Navy International Programs Office, in consultation with the Defense Security and Cooperation Agency, to make the Government of Taiwan aware of available Foreign Military Sales options to acquire diesel electric submarines from the United States.

(d) DEFINITIONS.—In this section:

(1) The term ''design work'' means the process by which a submarine is designed.

(2) The term ''construction work'' means the process by which a submarine is constructed.

(3) The term ''activities'' means all interactions between the Government of the United States and the Government of Taiwan.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1304. National Academy of Sciences study.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amount may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $76,985,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,486,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,357,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE-AND-WAIT REQUIRED.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) RESTRICTION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended—

(1) in subsection (b), by striking ''shall expire on December 31, 2006, and no waiver shall remain in effect after that date'' and inserting ''shall expire upon completion of the Chemical Weapons Destruction Facility currently under construction at Shchuch'ye in the Russian Federation, and no waiver shall remain in effect after that date''; and

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

''(c) REPORT.—Not later than 30 days after completion of the facility referred to in subsection (b), the Secretary of Defense shall submit to Congress a written notification that specifies the date of completion.''.

SEC. 1304. NATIONAL ACADEMY OF SCIENCES STUDY.

(a) STUDY REQUIRED.—The Secretary of Defense shall enter into an arrangement with the National Academy of Sciences under which the Academy shall carry out a study to analyze lessons learned, past and present challenges, and possible options in effectively managing and facilitating threat reduction and nonproliferation

projects under the Cooperative Threat Reduction program. The study shall cover all existing Cooperative Threat Reduction projects for securing or eliminating nuclear, chemical, and biological weapons and related systems in the states of the former Soviet Union.

(b) REPORT.—Not later than December 31, 2007, the Secretary shall submit to Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the study carried out under subsection (a). The report shall include a review and evaluation of each of the following matters:

(1) Project management.

(2) Interagency interaction concerning threat reduction and nonproliferation projects of other Federal departments or agencies.

(3) Public outreach and community involvement.

(4) Cooperation of Russia and of other states of the former Soviet Union (including site access, visa approval, and contractor support).

(5) Legal frameworks.

(6) Transparency.

(7) Adequacy of funding from the United States and any Cooperative Threat Reduction program partner.

(8) Interaction with threat reduction and nonproliferation projects of Global Partnership countries.

(c) FUNDING.—Of the amounts made available pursuant to the authorization of appropriations in section 301(19) for Cooperative Threat Reduction programs, not more than $2,000,000 shall be available only to carry out this section.

TITLE XIV—HOMELAND DEFENSE TECHNOLOGY TRANSFER

Sec. 1401. Short title.
Sec. 1402. Findings.
Sec. 1403. Creation of Homeland Defense Technology Transfer Consortium.

SEC. 1401. SHORT TITLE.

This title may be cited as the ''Homeland Defense Technology Transfer Act of 2006''.

SEC. 1402. FINDINGS.

Congress finds the following:

(1) The Federal Government funds billions of dollars for research each year that has the potential to meet the needs of Federal, State, and local first responders, yet examples of successful technology transitions are few and far between.

(2) Congress has made repeated efforts to authorize the Department of Defense to effectively transfer its technologies to Federal, State, and local first responders. However, while progress has been made in implementing these authorities, this process can be significantly improved.

(3) Although the Department of Defense Strategy for Homeland Defense and Civil Support calls for active participation in an interagency process that improves interoperability and compatibility with public safety technologies and initiatives, greater participation is needed to ensure that all technologies used by the Department of Defense in their homeland defense mission are interoperable and compatible with standards being developed for public safety technologies.

(4) Even when technologies with promise have been identified, additional research and development efforts are needed to adapt these technologies into readily available, affordable products. No program with a sense of urgency to quickly produce results exists to bridge this gap.

(5) Tragedies such as Hurricanes Katrina and Rita demonstrate the need for prompt, decisive action by Congress to solve a problem that has eluded attempts by the Department of Defense to solve.

(6) Legislation is needed to codify the process for effectively moving and adapting needed technologies from the Department of Defense to Federal, State, and local first responders so that the lives of the American public and emergency responders are protected to the maximum extent possible.

SEC. 1403. CREATION OF HOMELAND DEFENSE TECHNOLOGY TRANSFER CONSORTIUM.

(a) AUTHORIZATION OF CONSORTIUM.—In order to improve the speed and effectiveness of identifying, evaluating, deploying, and transferring to Federal, State, and local first responders technology items and equipment in support of homeland security as required by section 1401 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 50 U.S.C. 2312 note) and work towards interoperability and compatibility of inter-agency homeland defense and security technologies, it is urgent that the technology adaptation and transfer process be consistent within the Department of Defense. Towards that end, the Secretary of Defense is authorized to create a Homeland Defense Technology Transfer Consortium.

(b) COMPOSITION OF CONSORTIUM.—To contribute to the rapid development and adoption of new technologies needed to ensure the safety of the United States public and the welfare of emergency service providers, the Homeland Defense Technology Transfer Consortium shall be composed of—

(1) organizations and entities working with the Department of Defense;

(2) Federal, State, and local first responders; and

(3) other relevant Federal agencies with established expertise in identifying, assessing, testing, evaluating, and training emergency response and other public safety entities.

(c) AUTHORITIES OF CONSORTIUM.—

(1) PROCESS IMPROVEMENTS.—The Homeland Defense Technology Transfer Consortium shall systematize—

(A) the process for the identification, assessment, adaptation, and transition of defense technologies that have the potential to enhance public safety and improve homeland security, thereby assisting the Department of Defense in meeting its statutory obligation to identify, evaluate, deploy, and transfer to Federal, State, and local first responders technology items and equipment of homeland security; and

(B) the process of coordinating and acting as liaison on behalf of the Department of Defense with other Federal agencies as appropriate to collect and prioritize Federal, State, and local first responder technology requirements already gathered by those entities.

(2) FUNDING RECOMMENDATIONS.—The Consortium shall submit recommendations to the Secretary of Defense for funding for the development, adaptation, test and evaluation, or other needed activities for any technology identified under paragraph (1) with a high potential to benefit Federal, State, and local first responders.

(3) TECHNOLOGY INTEGRATION.—The Consortium may assist in the integration of new technologies into appropriate first responder training exercises to maximize their rapid adoption as well as disseminating best practices in the profession.

(4) INTEROPERABILITY AND COMPATIBILITY.—The Consortium, under the direction of the Secretary of Defense, shall act as liaison with relevant Federal agencies, as well as Federal, State, and local first responders where appropriate, to work towards ensuring that technologies used by the Department of Defense in its homeland defense mission are interoperable and compatible with standards being developed for technologies used by Federal, State, and local first responders.

(d) ANNUAL REPORT OF THE CONSORTIUM.—The Homeland Defense Technology Transfer Consortium shall submit to the President and Congress an annual report on its activities. Each report shall include, at a minimum—

(1) a listing of specific Department of Defense and related technologies it has identified that appear to meet needs of Federal, State, and local first responders;

(2) the results of any tests and evaluations conducted on particular technologies, except that no company proprietary information may be disclosed in the report;

(3) a listing of any recommendations the Consortium has made to the Department of Defense that developmental, adaptive, test and evaluation, or other funding be provided related to the development and deployment of technologies identified by the Consortium of particular interest for meeting the needs of emergency response providers;

(4) a listing of any technology development activities undertaken under the authorities of subsection (c);

(5) a listing of any technologies that have been subsequently used by Federal, State, and local first responders as a result of activities of the Consortium; and

(6) any recommendations determined appropriate by the Consortium on barriers to the prompt deployment of technologies needed by Federal, State, and local first responders.

(e) ANNUAL REPORT BY THE SECRETARY OF DEFENSE.—The Secretary of Defense shall submit to the President and Congress an annual report on activities the Department of Defense has taken to identify, test and evaluate, or develop technologies with application to Federal, State, and local first responders. Each report shall include, at a minimum, a description of the activities the Department of Defense has taken pursuant to recommendations of the Homeland Defense Technology Transfer Consortium, including activities to fund development or testing and evaluation of technologies created under programs of the Department.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,500,000 for the Department of Defense Office of Homeland Defense to fund the activities of the Homeland Defense Technology Transfer Consortium in each of fiscal years 2007 and 2008, for carrying out the duties of the Consortium under this section.

TITLE XV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

Sec. 1501. Purpose.
Sec. 1502. Army procurement.
Sec. 1503. Navy and Marine Corps procurement.
Sec. 1504. Air Force procurement.
Sec. 1505. Defense-wide activities procurement.
Sec. 1506. Research, development, test and evaluation.
Sec. 1507. Operation and maintenance.
Sec. 1508. Defense Health Program.
Sec. 1509. Classified programs.
Sec. 1510. Military personnel.
Sec. 1511. Treatment as additional authorizations.
Sec. 1512. Transfer authority.
Sec. 1513. Availability of funds.

SEC. 1501. PURPOSE.

The purpose of this title is to authorize estimated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1502. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft procurement, $232,400,000.

(2) For ammunition procurement, $328,341,000.

(3) For weapons and tracked combat vehicles procurement, $1,029,672,000.

(4) For other procurement, $2,183,430,000.

SEC. 1503. NAVY AND MARINE CORPS PROCUREMENT.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Navy in amounts as follows:

(1) For weapons procurement, $131,400,000.

(2) For other procurement, $44,700,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for

the procurement account for the Marine Corps in the amount of $636,125,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for ammunition for the Navy and the Marine Corps in the amount of $143,150,000.

SEC. 1504. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts for the Air Force in amounts as follows:

(1) For aircraft procurement, $201,550,000.

(2) For missile procurement, $32,650,000.

(3) For other procurement, $62,650,000.

SEC. 1505. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for Defense-wide in the amount of $140,200,000.

SEC. 1506. RESEARCH, DEVELOPMENT, TEST AND EVALUATION.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Department of Defense for research, development, test and evaluation as follows:

(1) For the Army, $25,500,000.

(2) For Defense-wide activities, $5,000,000.

(3) For the Air Force, $7,000,000.

SEC. 1507. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $22,396,986,000.

(2) For the Navy, $1,834,560,000.

(3) For the Marine Corps, $1,485,920,000.

(4) For the Air Force, $2,822,998,000.

(5) For Defense-wide activities, $3,377,402,000.

(6) For the Army National Guard, $50,000,000.

(7) For the Air National Guard, $15,400,000.

SEC. 1508. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, the Defense Health Program, in the amount of $950,200,000 for operation and maintenance.

SEC. 1509. CLASSIFIED PROGRAMS.

Funds are hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for Classified Programs, in the amount of $2,500,000,000.

SEC. 1510. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel accounts for fiscal year 2007 a total of $9,362,766,000.

SEC. 1511. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1512. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $3,000,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1513. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Joel Hefley Military Construction Authorization Act for Fiscal Year 2007''.

TITLE I—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.

Sec. 2102. Family housing.

Sec. 2103. Improvements to military family housing units.

Sec. 2104. Authorization of appropriations, Army.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$4,300,000
Alaska	Fort Richardson	$70,656,000
California	Fort Irwin	$18,200,000
Colorado	Fort Carson	$30,800,000
Georgia	Fort Gillem	$15,000,000
	Fort Stewart/Hunter Army Air Field	$95,300,000
Hawaii	Schofield Barracks	$54,500,000
Kansas	Fort Leavenworth	$23,200,000
	Fort Riley	$37,200,000
Kentucky	Blue Grass Army Depot	$3,500,000
	Fort Campbell	$123,500,000
Louisiana	Fort Polk	$6,100,000
Maryland	Fort Detrick	$12,400,000
Missouri	Fort Leonard Wood	$27,600,000
New Jersey	Picatinny Arsenal	$9,900,000
New York	Fort Drum	$218,600,000
North Carolina	Fort Bragg	$89,000,000
	Sunny Point Military Ocean Terminal	$46,000,000
Oklahoma	McAlester Army Ammunition Plant	$3,050,000
Texas	Corpus Christi Army Depot	$12,200,000
	Fort Bliss	$8,200,000
	Fort Hood	$93,000,000
Utah	Dugway Proving Ground	$14,400,000
Virginia	Fort Lee	$4,150,000
Washington	Fort Lewis	$502,600,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	$157,632,000
	Vilseck	$19,000,000
Italy	Vicenza	$223,000,000
Japan	Camp Hansen	$7,150,000
Korea	Camp Humphreys	$77,000,000

Army: Outside the United States—*Continued*

Country	Installation or Location	Amount
	Yongpyong	$7,400,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Army: Unspecified Worldwide

Location	Installation or Location	Amount
	Unspecified Worldwide	$34,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, in the number of units, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Units	Amount
Alaska	Fort Richardson	162	$70,000,000
	Fort Wainwright	234	$132,000,000
Arizona	Fort Huachuca	119	$32,000,000
Arkansas	Pine Bluff Arsensal	10	$2,900,000
Wisconsin	Fort McCoy	13	$4,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(6)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $320,659,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,389,046,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,217,356,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $491,182,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $34,800,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,930,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $220,830,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $578,791,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $674,657,000.

(7) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(8) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(9) For the construction of increment 2 of a barracks complex for the 3nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(10) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(11) For the construction of increment 2 of a defense access road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

TITLE II—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2004 and 2005 projects.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$5,966,000
California	Marine Corps Air Station, Camp Pendleton	$6,412,000
	Marine Corps Air Station, Miramar	$2,968,000
	Marine Corps Base, Camp Pendleton	$106,142,000
	Marine Corps Base, Twentynine Palms	$27,217,000
	Naval Air Station, North Island	$21,535,000
	Naval Support Activity, Monterey	$7,380,000
Connecticut	Naval Submarine Base, New London	$9,580,000
Florida	Naval Air Station, Pensacola	$13,486,000
Georgia	Marine Corps Logistics Base, Albany	$70,540,000
	Naval Submarine Base, Kings Bay	$20,282,000
Hawaii	Naval Base, Pearl Harbor	$48,338,000
	Naval Magazine, Pearl Harbor	$6,010,000
Indiana	Naval Support Activity, Crane	$6,730,000
Maryland	Naval Air Station, Patuxent River	$16,316,000
	National Maritime Intelligence Center, Suitland	$67,939,000

***Navy: Inside the United States**—Continued*

State	Installation or Location	Amount
North Carolina	Marine Corps Air Station, Cherry Point	$2,790,000
	Marine Corps Air Station, New River	$21,500,000
	Marine Corps Base, Camp Lejeune	$160,904,000
South Carolina	Marine Corps Air Station, Beaufort	$25,575,000
Virginia	Marine Corps Base, Quantico	$30,628,000
	Naval Shipyard, Norfolk	$34,952,000
	Naval Station, Norfolk	$12,062,000
	Naval Support Activity, Norfolk	$41,712,000
Washington	Naval Base, Kitsap	$17,617,000
	Naval Air Station, Whidbey Island	$67,303,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	$37,473,000
Italy	Naval Air Station, Sigonella	$13,051,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Project	Amount
	Helicopter Support Facility	$12,185,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, in the number of units, and in the amounts set forth in the following table:

Navy: Family Housing

Location	Installation	Units	Amount
California	Marine Corps Log. Base, Barstow	74	$27,851,000
Guam	Naval Station, Guam	176	$98,174,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $2,785,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $180,146,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,037,953,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $764,572,000,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $72,857,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $308,956,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $509,126,000.

(7) For the construction of increment 2 of a reclamation and conveyance project for Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $33,290,000.

(8) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of a field house at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $21,685,000.

(11) For the construction of increment 2 of the replacement of Ship Repair Pier 3 at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(12) For the construction of increment 2 of an addition to Hockmuth Hall, Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $10,159,000.

(13) For the construction of increment 2 of wharf upgrades at Naval Station Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(14) For the construction of increment 2 of wharf upgrades at Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(15) For the construction of increment 2 of bachelor quarters at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $20,917,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of this Act, $14,274,000.

(17) For the construction of the next increment of the outlaying landing field facilities at

Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205(a) of this Act, $7,926,000.

(18) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of an addition to the National Maritime Intelligence Center, Suitland, Maryland).

(3) $31,153,000 (the balance of the amount authorized under section 2201(a) to recapitalize Hangar 5 at Naval Air Station, Whidbey Island, Washington).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2004 AND 2005 PROJECTS.

(a) FISCAL YEAR 2004 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3492), is amended—

(A) at the end of the items relating to North Carolina, by inserting a new item entitled ''Navy Outlying Landing Field, Washington County'' in the amount of ''$193,260,000'';

(B) by striking the item relating to Various Locations, CONUS; and

(C) by striking the amount identified as the total in the amount column and inserting ''$1,489,424,000''.

(2) CONFORMING AMENDMENTS.—Section 2204(b)(6) of that Act (117 Stat. 1706) is amended—

(A) by striking ''$28,750,000'' and inserting ''$165,650,000''; and

(B) by striking ''outlying landing field facilities, various locations in the continental United States'' and inserting ''an outlying landing field in Washington County, North Carolina''.

(b) FISCAL YEAR 2005 INSIDE THE UNITED STATES PROJECT.—

(1) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2105), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) by striking the item relating to Navy Outlying Landing Field, Washington County, North Carolina; and

(B) by striking the amount identified as the total in the amount column and inserting ''$825,479,000''.

(2) CONFORMING AMENDMENTS.—Section 2204 of that Act (118 Stat. 2107), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3493), is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''$752,927,000'' and inserting ''722,927,000''; and

(ii) by adding at the end the following new paragraph:

''(10) For the construction of increment 2 of the Navy outlying landing field in Washington County, North Carolina, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), as amended by section 2205(a) of the Military Construction Authorization Act for Fiscal Year 2007, $30,000,000.''; and

(B) in subsection (b), by striking paragraph (3).

TITLE III—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	$38,300,000
	Elmendorf Air Force Base	$56,100,000
Arizona	Davis-Monthan Air Force Base	$11,800,000
Arkansas	Little Rock Air Force Base	$9,800,000
California	Beale Air Force Base	$28,000,000
	Travis Air Force Base	$73,900,000
Colorado	Buckley Air Force Base	$10,700,000
	Peterson Air Force Base	$4,900,000
	Schriever Air Force Base	$21,000,000
Delaware	Dover Air Force Base	$26,400,000
Florida	Eglin Air Force Base	$30,350,000
	Hurlburt Field	$32,950,000
	MacDill Air Force Base	$71,000,000
	Tyndall Air Force Base	$8,200,000
Georgia	Robins Air Force Base	$45,600,000
Hawaii	Hickam Air Force Base	$28,538,000
Illinois	Scott Air Force Base	$20,000,000
Kansas	McConnell Air Force Base	$3,875,000
Kentucky	Fort Knox	$3,500,000
Montana	Malmstrom Air Force Base	$5,700,000
Nevada	Indian Springs Auxiliary Field	$49,923,000
New Jersey	McGuire Air Force Base	$28,500,000
Oklahoma	Altus Air Force Base	$1,500,000
	Tinker Air Force Base	$5,700,000
South Carolina	Shaw Air Force Base	$31,500,000
South Dakota	Ellsworth Air Force Base	$3,000,000
Texas	Fort Bliss	$8,500,000
	Lackland Air Force Base	$13,200,000
	Laughlin Air Force Base	$12,600,000
	Sheppard Air Force Base	$7,000,000
Utah	Hill Air Force Base	$53,400,000
Virginia	Langley Air Force Base	$57,700,000
Washington	Fairchild Air Force Base	$4,250,000
Wyoming	Francis E. Warren Air Force Base	$11,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	$53,150,000
Guam	Andersen Air Base	$80,800,000
Korea	Kunsan Air Base	$46,700,000
	Osan Air Base	$2,156,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
	Unspecified Worldwide	$35,677,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, in the number of units, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or Location	Units	Amount
Alaska	Eielson Air Force Base	129	$87,414,000
Idaho	Mountain Home Air Force Base	457	$107,800,000
Missouri	Whiteman Air Force Base	116	$39,270,000
Montana	Malmstrom Air Force Base	493	$140,252,000
North Carolina	Seymour Johnson Air Force Base	56	$22,956,000
North Dakota	Minot Air Force Base	575	$171,188,000
Texas	Dyess Air Force Base	199	$49,215,000
Germany	Ramstein Air Base	101	$59,488,000
	Spangdahlem Air Base	60	$39,294,000
United Kingdom	Royal Air Force Lakenheath	74	$35,282,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $13,202,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $403,777,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,157,882,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $818,386,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $182,806,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $35,677,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $97,504,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,169,138,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C–17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

TITLE IV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

Sec. 2402. Family housing.

Sec. 2403. Energy conservation projects.

Sec. 2404. Authorized base closure and realignment activities funded through Department of Defense Base Closure Account 2005.

Sec. 2405. Authorization of appropriations, Defense Agencies.

Sec. 2406. Modification of authority to carry out certain fiscal year 2006 projects.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,715,000
California	Beale Air Force Base	$9,000,000
Pennsylvania	Defense Distribution Depot, New Cumberland	$8,900,000
Viginia	Fort Belvoir	$5,500,000
Washington	Naval Air Station, Whidbey Island	$26,000,000

National Security Agency

State	Installation or Location	Amount
Maryland	Fort Meade	$4,517,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	$24,400,000
Colorado	Fort Carson	$26,100,000
Florida	Hurlburt Field	$14,482,000
	MacDill Air Force Base	$27,300,000
Kentucky	Fort Campbell	$24,500,000
Mississippi	Stennis Space Center	$10,200,000
North Carolina	Fort Bragg	$67,044,000
	Marine Corps Base, Camp Lejeune	$51,600,000
Virginia	Naval Air Base, Little Creek	$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	$37,200,000
California	Fort Irwin	$6,050,000
Florida	MacDill Air Force Base	$92,000,000
	Naval Hospital, Jacksonville	$16,000,000
Hawaii	Naval Base, Pearl Harbor	$7,700,000
Illinois	Naval Hospital, Great Lakes	$20,000,000
Maryland	Fort Detrick	$550,000,000
New York	Fort Drum	$9,700,000
Texas	Fort Hood	$18,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Vicenza	$47,210,000
Korea	Osan Air Base	$4,589,000
Spain	Naval Station, Rota	$23,048,000

Defense Logistics Agency

Country or Possession	Installation or Location	Amount
Japan	Okinawa	$5,000,000
Wake Island		$2,600,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid AB	$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	$52,000,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9)(A), the Secretary of Defense may construct or acquire family housing units (including land acquisition and supporting facilities) at the location, in the number of units, and in the amount set forth in the following table:

Defense Logistics Agency: Family Housing

State	Location	Units	Amount
Virginia	Richmond International Airport	25	$7,840,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(9)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $200,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $55,000,000.

SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

(a) AUTHORIZED ACTIVITIES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $5,902,723,000.

(b) CONFORMING AMENDMENTS TO FISCAL YEAR 2006 AUTHORIZATIONS.—

(1) AUTHORIZED ACTIVITIES.—Title XXIV of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3496) is amended by adding at the end the following new section:

''SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGNMENT ACTIVITIES FUNDED THROUGH DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005.

''Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(7), the Secretary of Defense may carry out base closure and realignment activities, including real property acquisition and military construction projects, as authorized by the Defense Base Closure and Realignment Act of 1990

(part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, in the amount of $2,035,466,000.''.

(2) AUTHORIZATION OF APPROPRIATIONS AND LIMITATIONS.—Section 2403 of that Act (119 Stat. 3499) is amended—

(A) in subsection (a)(7)—

(i) by striking ''as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)'' and inserting ''authorized by section 2404 of this Act''; and

(ii) by striking ''section 2906 of such Act'' and inserting ''section 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)'';

(B) by redesignating subsection (c) as subsection (d); and

(C) by inserting after subsection (b) the following new subsection (c):

''(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404 of this Act may not exceed the sum of the following:

''(1) The total amount authorized to be appropriated under subsection (a)(7).

''(2) $531,000,000 (the balance of the amount authorized under section 2404 for base closure and realignment activities).''.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $7,160,356,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $537,616,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $163,197,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,950,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $55,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities authorized by section 2404 of this Act and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $5,236,223,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000

(10) For the construction of increment 2 of the regional security operations center at Augusta, Georgia, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2406 of this Act, $87,118,000.

(11) For the construction of increment 2 of the regional security operations center at Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $47,016,000.

(12) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(13) For the construction of increment 2 of an operations building, Royal Air Force Menwith Hill Station, United Kingdom, authorized by section 2401(b) of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2406 of this Act, $46,386,000.

(14) For the construction of the second increment of certain base closure and realignment activities authorized by section 2404 of the Military Construction Authorization Act of Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3500), as added by section 2404(b) of this Act, $390,000,000.

(15) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $89,157,000.

(16) For the construction of increment 8 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $41,836,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $46,400,000 (the balance of the amount authorized under section 2401(a) for construction of a health clinic at MacDill Air Force Base, Florida).

(3) $521,000,000 (the balance of the amount authorized under section 2401(a) for stage 1 of the replacement of the Army Medical Research Institute of Infectious Diseases at Fort Detrick, Maryland).

(c) LIMITATION ON TOTAL COST OF BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all base closure and realignment activities, including real property acquisition and military construction projects, carried out under section 2404(a) of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under subsection (a)(8).

(2) $666,500,000 (the balance of the amount authorized under section 2404(a) for base closure and realignment activities).

(d) NOTICE AND WAIT REQUIREMENT APPLICABLE TO OBLIGATION OF FUNDS FOR BASE CLOSURE AND REALIGNMENT ACTIVITIES.—Funds appropriated pursuant to the authorization of appropriations in subsection (a)(8) may not be obligated until—

(1) a period of 21 days has expired following the date on which the Secretary of Defense submits to the congressional defense committees a report describing the specific programs, projects, and activities for which the funds are to be obligated; or

(2) if over sooner, a period of 14 days has expired following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of title 10, United States Code.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES NATIONAL SECURITY AGENCY PROJECTS.—The table relating to the National Security Agency in subsection (a) of section 2401 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) is amended—

(1) in the item relating to Augusta, Georgia, by striking ''$61,466,000'' in the amount column and inserting ''$340,836,000''; and

(2) in the item relating to Kunia, Hawaii, by striking ''$305,000,000'' in the amount column and inserting ''$350,490,000''.

(b) MODIFICATION OF OUTSIDE THE UNITED STATES NATIONAL SECURITY AGENCY PROJECT.—The table relating to the National Security Agency in subsection (b) of such section (119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking ''$86,354,000'' in the amount column and inserting ''$87,752,000''.

(c) CONFORMING AMENDMENTS.—Section 2403(b) of that Act (119 Stat. 3500) is amended—

(1) in paragraph (2), by striking ''$12,500,000'' and inserting ''$291,870,000'';

(2) in paragraph (3), by striking ''$256,034,000'' and inserting ''$301,524,000''; and

(3) in paragraph (5), by striking ''$44,657,000'' and inserting ''$46,055,000''.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $200,985,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $518,403,000; and

(B) for the Army Reserve, $169,487,000.

(2) For the Department of the Navy, for the Navy Reserve and Marine Corps Reserve, $55,158,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $212,788,000; and

(B) for the Air Force Reserve, $56,836,000.

TITLE VII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.

Sec. 2702. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of this Act.

TITLE VIII—MILITARY CONSTRUCTION GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Increase in maximum annual amount authorized to be obligated for emergency military construction.

Sec. 2802. Applicability of local comparability of room pattern and floor area requirements to construction, acquisition, and improvement to military unaccompanied housing.

Sec. 2803. Authority to use proceeds from sale of military family housing to support military housing privatization initiative.

Sec. 2804. Repeal of special requirement for military construction contracts on Guam.

Sec. 2805. Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts.

Sec. 2806. Expansion of authority to convey property at military installations to support military construction.

Sec. 2807. Pilot projects for acquisition or construction of military unaccompanied housing.

Sec. 2808. Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet.

Sec. 2809. Repeal of temporary minor military construction program.

Sec. 2810. One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.

Subtitle B—Real Property and Facilities Administration

Sec. 2821. Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way.

Sec. 2822. Authority to grant restrictive easements in connection with land conveyances.

Sec. 2823. Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing.

Sec. 2824. Consolidation of laws relating to transfer of Department of Defense real property within the department and to other Federal agencies.

Sec. 2825. Congressional notice requirements in advance of acquisition of land by condemnation for military purposes.

Subtitle C—Base Closure and Realignment

Sec. 2831. Treatment of lease proceeds from military installations approved for closure or realignment after January 1, 2005.

Subtitle D—Land Conveyances

Sec. 2841. Land conveyance, Naval Air Station, Barbers Point, Hawaii.

Sec. 2842. Modification of land acquisition authority, Perquimans County, North Carolina.

Sec. 2843. Land conveyance, Radford Army Ammunition Plant, Pulaski County, Virginia.

Subtitle E—Other Matters

Sec. 2851. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.

Sec. 2852. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.

Sec. 2853. Naming housing facility at Fort Carson, Colorado, in honor of Joel Hefley, a member of the House of Representatives.

Sec. 2854. Naming Navy and Marine Corps Reserve Center at Rock Island, Illinois, in honor of Lane Evans, a member of the House of Representatives.

Sec. 2855. Naming of research laboratory at Air Force Rome Research Site, Rome, New York, in honor of Sherwood L. Boehlert, a member of the House of Representatives.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN MAXIMUM ANNUAL AMOUNT AUTHORIZED TO BE OBLIGATED FOR EMERGENCY MILITARY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking ''$45,000,000'' and inserting ''$60,000,000''.

SEC. 2802. APPLICABILITY OF LOCAL COMPARABILITY OF ROOM PATTERN AND FLOOR AREA REQUIREMENTS TO CONSTRUCTION, ACQUISITION, AND IMPROVEMENT TO MILITARY UNACCOMPANIED HOUSING.

(a) APPLICATION TO MILITARY UNACCOMPANIED HOUSING.—Section 2826 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''or military unaccompanied housing'' after ''military family housing'' the first place it appears; and

(B) by striking ''military family housing'' the second place it appears and inserting ''such housing''; and

(2) in subsection (b)—

(A) by striking ''REQUESTS FOR AUTHORITY FOR MILITARY FAMILY HOUSING'' and inserting ''INFORMATION ON NET FLOOR AREAS OF PROPOSED UNITS'';

(B) in paragraph (1)—

(i) by inserting ''or military unaccompanied housing'' after ''military family housing'' the first place it appears; and

(ii) by striking ''military family housing'' the second place it appears and inserting ''such housing''; and

(C) in paragraph (2), by striking ''military family housing unit'' and inserting ''unit of military family housing or military unaccompanied housing''.

(b) WAIVER AUTHORITY.—Such section is further amended by adding at the end the following new subsection:

''(c) WAIVER AUTHORITY.—The Secretary concerned may waive the requirements of subsection (a) in the case of the construction, acquisition, or improvement of military unaccompanied housing on a case-by-case basis. The Secretary shall include the reasons for the waiver in the request submitted to Congress for authority to carry out the construction, acquisition, or improvement project.''.

(c) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 2826. Local comparability of room patterns and floor areas''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter II of chapter 169 of such title is amended by striking the item relating to section 2826 and inserting the following new item:

''2826. Local comparability of room patterns and floor areas.''.

(d) REPEAL OF SUPERSEDED PROVISION.—

(1) REPEAL.—Section 2856 of such title is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2856.

(e) CONFORMING AMENDMENTS REGARDING ALTERNATIVE ACQUISITION AND IMPROVEMENT AUTHORITY.—Section 2880(b) of such title is amended—

(1) by striking ''(1)'';

(2) by inserting ''or military unaccompanied housing'' after ''military family housing''; and

(3) by striking paragraph (2).

SEC. 2803. AUTHORITY TO USE PROCEEDS FROM SALE OF MILITARY FAMILY HOUSING TO SUPPORT MILITARY HOUSING PRIVATIZATION INITIATIVE.

(a) TRANSFER FLEXIBILITY.—Section 2831 of title 10, United States Code, is amended—

(1) in subsection (b), by striking ''There'' and inserting ''Except as provided in subsection (e), there'';

(2) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(3) by inserting after subsection (d) the following new subsection (e):

''(e) AUTHORITY TO TRANSFER CERTAIN PROCEEDS TO SUPPORT MILITARY HOUSING PRIVATIZATION INITIATIVE.—(1) The Secretary concerned may transfer family housing proceeds referred to in subsection (b)(3) to the Department

of Defense Family Housing Improvement Fund established under section 2883(a)(1) of this title.

''(2) A transfer of proceeds under paragraph (1) may be made only after the end of the 30-day period beginning on the date the Secretary concerned submits written notice of, and justification for, the transfer to the appropriate committees of Congress or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title.''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''ESTABLISHMENT.—'' after ''(a)'';

(2) in subsection (b), by inserting ''CREDITS TO ACCOUNT.—'' after ''(b)'';

(3) in subsection (c), by inserting ''AVAILABILITY OF AMOUNTS IN ACCOUNT.—'' after ''(c)''; and

(4) in subsection (d), by inserting ''USE OF ACCOUNT.—'' after ''(d)''.

(c) CONFORMING AMENDMENT.—Section 2883(c)(1) of such title is amended by adding at the end the following new subparagraph:

''(G) Proceeds of the handling and the disposal of family housing of a military department that the Secretary concerned transfers to that Fund pursuant to section 2831(e) of this title.''.

SEC. 2804. REPEAL OF SPECIAL REQUIREMENT FOR MILITARY CONSTRUCTION CONTRACTS ON GUAM.

(a) REPEAL.—Section 2864 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2864.

SEC. 2805. CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR DEPARTMENT OF DEFENSE ENERGY SAVINGS PERFORMANCE CONTRACTS.

Section 2865 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(g) CONGRESSIONAL NOTIFICATION OF CANCELLATION CEILING FOR ENERGY SAVINGS PERFORMANCE CONTRACTS.—When a decision is made to award an energy savings performance contract that contains a clause setting forth a cancellation ceiling in excess of $7,000,000, the Secretary of Defense shall submit to the appropriate committees of Congress written notification of the proposed contract and of the proposed cancellation ceiling for the contract. The notification shall include the justification for the proposed cancellation ceiling. The contract may then be awarded only after the end of the 30-day period beginning on the date the notification is received by such committees or, if earlier, the end of the 15-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.''.

SEC. 2806. EXPANSION OF AUTHORITY TO CONVEY PROPERTY AT MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) INCLUSION OF ALL MILITARY INSTALLATIONS.—Subsection (a) of section 2869 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' before ''The Secretary concerned'';

(3) by striking ''located on a military installation that is closed or realigned under a base closure law'' and inserting ''described in paragraph (2)''; and

(4) by adding at the end the following new paragraph:

''(2) Paragraph (1) applies with respect to real property under the jurisdiction of the Secretary concerned that—

''(A) is located on a military installation that is closed or realigned under a base closure law; or

''(B) is determined to be excess to the needs of the Department of Defense.''.

(b) USE OF AUTHORITY TO SUPPORT AGREEMENTS TO LIMIT ENCROACHMENTS.—Subparagraph (A) of paragraph (1) of subsection (a) of such section, as redesignated and amended by subsection (a), is further amended by striking ''land acquisition'' and inserting ''land acquisition, including a land acquisition under an agreement entered into under section 2684a of this title to limit encroachments and other constraints on military training, testing, and operations''.

(c) ADVANCE NOTICE OF USE OF AUTHORITY; CONTENT OF NOTICE.—Subsection (d) of such section is amended—

(1) in paragraph (1), by striking ''closed or realigned under the base closure laws is to be conveyed'' and inserting ''is proposed for conveyance'';

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

''(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

''(A) the Secretary submits to Congress notice of the conveyance, including—

''(i) a description of the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

''(ii) the amount of any payment to be made under subsection (b) or under section 2684a(d) of this title to equalize the fair market values of the property to be conveyed and the military construction project, land acquisition, military family housing, or military unaccompanied housing to be carried out under the agreement in exchange for the conveyance of the property; and

''(B) a period of 21 days has elapsed from the date of receipt of the notice or, if over sooner, a period of 14 days has elapsed from the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title.''.

(d) DEPOSIT AND USE OF FUNDS.—Subsection (e) of such section is amended to read as follows:

''(e) DEPOSIT AND USE OF FUNDS.—(1) The Secretary concerned shall deposit funds received under subsection (b) in the appropriation 'Foreign Currency Fluctuations, Construction, Defense'.

''(2) The funds deposited under paragraph (1) shall be available, in such amounts as provided in appropriation Acts, for the purpose of paying increased costs of overseas military construction and family housing construction or improvement associated with unfavorable fluctuations in currency exchange rates. The use of such funds for this purpose does not relieve the Secretary concerned from the duty to provide advance notice to Congress under section 2853(c) of this title whenever the Secretary approves an increase in the cost of an overseas project under such section.''.

(e) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—Subsection (f) of such section is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) in subparagraph (C), as so redesignated, by inserting before the period at the end the following: ''and of excess real property at military installations'';

(3) by striking ''(f)'' and all that follows through ''the following:'' and inserting the following:

''(f) ANNUAL REPORTS; EFFECT OF FAILURE TO SUBMIT.—(1) Not later than March 15 of each year, the Secretary of Defense shall submit to Congress a report detailing the following:''; and

(4) by adding at the end the following new paragraph:

''(2) If the report for a year is not submitted to Congress by the date specified in paragraph (1), the Secretary concerned may not enter into an agreement under subsection (a) after that date for the conveyance of real property until the date on which the report is finally submitted.''.

(f) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended to read as follows:

''§ 2869. Conveyance of property at military installations to support military construction or limit encroachment''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869 and inserting the following new item:

''2869. Conveyance of property at military installations to support military construction or limit encroachment.''.

(g) CONFORMING AMENDMENTS TO DEPARTMENT OF DEFENSE HOUSING FUNDS.—Section 2883(c) of such title is amended—

(1) in paragraph (1), by striking subparagraph (F); and

(2) in paragraph (2), by striking subparagraph (F).

(h) CONFORMING AMENDMENTS TO AUTHORITY TO LIMIT ENCROACHMENTS.—Subsection (d)(3) of section 2684a of such title is amended—

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(2) in subparagraph (C), as so redesignated, by striking ''in the sharing of acquisition costs of real property, or an interest in real property, under paragraph (1)(B)'' and inserting ''under subparagraph (A), either through the contribution of funds or excess real property, or both,''; and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) In lieu of or in addition to making a monetary contribution toward the cost of acquiring a parcel of real property, or an interest therein, pursuant to an agreement under this section, the Secretary concerned may convey, using the authority provided by section 2869 of this title, real property described in subsection (a)(2) of such section.''.

SEC. 2807. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) EXTENSION OF AUTHORITY TO CARRY OUT PILOT PROJECTS.—Subsection (f) of section 2881a of title 10, United States Code, is amended by striking ''2007'' and inserting ''2011''.

(b) AUTHORIZED PROJECTS.—Subsection (a) of such section is amended by striking ''three pilot projects'' and inserting ''six pilot projects''.

(c) NOTIFICATION OF FUNDING TRANSFERS.—Subsection (d)(2) of such section is amended by striking ''90 days prior notification'' and inserting ''45 days prior notification, or 30 days if the notification is provided in an electronic medium pursuant to section 480 of this title,''.

(d) REPORT SUBMISSION.—Subsection (e)(2) of such section is amended by striking the second sentence and inserting the following new sentence: ''The Secretary may then issue the contract solicitation or offer the conveyance or lease after the end of the 45-day period beginning on the date the report is received by the appropriate committees of Congress or, if earlier, the end of the 30-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.''.

SEC. 2808. CONSIDERATION OF ALTERNATIVE AND MORE EFFICIENT USES FOR GENERAL OFFICER AND FLAG OFFICER QUARTERS IN EXCESS OF 6,000 SQUARE FEET.

(a) REPORTING REQUIREMENTS.—Paragraph (1) of subsection (f) of section 2831 of title 10, United States Code, as redesignated by section 2803(a)(2), is amended—

(1) in subparagraph (A), by striking ''and'' at the end of the subparagraph;

(2) in subparagraph (B)—

(A) by striking ''so identified'' and inserting ''identified under subparagraph (A)''; and

(B) by striking the period at the end of the subparagraph and inserting a semicolon; and

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

''(C) identifying each family housing unit in excess of 6,000 square feet used, or intended for use, as quarters for a general officer or flag officer;

''(D) for each family housing unit identified under subparagraph (C), specifying any alternative and more efficient use to which the unit could be converted (which would include any costs necessary to convert the unit) and containing an explanation of the reasons why the unit is not being converted to the alternative use; and

''(E) for each family housing unit identified under subparagraph (C) for which costs under subparagraph (A) or new construction costs are anticipated to exceed $100,000 in the next fiscal year, specifying any alternative use to which the unit could be converted (which would include any costs necessary to convert the unit) and an estimate of the costs to demolish and rebuild the unit to private sector standards.''.

(b) CONFORMING AMENDMENT.—The heading of such subsection is amended by striking ''COST OF''.

SEC. 2809. REPEAL OF TEMPORARY MINOR MILITARY CONSTRUCTION PROGRAM.

Section 2810 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3509) is repealed.

SEC. 2810. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended by striking ''and 2006'' and inserting ''through 2007''.

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONSOLIDATION OF DEPARTMENT OF DEFENSE AUTHORITIES REGARDING GRANTING OF EASEMENTS FOR RIGHTS-OF-WAY.

(a) CONSOLIDATION.—Subsection (a) of section 2668 of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''he'' both places it appears and inserting ''the Secretary''; and

(B) by striking ''his control, to a State, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Commonwealth, or possession,'' and inserting ''the Secretary's control'';

(2) in paragraph (2), by striking ''oil pipe lines'' and inserting ''gas, water, sewer, and oil pipe lines''; and

(3) in paragraph (13), by striking ''he considers advisable, except a purpose covered by section 2669 of this title'' and inserting ''the Secretary considers advisable''.

(b) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''AUTHORIZED TYPES OF EASEMENTS.—'' after ''(a)'';

(2) in subsection (b), by inserting ''LIMITATION ON SIZE OF EASEMENT.—'' after ''(b)'';

(3) in subsection (c), by inserting ''TERMINATION.—'' after ''(c)'';

(4) in subsection (d), by inserting ''NOTICE TO DEPARTMENT OF THE INTERIOR.—'' after ''(d)''; and

(5) in subsection (e), by inserting ''DISPOSITION OF CONSIDERATION.—'' after ''(e)''.

(c) CONFORMING REPEAL.—Section 2669 of such title is repealed.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 159 of such title is amended by striking the item related to section 2669.

SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS IN CONNECTION WITH LAND CONVEYANCES.

(a) RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2668 the following new section:

''§ 2668a. Restrictive easements: granting easement in connection with land conveyances

''(a) AUTHORITY TO INCLUDE RESTRICTIVE EASEMENT.—In connection with the conveyance of real property by the Secretary concerned under any provision of law, the Secretary concerned may grant an easement restricting future uses of the conveyed real property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

''(b) AUTHORIZED RECIPIENTS.—An easement under subsection (a) may be granted only to a State or local government or a qualified organization, as that term is used in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

''(c) LIMITATION ON USE OF CONSERVATION EASEMENTS.—An easement under subsection (a) may not be granted unless—

''(1) the Secretary concerned determines that the conservation purpose to be promoted by the easement cannot be effectively achieved through the application of State law by the State or a local government;

''(2) the Secretary consults with the local government whose jurisdiction encompasses the property regarding the grant of the easement; and

''(3) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing the easement.

''(d) ACREAGE LIMITATION.—No easement granted under this section may include more land than is necessary for the easement.

''(e) TERMS AND CONDITIONS.—The grant of an easement under this section shall be subject to such terms and conditions as the Secretary considers advisable.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2668 the following new item:

''2668a. Restrictive easements: granting easement in connection with land conveyances.''.

SEC. 2823. MAXIMUM TERM OF LEASES FOR STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES NEEDED FOR PURPOSES OTHER THAN FAMILY HOUSING.

Section 2675(a) of title 10, United States Code, is amended by striking ''five years'' and inserting ''10 years''.

SEC. 2824. CONSOLIDATION OF LAWS RELATING TO TRANSFER OF DEPARTMENT OF DEFENSE REAL PROPERTY WITHIN THE DEPARTMENT AND TO OTHER FEDERAL AGENCIES.

(a) INCLUSION OF TRANSFER AUTHORITY BETWEEN ARMED FORCES.—Section 2696 of title 10, United States Code, is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively; and

(2) by inserting before subsection (b), as so redesignated, the following new subsection:

''(a) TRANSFERS BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another. Section 2571(d) of this title shall apply to the transfer of real property under this subsection.''.

(b) INCLUSION OF DEPARTMENT OF JUSTICE PROGRAM.—The text of section 2693 of such title is amended—

(1) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(2) by redesignating paragraphs (1) and (2) of subsection (b) as subparagraphs (A) and (B), respectively, and in such subparagraph (B), as so redesignated, by striking ''this section'' and inserting ''paragraph (1)'';

(3) by striking ''(a) Except as provided in subsection (b)'' and inserting ''(f) DEPARTMENT OF JUSTICE CORRECTIONAL OPTIONS PROGRAM.—(1) Except as provided in paragraph (2)'';

(4) by striking ''(b) The provisions of this section'' and inserting ''(2) Paragraph (1)''; and

(5) by transferring the text, as so redesignated and amended, to appear as a new subsection (f) at the end of section 2696 of such title.

(c) CONFORMING AMENDMENTS.—

(1) SECTION 2571.—Section 2571(a) of such title is amended by striking ''and real estate''.

(2) SECTION 2693.—Section 2693 of such title is repealed.

(3) SECTION 2696.—Section 2696 of such title is amended—

(A) in subsection (b), as redesignated by subsection (a)(1), by striking ''SCREENING REQUIREMENT.—'' and inserting ''SCREENING REQUIREMENTS FOR ADDITIONAL FEDERAL USE.—'';

(B) in subsection (c)(1), as redesignated by subsection (a)(1), by striking ''subsection (a)'' in the first sentence and inserting ''subsection (b)'';

(C) in subsection (d), by striking ''subsection (b)(1)'' and inserting ''subsection (c)(1)''; and

(D) in subsection (e), by striking ''this section'' and inserting ''subsection (b)''.

(d) CLERICAL AMENDMENTS.—

(1) SECTION 2571.—(A) The heading of section 2571 of such title is amended to read as follows:

''§ 2571. Interchange of supplies and services''.

(B) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

''2571. Interchange of supplies and services.''.

(2) SECTIONS 2693 AND 2696.—(A) The heading of section 2696 of such title is amended to read as follows:

''§ 2696. Transfers and disposals: interchange among armed forces and screening requirements for other Federal use''.

(B) The table of sections at the beginning of chapter 159 of such title is amended—

(i) by striking the item relating to section 2693; and

(ii) by striking the item relating to section 2696 and inserting the following new item:

''2696. Transfers and disposals: interchange among armed forces and screening requirements for other Federal use.''.

SEC. 2825. CONGRESSIONAL NOTICE REQUIREMENTS IN ADVANCE OF ACQUISITION OF LAND BY CONDEMNATION FOR MILITARY PURPOSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense, when acquiring land for military purposes, should make every effort to do so by means of purchases from willing sellers and should employ condemnation, eminent domain, or seizure procedures only as a measure of last resort in cases of compelling national security requirements.

(b) CONGRESSIONAL NOTICE.—Section 2663(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) Before using condemnation, eminent domain, or seizure procedures to acquire any interest in land, including land for temporary use, under this subsection, the Secretary of Defense or the Secretary of the military department concerned shall submit to the congressional defense committees a report that includes certification

that the Secretary has made every effort to acquire the property without use of such procedures, explains the compelling requirements for the acquisition and why alternative acquisition strategies, such as purchases of easements, are inadequate, and describes the property for which the procedures will be employed. Proceedings may be brought with respect to the land only after the end of the 14-day period beginning on the date on which the report is received by the committees or, if over sooner, a period of 10 days elapses from the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.''.

Subtitle C—Base Closure and Realignment

SEC. 2831. TREATMENT OF LEASE PROCEEDS FROM MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Paragraph (5) of section 2667(d) of title 10, United States Code, is amended to read as follows:

''(5) Money rentals received by the United States from a lease under subsection (f) at a military installation to be closed or realigned under a base closure law shall be deposited—

''(A) into the account established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), if the installation was approved for closure or realignment before January 1, 2005; or

''(B) into the account established under section 2906A(a) of such Act, if the installation was approved for closure or realignment after January 1, 2005.''.

Subtitle D—Land Conveyances

SEC. 2841. LAND CONVEYANCE, NAVAL AIR STATION, BARBERS POINT, HAWAII.

(a) CONVEYANCE OF PROPERTY.—Not later than September 30, 2008, the Secretary of the Navy shall convey, by sale, lease, or a combination thereof, to any public or private person or entity outside the Department of Defense certain parcels of real property, including any improvements thereon, consisting of approximately 499 acres located at the former Naval Air Station, Barbers Point, Oahu, Hawaii, that are subject to the Ford Island Master Development Agreement developed pursuant to section 2814(a)(2) of title 10, United States Code, for the purpose of promoting the beneficial development of the real property.

(b) USE OF EXISTING AUTHORITY.—To implement subsection (a), the Secretary may utilize the special conveyance and lease authorities provided to the Secretary by subsections (b) and (c) of section 2814 of title 10, United States Code, for the purpose of developing or facilitating the development of Ford Island, Hawaii.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATION OF LAND ACQUISITION AUTHORITY, PERQUIMANS COUNTY, NORTH CAROLINA.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1320), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2149) is further amended by striking ''840 acres'' and inserting ''1,540 acres''.

SEC. 2843. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, PULASKI COUNTY, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Department of Veterans' Services of the Commonwealth of Virginia (in this section referred to as the ''Department'') all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 85 acres at the Radford Army Ammunition Plant in Pulaski County, Virginia, for the purpose of permitting the Department to establish and operate a State-run cemetery for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Department to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Department in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Department.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. AVAILABILITY OF COMMUNITY PLANNING ASSISTANCE RELATING TO ENCROACHMENT OF CIVILIAN COMMUNITIES ON MILITARY FACILITIES USED FOR TRAINING BY THE ARMED FORCES.

Section 2391(d)(1) of title 10, United States Code, is amended by adding at the end the following new sentence: ''For purposes of subsection (b)(1)(D), the term 'military installation' includes a military facility owned and operated by any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, or the Virgin Islands, even though the facility is not under the jurisdiction of the Department of Defense, if the Secretary of Defense determines that the military facility is subject to significant use for training by the armed forces.''.

SEC. 2852. PROHIBITIONS AGAINST MAKING CERTAIN MILITARY AIRFIELDS OR FACILITIES AVAILABLE FOR USE BY CIVIL AIRCRAFT.

(a) PROHIBITIONS.—The Secretary of the Navy may not enter into any agreement concerning a military installation specified in subsection (b) that would—

(1) authorize civil aircraft to regularly use an airfield or any other property at the installation;

(2) convey any real property at the installation, including any airfield at the installation, for the purpose of permitting the use of the property by civil aircraft.

(b) COVERED INSTALLATIONS.—The prohibitions in subsection (a) apply with respect to the following military installations:

(1) Marine Corps Air Station, Camp Pendleton, California.

(2) Marine Corps Air Station, Miramar, California.

(3) Marine Corps Base, Camp Pendleton, California.

(4) Naval Air Station, North Island, California.

(c) REPEAL OF EXISTING LIMITED PROHIBITION.—Section 2894 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 592) is repealed.

SEC. 2853. NAMING HOUSING FACILITY AT FORT CARSON, COLORADO, IN HONOR OF JOEL HEFLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Joel Hefley was elected to represent Colorado's 5th Congressional district in 1986 and has served in the House of Representatives since that time with distinction, class, integrity, and honor.

(2) Representative Hefley has served on the Committee on Armed Services of the House of Representatives for 18 years, including service as Chairman of the Subcommittee on Military Installations and Facilities from 1995 through 2000 and, since 2001, as Chairman of the Subcommittee on Readiness.

(3) Representative Hefley's colleagues know him to be a fair and effective lawmaker who works for the national interest while never forgetting his Western roots.

(4) Representative Hefley's efforts on the Committee on Armed Services have been instrumental to the military value of, and quality of life at, installations in the State of Colorado, including Fort Carson, Cheyenne Mountain, Peterson Air Force Base, Schriever Air Force Base, Buckley Air Force Base, and the United States Air Force Academy.

(5) Representative Hefley was a leader in efforts to retain and expand Fort Carson as an essential part of the national defense system during the Defense Base Closure and Realignment process.

(6) Representative Hefley has consistently advocated for providing members of the Armed Forces and their families with quality, safe, and affordable housing and supportive communities.

(7) Representative Hefley spearheaded the Military Housing Privatization Initiative to eliminate inadequate housing on military installations, with the first pilot program located at Fort Carson.

(8) Representative Hefley's leadership on the Military Housing Privatization Initiative has allowed for the privatization of more than 121,000 units of military family housing, which brought meaningful improvements to living conditions for thousands of members of the Armed Forces and their spouses and children at installations throughout the United States.

(9) It is fitting and proper that an appropriate military family housing area or structure at Fort Carson be designated in honor of Representative Hefley, and it is further appropriate that division B of this Act, which authorizes funds for fiscal year 2007 for military construction projects, land acquisition, and family housing projects and facilities, be designated in honor of Representative Hefley.

(b) DESIGNATION.—The Secretary of the Army shall designate one of the military family housing areas or facilities constructed for Fort Carson, Colorado, using the authority provided by subchapter IV of chapter 169 of title 10, United States Code, as the ''Joel Hefley Village''.

SEC. 2854. NAMING NAVY AND MARINE CORPS RESERVE CENTER AT ROCK ISLAND, ILLINOIS, IN HONOR OF LANE EVANS, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

(a) FINDINGS.—Congress makes the following findings:

(1) Representative Lane Evans was elected to the House of Representatives in 1982 and is now in his 12th term representing the people of Illinois' 17th Congressional district.

(2) As a member of the Committee on Armed Services of the House of Representatives, Representative Evans has worked to bring common sense priorities to defense spending and strengthen the military's conventional readiness.

(3) Representative Evans has been a tireless advocate for military veterans, ensuring that veterans receive the medical care they need and advocating for individuals suffering from posttraumatic stress disorder and Gulf War Syndrome.

(4) Representative Evans' efforts to improve the transition of individuals from military service to the care of the Department of Veterans Affairs will continue to benefit generations of veterans long into the future.

(5) Representative Evans is credited with bringing new services to veterans living in his Congressional district, including outpatient clinics in the Quad Cities and Quincy and the Quad-Cities Vet Center.

(6) Representative Evans has worked with local leaders to promote the Rock Island Arsenal and has seen it win new jobs and missions through his support.

(7) In honor of his service in the Marine Corps and to his district and the United States, it is fitting and proper that the Navy and Marine Corps Reserve Center at Rock Island Arsenal be named in honor of Representative Evans.

(b) DESIGNATION.—The Navy and Marine Corps Reserve Center at Rock Island Arsenal, Illinois, shall be known and designated as the ''Lane Evans Navy and Marine Corps Reserve Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to the Navy and Marine Corps Reserve Center at Rock Island Arsenal shall be deemed to be a reference to the Lane Evans Navy and Marine Corps Reserve Center.

SEC. 2855. NAMING OF RESEARCH LABORATORY AT AIR FORCE ROME RESEARCH SITE, ROME, NEW YORK, IN HONOR OF SHERWOOD L. BOEHLERT, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The new laboratory building at the Air Force Rome Research Site, Rome, New York, shall be known and designated as the ''Sherwood L. Boehlert Engineering Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such laboratory facility shall be deemed to be a reference to the Sherwood L. Boehlert Engineering Center.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental cleanup.
Sec. 3103. Other defense activities.
Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
Sec. 3114. Utilization of contributions to Second Line of Defense program.
Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,265,811,000 to be allocated as follows:

(1) For weapons activities, $6,467,889,000.

(2) For defense nuclear nonproliferation activities, $1,616,213,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $386,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out the following new plant projects:

(1) For weapons activities:

Project 07–D–140, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive Liquid Waste Treatment Facility upgrade, Los Alamos National Laboratory, $14,828,000.

Project 07–D–253, TA–1 Heating Systems Modernization, Facilities and Infrastructure Recapitalization Program, $14,500,000.

(2) For defense nuclear nonproliferation activities:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, $4,220,000.

(3) For naval reactors:

Project 07–D–190, project engineering and design, Materials Research Technology Complex, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs necessary for national security in the amount of $5,440,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other defense activities in carrying out programs necessary for national security in the amount of $717,788,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $388,080,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

(a) PLAN REQUIRED.—Subtitle A of title XLII of the Atomic Energy Defense Act (division D of Public Law 107–314) is amended by inserting after section 4213 (50 U.S.C. 2533) the following new section:

''SEC. 4214. PLAN FOR TRANSFORMATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION NUCLEAR WEAPONS COMPLEX.

''(a) PLAN REQUIRED.—The Secretary of Energy and the Secretary of Defense shall develop a plan to transform the nuclear weapons complex so as to achieve a responsive infrastructure by 2030. The plan shall be designed to accomplish the following objectives:

''(1) To maintain the safety, reliability, and security of the United States nuclear weapons stockpile.

''(2) To continue Stockpile Life Extension Programs that the Nuclear Weapons Council considers necessary.

''(3) To prepare to produce replacement warheads under the Reliable Replacement Warhead program at a rate necessary to meet future stockpile requirements, commencing with a first production unit in 2012 and achieving steady-state production using modern manufacturing processes by 2025.

''(4) To eliminate, within the nuclear weapons complex, duplication of production capability except to the extent required to ensure the safety, reliability, and security of the stockpile.

''(5) To maintain the current philosophy within the national security laboratories of peer review of nuclear weapons designs while eliminating duplication of laboratory capabilities except to the extent required to ensure the safety, reliability, and security of the stockpile.

''(6) To maintain the national security mission, and in particular the science-based Stockpile Stewardship Program, as the primary mission of the national security laboratories while optimizing the work-for-others activities of those laboratories to support other national security objectives in fields such as intelligence and homeland security.

''(7) To consolidate to the maximum extent practicable, and to provide for the ultimate disposition of, special nuclear material throughout the nuclear weapons complex, with the ultimate goal of eliminating Category I and II special nuclear material from the national security laboratories no later than March 1, 2010, so as to further reduce the footprint of the nuclear weapons complex, reduce security costs, and reduce transportation costs for special nuclear material.

''(8) To employ a risk-based approach to ensure compliance with Design Basis Threat security requirements.

''(9) To expeditiously dismantle inactive nuclear weapons to reduce the size of the stockpile to the lowest level required by the Nuclear Weapons Council.

''(10) To operate the nuclear weapons complex in a more cost-effective manner.

''(b) REPORT.—Not later than February 1, 2007, the Secretary of Energy and Secretary of Defense shall submit to the congressional defense committees a report on the transformation plan required by subsection (a). The report shall address each of the objectives required by subsection (c) and also include each of the following:

''(1) A comprehensive list of the capabilities, facilities, and project staffing that the National Nuclear Security Administration will need to have in place at the nuclear weapons complex as of 2030 to meet the requirements of the transformation plan.

''(2) a comprehensive list of the capabilities and facilities that the National Nuclear Security Administration currently has in place at the nuclear weapons complex that will not be needed as of 2030 to meet the requirements of the transformation plan.

''(3) A plan for implementing the transformation plan, including a schedule with incremental milestones.

''(c) CONSULTATION.—The Secretary of Energy and the Secretary of Defense shall develop the

transformation plan required by subsection (a) in consultation with the Nuclear Weapons Council.

''(d) DEFINITION.—In this section, the term 'national security laboratory' has the meaning given such term in section 3281 of the National Nuclear Security Administration Act (50 U.S.C. 2471).''.

(b) INCLUSION IN FUTURE-YEARS NUCLEAR SECURITY PROGRAM.—Section 3253 of the National Nuclear Security Administration Act (50 U.S.C. 2453) is amended in subsection (b) by adding at the end the following new paragraph:

''(5) A statement of proposed budget authority, estimated expenditures, and proposed appropriations necessary to support the programs required to implement the plan to transform the nuclear weapons complex under section 4214 of the Atomic Energy Defense Act, together with a detailed description of how the funds identified for each program element specified pursuant to paragraph (1) in the budget for the Administration for each fiscal year during that five-fiscal-year period will help ensure that those programs are implemented. The statement shall assume year-to-year funding profiles that account for increases only for projected inflation.''.

SEC. 3112. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C. 2453 note), as amended by section 3113 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2160), is amended—

(1) in subsection (a)(3)(F), by striking ''2011'' and inserting ''2013''; and

(2) in subsection (b), by striking ''2011'' and inserting ''2013''.

SEC. 3113. UTILIZATION OF CONTRIBUTIONS TO GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2166; 50 U.S.C. 2569) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by adding after subsection (e) the following new subsection:

''(f) PARTICIPATION BY OTHER GOVERNMENTS AND ORGANIZATIONS.—

''(1) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international organization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the program under this section.

''(2) RETENTION AND USE OF AMOUNTS.—The Secretary of Energy may retain and use amounts contributed under an agreement under paragraph (1) for purposes of the program under this section. Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available until expended, without further appropriation, for such purposes.''.

SEC. 3114. UTILIZATION OF CONTRIBUTIONS TO SECOND LINE OF DEFENSE PROGRAM.

(a) IN GENERAL.—The Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person (including a foreign government, international organization, or multinational entity) that the Secretary of Energy considers appropriate under which the person contributes funds for purposes of the Second Line of Defense program of the National Nuclear Security Administration.

(b) RETENTION AND USE OF AMOUNTS.—The Secretary of Energy may retain and use amounts contributed under an agreement under subsection (a) for purposes of the Second Line of Defense program. Amounts so contributed shall be retained in a separate fund established in the Treasury for such purposes and shall be available until expended, without further appropriation, for such purposes.

(c) TERMINATION OF AUTHORITY.—The authority to accept contributions under subsection (a) terminates December 31, 2013.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

SEC. 3116. NATIONAL ACADEMY OF SCIENCES STUDY OF QUANTIFICATION OF MARGINS AND UNCERTAINTY METHODOLOGY FOR ASSESSING AND CERTIFYING THE SAFETY AND RELIABILITY OF THE NUCLEAR STOCKPILE.

(a) STUDY REQUIRED.—The Secretary of Energy shall, as soon as practicable and no later than 120 days after the date of the enactment of this Act, enter into an arrangement with the National Research Council of the National Academy of Sciences for the Council to carry out a study of the quantification of margins and uncertainty methodology used by the national security laboratories for assessing and certifying the safety and reliability of the nuclear stockpile.

(b) MATTERS INCLUDED.—The study required by subsection (a) shall evaluate the following:

(1) The use of the quantification of margins and uncertainty methodology by the national security laboratories, including underlying assumptions of weapons performance and the ability of modeling and simulation tools to predict nuclear explosive package characteristics.

(2) The manner in which that methodology is used to conduct the annual assessments of the nuclear weapons stockpile.

(3) How the use of that methodology compares and contrasts between the national security laboratories.

(4) The process by which conflicts between the national security laboratories in the application of that methodology are resolved.

(5) An assessment of whether the application of the quantification of margins and uncertainty used for annual assessments and certification of the nuclear weapons stockpile can be applied to the planned Reliable Replacement Warhead program so as to carry out the objective of that program to reduce the likelihood of the resumption of underground testing of nuclear weapons.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date on which the arrangement required by subsection (a) is entered into, the National Research Council shall submit to the Secretary of Energy and the congressional committees specified in paragraph (2), a report on the study that addresses the matters listed in subsection (b) and any other matters considered by the National Research Council to be relevant to the use of the quantification of margins and uncertainty methodology in assessing the current or future nuclear weapons stockpile.

(2) SPECIFIED COMMITTEES.—The congressional committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services of the Senate.

(B) The Committee on Armed Services of the House of Representatives.

(d) PROVISION OF INFORMATION.—The Secretary of Energy shall, in a timely manner, make available to the National Research Council all information that the National Research Council considers necessary to carry out its responsibilities under this section.

(e) FUNDING.—Of the amounts made available to the Department of Energy pursuant to the authorization of appropriations in section 3101, $2,000,000 shall be available only for carrying out the study required by this section.

SEC. 3117. CONSOLIDATION OF COUNTERINTELLIGENCE PROGRAMS OF DEPARTMENT OF ENERGY AND NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) TRANSFER OF FUNCTIONS.—The functions, personnel, funds, assets, and other resources of the Office of Defense Nuclear Counterintelligence of the National Nuclear Security Administration are transferred to the Secretary of Energy, to be administered (except to any extent otherwise directed by the Secretary) by the Director of the Office of Counterintelligence of the Department of Energy.

(b) NNSA COUNTERINTELLIGENCE OFFICE ABOLISHED.—

(1) IN GENERAL.—Section 3232 of the National Nuclear Security Administration Act (50 U.S.C. 3232) is amended—

(A) by amending the heading to read as follows:

''SEC. 3232. OFFICE OF DEFENSE NUCLEAR SECURITY.'';

(B) by striking subsection (a) and inserting the following new subsection (a):

''(a) ESTABLISHMENT.—There is within the Administration an Office of Defense Nuclear Security, headed by a Chief appointed by the Secretary of Energy. The Administrator shall recommend to the Secretary suitable candidates for such position.'';

(C) by striking subsection (b); and

(D) by redesignating subsection (c) as subsection (b).

(2) CONFORMING AMENDMENT.—The table of sections at the beginning of the National Nuclear Security Administration Act is amended by striking the item relating to section 3232 and inserting the following new item:

''Sec. 3232. Office of Defense Nuclear Security.''.

(c) COUNTERINTELLIGENCE PROGRAMS AT NNSA FACILITIES.—Section 3233 of the National Nuclear Security Administration Act (50 U.S.C. 2423) is amended—

(1) in each of subsections (a) and (b), by striking ''The Administrator shall'' and inserting ''The Secretary of Energy shall''; and

(2) in subsection (b), by striking ''Office of Defense Nuclear Counterintelligence'' and inserting ''Office of Counterintelligence of the Department of Energy''.

(d) STATUS OF NNSA INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Section 3220 of the National Nuclear Security Administration Act (50 U.S.C. 2410) is amended by adding at the end the following new subsection:

''(e) STATUS OF INTELLIGENCE AND COUNTERINTELLIGENCE PERSONNEL.—Notwithstanding the restrictions of subsections (a) and (b), each officer or employee of the Administration, or of a contractor of the Administration, who is carrying out activities related to intelligence or counterintelligence shall, in carrying out those activities, be subject to the authority, direction, and control of the Secretary of Energy or the Secretary's delegate.''.

(e) SERVICE FROM WHICH DOE INTELLIGENCE DIRECTOR AND COUNTERINTELLIGENCE DIRECTOR APPOINTED.—Section 215(b)(1) (42 U.S.C. 7144b(b)(1)) and section 216(b)(1) (42 U.S.C. 7144c(b)(1)) of the Department of Energy Organization Act are each amended by striking ''which shall be a position in the Senior Executive Service'' and inserting ''who shall be an employee in the Senior Executive Service, the Senior Intelligence Service, the Senior National Intelligence Service, or any other Service that the Secretary, in coordination with the Director of National Intelligence, considers appropriate''.

(f) INTELLIGENCE EXECUTIVE COMMITTEE; BUDGET FOR INTELLIGENCE AND COUNTERINTELLIGENCE.—Section 214 of the Department of Energy Organization Act (42 U.S.C. 7144a) is amended—

(1) by inserting ''(a)'' before ''The Secretary shall be responsible''; and

(2) by adding at the end the following:

''(b)(1) There is within the Department an Intelligence Executive Committee. The Committee shall consist of the Deputy Secretary of Energy, who shall chair the Committee, and each Under Secretary of Energy.

''(2) The Committee shall be staffed by the Director of the Office of Intelligence and the Director of the Office of Counterintelligence.

''(3) The Secretary shall use the Committee to assist in developing and promulgating the counterintelligence and intelligence policies, requirements, and priorities of the Department.

''(c) In the budget justification materials submitted to Congress in support of each budget submitted by the President to Congress under title 31, United States Code, the amounts requested for the Department for intelligence functions and the amounts requested for the Department for counterintelligence functions shall each be specified in appropriately classified individual, dedicated program elements. Within the amounts requested for counterintelligence functions, the amounts requested for the National Nuclear Security Administration shall be specified separately from the amounts requested for other elements of the Department.''.

(g) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Inspector General of the Department of Energy shall submit to Congress a report on the implementation of this section and of the amendments required by this section. The report shall include the Inspector General's evaluation of that implementation.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2007, the National Defense Stockpile Manager may obligate up to $52,132,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

(a) FISCAL YEAR 1999 DISPOSAL AUTHORITY.—Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C. 98d note), as amended by section 3302 of the Ronald W. Reagan National Defense Authorization Act for Year 2005 (Public Law 108–375; 118 Stat. 2193) and section 3302 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3545), is amended—

(1) by striking ''and'' at the end of paragraph (5); and

(2) by striking the period at the end of paragraph (6) and inserting ''; and''; and

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

''(7) $1,365,000,000 by the end of fiscal year 2014.''.

(b) FISCAL YEAR 1998 DISPOSAL AUTHORITY.—Section 3305(a)(5) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 50 U.S.C. 98d note), as amended by section 3305 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1390), is amended by striking ''2006'' and inserting ''2008''.

(c) FISCAL YEAR 1997 DISPOSAL AUTHORITY.—Section 3303 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 50 U.S.C. 98d note), as amended by section 3402(f) of the National Defense Authorization Act for Year 2000 (Public Law 106–65; 113 Stat. 973) and section 3304(c) of the National Defense Authorization Act for 2002 (Public Law 107–107; 115 Stat. 1390), is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following new paragraph (2):

''(2) $720,000,000 during the 12-fiscal year period ending September 30, 2008.''; and

(2) in subsection (b)(2), by striking ''the 10-fiscal year period'' and inserting ''the period''.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $18,810,000 for fiscal year 2007 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Authorization of appropriations for fiscal year 2007.
Sec. 3502. Limitation on transfer of Maritime Security Fleet operating agreements.
Sec. 3503. Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.
Sec. 3504. Vessel transfer authority.
Sec. 3505. United States Merchant Marine Academy graduates: alternate service requirements.
Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2007.

Funds are hereby authorized to be appropriated for fiscal year 2007, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $138,647,000, of which $19,500,000 shall be available only for paying reimbursement under section 3517 of the Maritime Security Act of 2003 (46 U.S.C. 53101 note).

(2) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92–402, $25,740,000.

SEC. 3502. LIMITATION ON TRANSFER OF MARITIME SECURITY FLEET OPERATING AGREEMENTS.

Section 53105(e) of title 46, United States Code, is amended—

(1) by inserting ''(1) IN GENERAL.—'' before the first sentence;

(2) by moving paragraph (1) (as designated by the amendment made by paragraph (1) of this subsection) so as to appear immediately below the heading for such subsection, and 2 ems to the right; and

(3) by adding at the end the following:

''(2) LIMITATION.—The Secretary of Defense may not approve under paragraph (1) transfer of an operating agreement to a person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802), unless the Secretary of Defense determines that there is no person who is a citizen under such section and is interested in obtaining the operating agreement for a vessel that is otherwise eligible to be included in the Fleet under section 53102(b).''.

SEC. 3503. APPLICABILITY TO CERTAIN MARITIME ADMINISTRATION VESSELS OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE OF VESSELS IN FOREIGN SHIPYARDS.

Section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744) is amended by inserting after subsection (c) the following:

''(d) APPLICABILITY OF LIMITATIONS ON OVERHAUL, REPAIR, AND MAINTENANCE IN FOREIGN SHIPYARDS.—

''(1) APPLICATION OF LIMITATION.—The provisions of section 7310 of title 10, United States Code, shall apply to vessels specified in subsection (b), and to the Secretary of Transportation with respect to those vessels, in the same manner as those provisions apply to vessels specified in subsection (b) of such section, and to the Secretary of the Navy, respectively.

''(2) COVERED VESSELS.—Vessels specified in this paragraph are vessels maintained by the Secretary of Transportation in support of the Department of Defense, including any vessel assigned by the Secretary of Transportation to the Ready Reserve Force that is owned by the United States.''.

SEC. 3504. VESSEL TRANSFER AUTHORITY.

The Secretary of Transportation may transfer or otherwise make available without reimbursement to any other department a vessel under the jurisdiction of the Department of Transportation, upon request by the Secretary of the department that receives the vessel.

SEC. 3505. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: ALTERNATE SERVICE REQUIREMENTS.

(a) SERVICE ON ACTIVE DUTY.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended by adding at the end the following:

''(6)(A) An individual who for the 5-year period following graduation from the Academy, serves as a commissioned officer on active duty in an armed force of the United States or as a commissioned officer in the National Oceanic and Atmospheric Administration shall be excused from the requirements of subparagraphs (C), (D), and (E) of paragraph (1).

''(B) The Secretary may modify or waive any of the terms and conditions set forth in paragraph (1) through the imposition of alternative service requirements.''.

(b) APPLICATION.—Paragraph (6) of section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)), as added by this subsection, applies only to an individual who enrolls as a cadet at the United States Merchant Marine Academy, and signs an agreement under section paragraph (1) of that section, after the date of the enactment of this Act.

SEC. 3506. UNITED STATES MERCHANT MARINE ACADEMY GRADUATES: SERVICE OBLIGATION PERFORMANCE REPORTING REQUIREMENT.

(a) IN GENERAL.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is further amended by adding at the end the following:

''(7)(A) Subject to any otherwise applicable restrictions on disclosure in section 552a of title 5, United States Code, the Secretary of Defense or the Secretary of the department in which the Coast Guard is operating, and the Administrator of the National Oceanic and Atmospheric Administration—

''(i) shall report the status of obligated service of an individual graduate of the Academy upon request of the Secretary; and

''(ii) may, in their discretion, notify the Secretary of any failure of the graduate to perform

the graduate's duties, either on active duty or in the Ready Reserve component of their respective service, or as a commissioned officer of the National Oceanic and Atmospheric Administration, respectively.

''(B) A report or notice under subparagraph (A) shall identify any graduate determined to have failed to comply with service obligation requirements and provide all required information as to why such graduate failed to comply.

''(C) Upon receipt of such a report or notice, such graduate may be considered to be in default of the graduate's service obligations by the Secretary, and subject to all remedies the Secretary may have with respect to such a default.''.

(b) APPLICATION.—The amendment made by this section does not apply with respect to an agreement entered into under section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. 1295b(e)) before the date of the enactment of this Act.

SEC. 3507. TEMPORARY AUTHORITY TO TRANSFER OBSOLETE COMBATANT VESSELS TO NAVY FOR DISPOSAL.

The Secretary of Transportation shall, subject to the availability of appropriations and consistent with section 1535 of title 31, United States Code, popularly known as the Economy Act, transfer to the Secretary of the Navy during fiscal year 2006 for disposal by the Navy, no fewer than 6 combatant vessels in the nonretention fleet of the Maritime Administration that are acceptable to the Secretary of the Navy.

SEC. 3508. TEMPORARY REQUIREMENT TO MAINTAIN READY RESERVE FORCE.

(a) REPORT TO CONGRESS.—The Secretary of Defense, in consultation with the Secretary of Transportation, shall submit to Congress by not later than March 1, 2007, a report describing a five-year plan for maintaining the capability of the Ready Reserve Force of the National Defense Reserve Fleet necessary to support Department of Defense wartime missions and support to civil authority missions.

(b) REQUIREMENT TO MAINTAIN THE READY RESERVE FORCE AT CURRENT STRENGTH.—The Secretary of Transportation shall maintain 58 vessels in the Ready Reserve Force of the National Defense Reserve Fleet until the end of the 45-day period beginning on the date the report required under subsection (a) is submitted to Congress.

The Acting CHAIRMAN. No amendment to the committee amendment is in order except those printed in House Report 109–459. 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 the proponent and an opponent, shall not be subject to an amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. HUNTER

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

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in House Report 109–459 offered by Mr. HUNTER:

At the end of subtitle B of title I (page 22, after line 21), insert the following new section:

SEC. 115. FUNDING FOR CALL FOR FIRE TRAINER/JOINT FIRES AND EFFECTS TRAINER SYSTEM.

(a) IN GENERAL.—The amount provided in section 101(5) for Other Procurement, Army, is hereby increased by $4,000,000, to be available for a Call for Fire Trainer II/Joint Fires and Effects Trainer System (JFETS) under Line 161 Training Devices, Nonsystem (NA0100).

(b) OFFSET.—The amount provided in section 201(1) for Research, Development, Test, and Evaluation, Army, is hereby reduced by $4,000,000, to be derived from the Joint Tactical Radio System account (Program Element 0604280A).

At the end of title I (page 40, after line 23), insert the following new section:

SEC. 1___. AIR FORCE PROGRAM.

(a) SCIENCE ENGINEERING LAB DATA INTEGRATION.—The amount provided in section 103 for Other Procurement, Air Force, is hereby increased by $6,000,000, to be available for Science Engineering Lab Data Integration (SELDI) at the Ogden Air Logistics Center, Utah.

(b) OFFSET.—The amount provided in section 201(4) for Research, Development, Test, and Evaluation, Defense-wide, is hereby reduced by $6,000,000, to be derived from Information and Communications Technology (Program Element 0602301E).

At the end of section 346 (page 98, after line 11) insert the following new subsection:

(e) EXCEPTION FOR NON-LINE-OF-SIGHT CANNON SYSTEM.—This section does not apply with respect to the obligation of funds for systems development and demonstration of the non-line-of-sight cannon system.

At the end of subtitle D of title VI (page 229, after line 16), insert the following new section:

SEC. 6xx. STUDY ON RETENTION OF MEMBERS OF THE ARMED FORCES WITHIN SPECIAL OPERATIONS COMMAND.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on means to improve retention of members of the Armed Forces who have a special operations forces designation. The report shall include the following:

(1) The effect on retention of such members if special pays were included in the computation of retired pay for those members with a minimum of 48 months of Hostile Fire Pay (consecutive or nonconsecutive) at the time of retirement.

(2) Information on the cost of training of members of the Armed Forces who have a special operations forces designation, with such information displayed separately for each such designation and shown as aggregate costs of training for such members at the 4-year, 8-year, 12-year, 16-year, and 20-year points of service.

(3) A statement, in the case of members of the Armed Forces with a special operations forces designation who have been deployed at least twice, of the average amount spent on special operations unique training, both predeployment and during deployment.

(4) For each component of the United States Special Operations Command, an estimate of when the assigned strength of that component will be not less than 90 percent of the authorized strength of that component, taking into account anticipated growth that is mentioned in the most recent Quadrennial Defense Review.

(5) The average amount of time a member of the Armed Forces with a special operations forces designation is deployed to areas that warrant Hostile Fire Pay.

(6) The percentage of members of the Armed Forces with a special operations forces designation who have accumulated over 48 months of Hostile Fire Pay and the percentage who have accumulated over 60 months of such pay.

Strike section 662 (page 235, line 20, through page 236, line 18) and insert the following new section:

SEC. 662. PILOT PROJECT FOR PROVISION OF GOLF CARTS ACCESSIBLE FOR DISABLED PERSONS AT MILITARY GOLF COURSES.

(a) PILOT PROJECT REQUIRED.—The Secretary of Defense shall conduct a pilot project at a significant number of military golf courses, to be selected by the Secretary, for the purpose of developing—

(1) an implementation strategy to make available, as soon as practicable at all military golf courses in the United States, an adequate supply of golf carts that are accessible for disabled persons authorized to use such courses; and

(2) a Department-wide campaign to increase the awareness among such disabled persons of the availability of accessible golf carts and to promote the use of military golf courses by such disabled persons.

(b) REQUIRED NUMBER OF ACCESSIBLE GOLF CARTS.— The Secretary shall provide at least two accessible golf carts at each pilot project location.

(c) PILOT PROJECT LOCATIONS.—The military golf courses selected to participate in the pilot project shall be geographically dispersed, except that at least one of the military golf courses shall be in the Washington metropolitan area. The Secretary may not select a military golf course to participate in the pilot project if that military golf course already has golf carts that are accessible for disabled persons.

(d) DEPARTMENT OF DEFENSE HEALTH CARE AWARENESS.—Military medical treatment facilities shall provide information to patients about the pilot project and the availability of accessible golf carts at military golf courses participating in the pilot project and at other military golf courses that already provide accessible golf carts.

(e) DURATION.—The Secretary shall conduct the pilot project for a minimum of one year.

(f) REPORT REQUIRED.—Not later than 180 days after the conclusion of the pilot project, the Secretary shall submit a report to Congress containing the results of the project and the recommendations of the Secretary regarding how to make an adequate supply of accessible golf carts available at all military golf courses in the United States.

Page 241, line 6, strike ''December 31, 2007'' and insert ''October 1, 2007''.

Page 249, line 12, strike ''Section'' and insert ''Effective October 1, 2007, section''.

Page 249, line 14, strike ''The'' and insert ''Effective October 1, 2007, the''.

At the end of subtitle D of title XXVIII (page 504, after line 7), insert the following new section:

SEC. 28___. LAND CONVEYANCE, NORTH HILLS ARMY RESERVE CENTER, ALLISON PARK, PENNSYLVANIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the North Allegheny School District (in this section referred to as the ''School District'') all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 11.15 acres and containing the North Hills Army Reserve Center in Allison Park, Pennsylvania, for the purpose of permitting the School District to use the property for educational and recreational purposes and for parking facilities related thereto.

(b) CONSIDERATION.—The Secretary may waive any requirement for consideration in connection with the conveyance under subsection (a) if the Secretary determines that, were the conveyance of the property to be made under subchapter III of chapter 5 of title 40, United States Code, for the same

purpose specified in subsection (a), the conveyance could be made without consideration.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purposes of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the School District to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the School District in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the School District.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Strike sections 2853, 2854, and 2855 (page 506, line 1, through page 510, line 16).

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from California (Mr. HUNTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. HUNTER. Mr. Chairman, this is a manager's amendment that has been worked out with both sides. And briefly, Mr. Chairman, this adds a section to add $4 million for the call of the fire trainer/joint fires and effects trainer with an offset of $4 million from the Joint Tactical Radio System.

It adds a section to add $6 million to the Air Force Science Engineering Lab Data Integration with an offset of $6 million from IT, PE 0602301E.

It adds an exception for the non-line-of-sight cannon system from the requirement in section 346, subsection C.

It adds a section requiring the Secretary of Defense to submit a report on means to improve retention of members of the Special Operations Forces.

It strikes and replaces section 662 requiring the Secretary of Defense to conduct a pilot project for disabled persons accessible golf carts at military golf courses that allows our disabled personnel and wounded personnel to be able to participate in golf.

It incorporates a technical correction to the TRICARE effective dates in section 704 and 709 of the bill. It adds a section conveying Army Reserve Center land in Allison Park, Pennsylvania, to the local school districts; and it strikes sections 2853, 2854, 2855.

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

Mr. ANDREWS. Mr. Chairman, even though we are not in opposition, I ask unanimous consent to claim the time.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ANDREWS. Mr. Chairman, I yield back the balance of my time.

Mr. HUNTER. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HUNTER).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. ANDREWS

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

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 printed in House Report 109–459 offered by Mr. ANDREWS:

In section 312, insert after subsection (d) (page 63, after line 9) the following new subsection (e) (and redesignate existing subsection (e) as subsection (f)):

(e) EPIDEMIOLOGICAL STUDY ON HUMAN POPULATIONS.—The Secretary shall conduct an epidemiological study on human populations in the vicinity of military munitions disposal sites within covered United States ocean waters for the purpose of determining whether people have been affected by the presence of military munitions in these waters. The Secretary shall include the results of the study in the report referred to in subsection (a)(4).

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from New Jersey (Mr. ANDREWS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. ANDREWS. Mr. Chairman, it surprised me to know, a little over a year ago to find that rather significant quantities of chemical weapons and the residue of chemical weapons had been dumped off the Atlantic coast at 19 different sites.

Now, it is important to understand that this dumping took place before an international treaty prohibited such dumping, so the United States was not in violation of any of its international obligations. And it is important to understand that much of this dumping took place at a time when our own Federal and State laws were either lax or nonexistent with respect to the handling of such materials.

The purpose of my amendment is most definitely not to point out any wrongdoing by the Department of Defense or the services. However, it is the purpose of my amendment to do something about the problem and finding out about the scope of the problem. We are talking here about arsenic, mustard gas, other very serious and very lethal substances which have been disposed of off of our coast over a period which dates back as far as World War I and went into the early part of the 1970s.

Now, what to do about this question requires a calm, factual analysis. Frankly, there would be one reaction that would say, well, we should just go find where the stuff is and dig it up and do something with it. I am not an expert in this field, but I am enough of an expert to know that that kind of hasty reaction might do a lot more harm than good. So the bill already contains some extensive reporting requirements which requires the Department of Defense to tell us where such dump sites are, how long these various chemical weapons and residues have been there.

My amendment adds one more requirement. It calls for the Department of Defense to do an epidemiological study of the impact, if any, on human health that has resulted from the disposal of these weapons over the years. The amendment does not prescribe a particular method of the study. It does not limit or expand any of the areas of inquiry.

It says to the Department of Defense, use your best scientific judgment and produce for us epidemiological studies that will answer the question as to whether there has been any measurable adverse impact on human health as a result of these dumping practices that took place from the early part of the 20th century until the 1970s.

The purpose of this study would then be to give us the facts that we need to determine the best course of action to protect human health.

Now, that may be to simply leave the status quo as it is. It may be to enact some measures that would preclude people from going to these areas of the sea. It may necessitate some removal. I think it is very important though that we approach this problem based upon the best scientific evidence of the impact on human health and not based upon any reaction that is based upon fear or ignorance.

So I would ask that the Members of the House support this amendment so that we may get these facts in front of us and deal with disposing of any threat to humanity that may exist.

□ 1545

Madam Chairman, I reserve the balance of my time.

Mr. WILSON of South Carolina. Madam Chairman, although I am not opposed to the amendment, I request unanimous consent to claim the time in opposition.

The Acting CHAIRMAN (Mrs. BIGGERT). Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. WILSON of South Carolina. I am very happy to join with my colleague from New Jersey, and I share the same surprise as he that the accepted means of disposal of military munitions was to dump them off the coast.

I appreciate your efforts. I appreciate the efforts of our colleague, Congressman ABERCROMBIE of Hawaii, to raise this issue. I know personally that I had the privilege of growing up in Charleston, South Carolina, right on the coast. I now represent many beautiful and pristine communities along the south Atlantic coast.

These are areas crucial for homebuilding, which is the basis of our society. I want to do all I can to promote the homebuilding industry, the ability of people from New Jersey in particular to come down and visit some very beautiful resort areas of South Carolina.

Mr. ANDREWS. If the gentleman would yield, I would actually prefer that he rephrase that so that the South Carolinians visit the New Jersey coast, which is obviously a superior vacation spot.

Mr. WILSON of South Carolina. We can share this together, because I have visited the shores of New Jersey and I invite you to visit the beaches of South Carolina. This is so important.

In addition, I would like to point out that what you are proposing indeed would provide valuable information concerning the situation of military munitions disposal. It is really reassuring to know now how we have modern disposal methods.

My oldest son served for a year in Iraq. He had been trained for munitions collection and ultimate destruction of munitions. It is done now, obviously, with the intent of protecting the environment of the country in which they are located and to protect our troops, protect American families.

Madam Chairman, I yield back the balance of my time.

Mr. ANDREWS. Madam Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. All time having expired, the question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. ANDREWS

Mr. ANDREWS. Madam Chairman, on behalf of my friend from California, I offer her amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 printed in House Report 109–459 offered by Mr. ANDREWS:

Add at the end of title VII the following new section:

SEC. 7___. LIMITING RESTRICTION OF USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES TO PERFORM ABORTIONS TO FACILITIES IN THE UNITED STATES.

Section 1093(b) of title 10, United States Code, is amended by inserting ''in the United States'' after ''Defense''.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from New Jersey (Mr. ANDREWS) and the gentleman from Kansas (Mr. RYUN) each will control 10 minutes.

The Chair recognizes the gentleman from New Jersey.

Mr. ANDREWS. Madam Chairman, I yield as much time as she should consume to the author of the amendment, my friend from California.

Mrs. DAVIS of California. Madam Chairman, in his first appearance as our Commander in Chief, President Bush told servicemembers at Fort Stewart, you deserve a military that treats you and your families with respect. Well, I couldn't agree more.

Today we are considering how the defense bill can demonstrate our respect for the people who serve in uniform by providing for their equipment, their training and their well-being. Together with my colleagues today, I am offering an amendment to lift the current ban on abortion services in overseas military hospitals.

Under current law, women serving our country overseas have to return home to the U.S. for medical services after obtaining permission from their commanding officer and finding space on military transport. Their only other option is venturing out to a hospital in a foreign country.

Madam Chair, I believe we can do better. I would just like to clarify a few points about this amendment. No Federal funds would be used for those procedures. Women would use their own funds, and that would include overhead costs as well, for overhead costs. This amendment affects only U.S. military facilities overseas in countries where abortion is legal, and it also observes the refusal clauses and will not force providers to perform abortions.

Madam Chair, women serving in uniform are fighting to protect our freedom and our rights. Yet these women do not receive the protection of the Constitution they so ably defend. Even for those who don't require this service, the presence of this ban sends a demoralizing message. I believe we can do better.

Today, I have heard Chairman HUNTER and certainly Mr. MCHUGH and others who have spoken so eloquently about how this bill incorporates important military personnel issues. I support this bill, and I support the work that went into it. I support the compassion and the passion of my colleagues on the House Armed Services Committee.

But I do believe, Madam Chair, that if we don't lift this ban we continue to make women serving in uniform, who face the intimate, most personal issue, we continue to make these women invisible to us.

Madam Chair, I reserve the balance of my time and look forward to my colleagues' comments.

The Acting CHAIRMAN. Without objection, the gentlewoman from California (Mrs. DAVIS) will control the time in favor of the amendment.

There was no objection.

Mr. RYUN of Kansas. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I strongly oppose this amendment. Allowing self-funded abortions would simply turn our military hospitals overseas into abortion clinics.

Proponents of this amendment often claim that female servicemembers and dependents overseas are denied equal access to health care, effectively putting their life and health in harm's way. This is simply not true. If a woman chooses to have an abortion, abortion clinics are accessible overseas. If a woman prefers to have an abortion in the United States, that is available to her under current law as well.

Furthermore, these installations already offer self-funded abortions when the life of the mother is in danger or when the pregnancy is as a result of rape or incest.

There is no demonstrated need for expanding abortion access. Furthermore, this amendment does not seek to address operational requirements or to ensure access through entitlement. What it does, however, is unnecessarily insert a politically divisive issue into the defense authorization process.

Although this amendment is presented as providing for solely self-funded abortions, the fact is that American taxpayers will be forced to pay for the use of military facilities, the procurement of additional equipment needed to perform abortions, and the use of military personnel to perform abortions. Even if an additional equipment fee is charged to the patient, it cannot possibly account for all the expenses involved.

Military hospitals or military doctors signed up to save the lives of dedicated servicemen and women, not to end the lives of babies. It would be wrong for Congress to pressure or coerce these doctors into performing a procedure they morally object to.

I ask my colleagues to vote against turning military hospitals into abortion clinics and vote against this amendment.

Madam Chairman, I reserve the balance of my time.

Mrs. DAVIS of California. Madam Chairman, I yield 2 minutes to the gentlewoman from California (Ms. HARMAN).

Ms. HARMAN. I thank the gentlewoman for yielding.

Madam Chair, I was proud to serve on the Armed Services Committee for 6 years. I have supported this amendment since I first offered it in 1997. I salute my California sisters, Mrs. DAVIS and Ms. SANCHEZ, who have ably taken up the cause.

I became a grandmother for the first time this year. I surely hope that before my granddaughter is old enough to serve in the military this amendment will become law.

Madam Chair, over 200,000 women serve in the U.S. military and approximately 12,000 currently serve in Iraq and Afghanistan. These women are flying helicopters and fighter aircraft. They are driving support vehicles, patrolling bomb ridden highways and shouldering weapons. They serve as an example and an inspiration to the women they meet around the world, and they break down stereotypes held by many men. Yet in some critical ways, women in the military are treated as second class citizens by their own government.

Under current law a servicewoman stationed abroad cannot obtain a safe, legal procedure to terminate a pregnancy in a U.S. military health facility. Instead, she must either take medical leave to return to the U.S. or gamble with a foreign hospital and face the prospect of language barriers, unfamiliar cultural expectations and vastly different standards of medical care. This is wrong.

Let me be perfectly clear. The amendment does not force military doctors to perform abortions, nor does it require any taxpayer dollars. What it does, however, is give servicewomen and female military dependents stationed abroad the same constitutional rights as women living here.

When an individual puts on the uniform of the U.S. Armed Forces, she or he accepts the profound responsibility of defending our Nation and protecting our cherished freedoms. A woman who puts her life on the line to defend the fundamental rights of all Americans should not be deprived of her own fundamental right to choose. Vote for the Davis-Harman-Sanchez amendment.

Mr. RYUN of Kansas. Madam Chairman, I yield 1 minute to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Madam – ?? Chairman, I rise today in opposition to the Davis amendment, which authorizes military doctors to perform abortions at military overseas hospitals. This policy was rejected every year for the last 10 years, and I look forward once more to voting against it.

Current law was signed by President Clinton in 1996 and bans the use of military facilities for abortions except in the case of incest, rape or where the life of the mother is at risk.

Rest assured, women in the military do have access to the elective medical procedures they want. Therefore, this debate is not about a woman's right to obtain treatment. This debate is about maintaining the principal mission of military medical centers to heal and to protect human life.

Madam Chair, this amendment overturns this mission and turns these facilities into abortion clinics at the American taxpayer's expense.

I, for one, will not support the use of Federal funds or military hospitals to promote or to perform abortions.

Mrs. DAVIS of California. Madam Chairman, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. I want to thank the gentlewoman for yielding and for her leadership. I rise in strong support of this amendment.

It would lift the ban on privately funded abortion care at overseas military bases where abortion is legal. Currently servicewomen or women military dependents are forbidden from using their own personal funds to obtain an abortion if they are stationed overseas.

Enacting this amendment will put an end to this discriminatory policy against the 350,000 women in our military who are serving our country each and every day. We must ensure that servicewomen overseas are guaranteed their legal right to access comprehensive health care services. We must demand that servicewomen overseas can obtain the same quality and range of medical care available to them in the United States.

We must protect those who risk their lives each and every day to protect their country. Let us reject this administration's ongoing politically motivated war on women and let's start by adopting this important commonsense amendment.

I urge my colleagues to vote ''yes'' on the Davis-Harman-Sanchez amendment and provide our servicewomen with access to their constitutionally protected right to choose.

Mr. RYUN of Kansas. Madam Chair, I yield 1½ minutes to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. I thank the gentleman from Kansas.

Madam Chairman, I rise in strong opposition to the Davis amendment. Military treatment centers, which are dedicated to healing, nurturing and saving lives, should not be forced into the business of ending lives. This amendment, plain and simple, turns these facilities into abortion clinics by repealing a prolife provision, a prolife provision which was signed into law by President Clinton as part of the National Defense Authorization Act in 1996.

This amendment contradicts fundamental U.S. military values such as honor, courage and taking responsibility for one's own actions. We believe that life begins at conception and that it is sacred. As Members of Congress, we should do all we can to protect life. That is what our military hospitals are doing.

Instead, while we stand here today, opportunist pro-abortion Members are once again belittling and devaluing the sanctity of human life. If this inappropriate amendment were adopted, not only would taxpayers' hard-earned dollars be used to perform abortions on demand on our military bases, but our military medical personnel would be forced to perform abortions against their will.

□ 1600

Instead of equipping our armed services personnel with the tools needed to operate and treat wounded or ill troops and defend America, this amendment would mandate that our military personnel perform abortions and kill human fetuses. This is unacceptable.

This amendment must be rejected today, just as it has been in the past five Congresses. I urge my colleagues to join me in protecting human life by voting against the Davis amendment.

Mrs. DAVIS of California. Madam Chairman, I yield 1 minute to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Madam Chairman, American women have a constitutional right to choice as guaranteed by the right to privacy. However, our servicewomen and the wives and daughters of our servicemembers are denied this basic right when stationed at military installations overseas. This amendment guarantees that women who selflessly pledge to defend our Constitution at all costs are afforded the same rights that they fight to uphold.

Current law allows women stationed overseas to access abortion services on a military base only after an act of rape or incest or when her life is in danger. It is bad enough that victims of rape or incest have to pay for these procedures out of their own pocket. But as American women, it is unconscionable that they cannot access the same safe, clean and legal reproductive services available to women here the United States, even if they are paying for it themselves.

Are we really asking these brave and noble women, who are ready to make the ultimate sacrifice, to relinquish the same rights that they fight so valiantly to uphold and defend?

I encourage my colleagues to stand with our servicewomen as they put their lives on the line. Lift the ban on privately funded abortions and support this amendment.

Mr. RYUN of Kansas. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise today in very strong opposition to this amendment. I voted against this amendment in the House Armed Services Committee just last week where it was overwhelmingly defeated, and I intend to vote against it today as well.

The health care professionals who serve our brave men and women in uniform in the military health system are dedicated to preserving life, and I have visited many military hospitals and witnessed the heroic efforts to preserve the lives of those wounded in battle, and we honor their service, we honor their dedication.

This amendment would allow these great lifesaving medical facilities to be used as abortion clinics, and abortion is not the mission of the military health system. The mission is to save lives, not destroy innocent human lives.

Mr. Chairman, I applaud the great service and the sacrifice of the dedicated health care professionals serving our military. These men and women face great challenges in healing those who have been wounded in battle, and through their efforts we have seen dramatic drops in the number of troops who die from these wounds. Their efforts have truly been heroic.

Let them continue to focus on saving the lives of our men and women in uniform, and not taking the most innocent of human lives.

I urge my colleagues to defeat this amendment.

Mrs. DAVIS of California. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, I rise in support of the Davis amendment which would lift the ban on personally funded abortion care provided at overseas military bases.

Since over 200,000 women serve overseas in military bases and are denied the right under Roe v. Wade to terminate a pregnancy, we need this legislation. This legislation would restore the right of a female service member who has been stationed overseas to use their own funds to obtain an abortion as they would be able to do if they were back home.

I urge adoption of this amendment. And I speak adamantly against our present policy that while allowing women who have been raped or been impregnated by a family member or whose life is in danger because of an unhealthy pregnancy to have an abortion, they have to pay for it themselves. That is wrong.

While we are not addressing this issue today at least we can move forward with the Davis amendment.

Mr. RYUN of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. RENZI).

Mr. RENZI. Mr. Chairman, I thank the gentleman from Kansas for his leadership on this issue.

First and foremost, I stand against this amendment because it authorizes the destruction of innocent human life, the most innocent, the most defenseless, the voiceless in our society.

We talk about the fact that the cost will be provided by a private individual. Not true. This authorizes prolife Americans to have to underwrite the cost of building the facilities, training the physicians, training the nurses, equipping the facilities. Underwriting the cost will be borne by prolife Americans.

Requiring military hospitals to perform elective abortions exposes the physicians, the nurses, the military personnel to move against their own personal convictions of life in many cases. Imagine a full colonel directing, giving military orders, to a young major who is prolife, a prolife doctor who is a major, giving him military orders to perform an abortion. His military career would be over.

The Most Reverend Edwin O'Brien, Archbishop for Military Services, said, ''Military hospitals have an outstanding record of saving life even in the most challenging times and conditions. Their commitment extends to the smallest of human beings. Please allow them to continue abiding by these values.''

I stand by those Americans, those prolife Americans, who do not want to underwrite and have our prolife dollars going to military hospitals. I stand by those prolife doctors and nurses who don't want to be given military orders to perform an abortion.

Mrs. DAVIS of California. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I rise in strong support of this amendment. This amendment is about treating the women who serve our country in the United States military fairly and with respect.

Current law forbids female military personnel from obtaining abortions using their own funds from overseas military hospitals. This amendment allows U.S. servicewomen access to reproductive health care abroad, just as they would receive at home.

A male member of the armed services needing medical attention receives the best, and all his medical needs are covered. But a female member needing a specific medical procedure must return to the United States, often at great expense, or go to a foreign hospital, which may be unsanitary and dangerous. This is absolutely wrong and unfair.

No taxpayer money would be used to fund any abortions. The servicewomen themselves would pay for their own care. The amendment would simply lift the ban on privately funded abortion care in U.S. military hospitals.

Right now, many women are overseas protecting our constitutional rights. We should protect their constitutional rights by passing this amendment.

Mr. RYUN of Kansas. Mr. Chairman, at this time, I am pleased to yield 1 minute to the gentleman from Nebraska (Mr. FORTENBERRY).

Mr. FORTENBERRY. Mr. Chairman, thank you for this opportunity to join my colleagues in challenging this amendment which has been defeated by the full House for 10 consecutive years.

The core purpose of our military hospitals is to care for servicemen and women, particularly those who are wounded in the line of duty defending our country.

U.S. taxpayers should not be forced by the government to have their hard-earned funds used for the taking of innocent human lives. They should continue to have the free choice to say ''no'' to funding abortions.

The U.S. military health care facilities overseas witness more than their fair share of violence. Military health care personnel understand that the Hippocratic Oath is a solemn commitment to heal and nurture life. Let's not abandon this legacy and force our constituents to foot the bill.

Women deserve better than abortion. As a people, we should strive to be a just and loving society that does not abandon persons to the choice for abortion, particularly at taxpayer expense, but helps women even through the most difficult circumstances.

Mrs. DAVIS of California. Mr. Chairman, I have one more speaker and will close. I reserve the balance of my time.

Mr. RYUN of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. FRANKS).

Mr. FRANKS of Arizona. Mr. Chairman, first and foremost, America is an ideal, and that ideal is that all of us are created equal and endowed by our Creator with certain inalienable rights, and the first one of those is the right to live. Our men and women across the centuries have fought and died to uphold that ideal.

Now, suddenly, to turn the hospitals that we set forth to deal with their needs overseas into abortion clinics abrogates everything that they fought and died for. It is an undermining of everything that America is.

Our foundation is to be able to look to people across the world and say that in America, life, liberty and the pursuit of happiness, life, liberty and property, these basic rights are something that we will protect.

I hear the other side often using terms like ''safe,'' ''legal,'' ''clean,'' but it ignores one absolute reality, and that is that every time an abortion takes place, a nameless little baby dies a lonely, tragic death, a mother is never the same, and everything that child might have brought to humanity is lost forever.

God help us not to turn our military hospitals into abortion clinics, and to stain the very foundations of this Nation with the blood of our own children.

Mrs. DAVIS of California. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will be happy to yield back some of that time to the distinguished proponent of this amendment. I thank her for her leadership, and the leadership of Ms. HARMAN and Ms. SANCHEZ.

Mr. Chairman, I simply want to say that this is a question certainly of the flag and the Declaration of Independence and the rights of all Americans. But what it says is that the men and women of the United States military have equality, the equal rights to good health care and health procedures all over the world, wherever they serve.

This is a good amendment. I associate myself with this amendment, and

I ask that you vote for the men and women of the United States military and allow this amendment by Mrs. DAVIS, Ms. HARMAN, Ms. SANCHEZ, to support the women of the United States military to have equal access to good health care and to be able to secure appropriate procedures regarding their female surgical needs at overseer military facilities.

Mr. RYUN of Kansas. Mr. Chairman, I yield the balance of my time from this side to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Chairman, I thank my friend for yielding.

Mr. Chairman, the Davis amendment seeks to turn our military hospitals into abortion mills. With all due respect to my friend and colleague from California, the amendment will result in babies being brutally killed by abortion, and women will be harmed and prolife Americans will be forced to facilitate and subsidize the slaughter of innocent children.

Abortion is violence against children, Mr. Chairman, and it harms women. Some methods including dismembering and ripping apart the fragile bodies of these children. Other methods include chemical poison. RU–486, a baby pesticide that was rushed to approval by the Clinton administration bypassing safety protocals along the way isn't just lethal to babies; it kills women as well. It is poison. Several women have died after taking RU–486.

Mr. Chairman, one of the methods depicted to my left is the D&E method. It is a common later-term method of abortion in which the arms and the legs and the torso of the baby are painfully hacked into pieces. The Davis amendment, make no mistake about it, would authorize this kind of child abuse.

Mr. Chairman, we can't allow that to happen. We can't kill babies like this. With all due respect to my friend, this is child abuse and it harms women. Vote against the Davis amendment.

Mr. Chairman, I thank my friend for yielding me time, and I thank him for his affirming the inherent value and dignity of both mothers and children.

Mr. Chairman, 90 percent of the hospitals in the United States today refuse to abort unborn children, and the trend is for hospitals to divest themselves of this violence against children.

Yet as hospitals in our country repudiate abortion, because abortion kills, the Davis amendment seeks to turn our overseas military hospitals into abortion mills. With all due respect to the gentlewoman from California, the amendment she offers will result in babies being brutally killed by abortion. It will harm women, and it will force pro-life Americans to facilitate and subsidize the slaughter of innocent children.

Abortion is violence against children and it harms women. Some methods of abortion dismember and rip apart the fragile little bodies of children. Other methods chemically poison kids. RU–486—a baby pesticide that was rushed to FDA approval by the Clinton Administration by waiving numerous safety protocols including the use of Subchapter H—isn't just lethal to babies, but has killed several women. It is poison. Abortion has turned children's bodies into burned corpses, the direct result of the caustic effect of the chemicals.

Now we know as well, Mr. Chairman, from science and from medicine that due to the nerve cell development, unborn children from at least 20 weeks onward, and most likely even earlier, feel excruciating pain. They feel pain, two to four times more pain than you and I would feel from the same assault. So abortion mills aren't just child killing mills—but they are torture chambers as well.

One of those methods depicted to my left on this poster board, the D and E method, it is a common, later-term method of abortion, in which the arms and the legs and the torso are painfully hacked into pieces. The Davis amendment would authorize this child abuse in military hospitals. We can't let that happen.

Finally, Mr. Speaker, Dr. Alveda King, niece of the late Dr. Martin Luther King, has said, ''How can the dream survive if we murder the children?''

Dr. King, who has had two abortions herself, but is now pro-life and bravely speaks out, says, ''We can no longer sit idly by and allow this horrible spirit of murder to cut down and cut away our unborn. This is the day to choose life.'' Dr. King goes on to say, ''We must allow our babies to live. If the dream of Dr. Martin Luther King is to live, our babies must live.''

There is nothing benign or nurturing or curing about abortion. It is violence against children. It dismembers them. It chemically poisons them.

Vote down the Davis amendment.

Mrs. DAVIS of California. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, as we consider this amendment today, I want to urge my colleagues to reflect on the following: We ask women to serve in the military. We trust women in the military to secure our safety. We ask women to put their lives at risk for our freedoms. They have saved many lives as they have gone to war for us.

So I ask you, ladies and gentlemen, let us not turn our backs on the women in uniform in our country.

The Acting CHAIRMAN (Mr. CULBERSON). All time having expired on this debate, the question is on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mrs. DAVIS of California. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

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AMENDMENT NO. 4 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 printed in House Report 109–459 offered by Ms. JACKSON-LEE of Texas:

Page 117, after line 6, add the following new subparagraph (B) (and redesignate existing subparagraphs (B) and (C) accordingly):

''(B) the frequency of assignments during service career;''.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the chairman and ranking member of a committee that really protects the lives of our soldiers on the front line and their families.

Mr. Chairman, I hope today that my colleagues will join me in a bipartisan effort to give a gift to our soldiers' families. I understand the gravity of this bill, both in the consequences that these provisions will have on our ability to protect and defend ourselves at home and abroad as well as the debate and consideration of which our colleagues on the Armed Services Committee engage to do this good job on behalf of the men and women of the Armed Forces.

For this particular reason, I would like to call attention to a clarification that is needed when providing for fair treatment of members in the Selected Reserve and Individual Ready Reserve. Members of the Individual Ready Reserve are former enlisted soldiers and officers who have some military service obligation remaining but who choose not to fulfill it in the Guard or Reserve.

Unlike members of the National Guard or Reserve, Individual Reserves do not perform regularly scheduled training and receive no pay unless they are called up.

Mr. SKELTON. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, let me compliment the gentlewoman on this amendment. It eminently makes sense. It adds the words that the frequency of assignments during service career as one of the several factors that the Secretary of Defense should consider in calling Selected Reservists to active duty.

I think it is well done. As you know, a good number of them have been asked on a frequent basis to serve, when in truth and fact, if they look at the records closely, they might not very well have called those particular people. It just requires them to consider and take a good look at it. I compliment the gentlewoman.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I reserve the balance of my time.

Mrs. DRAKE. Mr. Chairman, although I am not opposed to the amendment, I request unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman's request is so ordered.

There was no objection.

Mrs. DRAKE. Mr. Chairman, section 511 of the underlying bill establishes several factors that should be considered when deciding whether a member of the Selected Reserve should be involuntarily mobilized under what is known as Presidential Select Reserve.

These factors include length and nature of previous service and family responsibilities. This amendment adds an additional category, frequency of assignments throughout a career.

For the last 15 years, the members of the Reserve components have responded magnificently when mobilized. They have answered the Nation's call repeatedly in Desert Storm, Kosovo, Afghanistan, Iraq and other places. So smoothly have these mobilizations gone that it is sometimes easy to forget that each time the orders went out jobs were set aside, lives were disrupted and dreams were put on hold.

This amendment recognizes the fact that Reservists have been repeatedly mobilized and that as long as they remain members of the Reserve components they will be subject to future mobilizations. The decision to involuntarily mobilize members of the Selected Reserves should never be taken lightly, and the commitment and dedication of these men and women should never be unfairly tasked.

This amendment recognizes these ideals. I commend the gentlewoman from Texas for offering it. Mr. Chairman, I support this amendment and ask my colleagues to do the same.

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

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentlewoman for her kind support. Might I just say that in joining in a bipartisan manner, I am pleased that this provision recognizes and takes into account the fact that a Reservist and a National Guard member needs the support and love of his or her family, or that the needs of a family and a home are highly valued by our military and our country.

The inclusion of this passage and this language in the bill affirms and asserts the fact that we are a Nation of morals and honorable decision makers. The length and nature of previous service also should have a large part in the consideration of recalling a Reservist back to duty.

The bill specifies that this provision is to share any exposure to harmful materials in order to stay within the reasonable limits of national security and military standards. Therefore, the frequency of assignment is also an important question, and the fact that we are clarifying it today and instilling and including that in the bill is going to give Reservists and National Guard families a great deal of celebration.

Let me tell you a very pointed story. One constituent from Houston who was born in Texas, has lived his whole life in Texas, called because he was confused and concerned, not because he did not love his country, not because he did not enjoy serving, but he wanted to try and understand the fact that he was redeployed three times in a 4-year period, a man who has a family, had a job, and of course we know it was mentally and emotionally draining and of course heart-breaking to leave his family.

Therefore, this amendment will help the many Reservists and families and the National Guard families all over America. Serving your country is noble, honorable and generates pride in one's self and one's country. Re-serving your country is no less noble. That is the constituency we serve today. Yet it can damage morale, particularly if the individual is not career military, if we do not take into consideration the frequency of their service.

I thank my colleagues, and I ask my colleagues to support this amendment on behalf of the military families all over America, Re-reservists and National Guard who will benefit from understanding their plight and their situation.

Mr. Chairman, I appreciate the opportunity today to offer an amendment to the National Defense Reauthorization Act that clarifies the factors that must be taken into consideration when recalling a reservist to service to include the frequency of assignment over the duration of a reservist's career.

I understand the gravity of this bill, both in the consequences that these provisions will have on our ability to protect and defend ourselves at home and abroad, as well as the debate and consideration in which our colleagues on the Armed Services Committee engaged.

For this particular reason, I would like to call attention to a clarification that is needed when providing for fair treatment of members in the Selected Reserve and Individual Ready Reserve.

Members of the Individual Ready Reserve are former enlisted soldiers and officers who have some military service obligation remaining but who chose not to fulfill it in the Guard or Reserve. Unlike members of the National Guard and Reserve, individual reservists do not perform regularly scheduled training and receive no pay unless they are called up.

Forty percent of American troops in Iraq are from National Guard and Reserve units. For many, the financial sacrifices are great. Many lose the salaries they were earning in the private sector, and their families are struggling to pay bills. 57 percent of National Guard members and reservists have cited too many activations and/or deployments as a reason to leave the military, and 66 percent of Guard members and reservists express that they are likely to continue in the Guard or Reserve.

In the case where it is necessary for these reserves to be recalled to duty without their consent, the bill currently provides for appropriate consideration to be given to the length and nature of previous service, family responsibilities, and employment necessary to maintain the national health, safety, or interest.

I am pleased that this provision recognizes and takes into account the fact that a reservist needs the support and love of his or her family, or that the needs of a family and a home are highly valued by our military. The inclusion of this passage in the bill affirms and asserts the fact that we are a nation of moral and honorable decision-makers.

The length and nature of previous service also should have a large part in the consideration of recalling a reservist back to duty. The bill specifies that this provision is to share any exposure to harmful materials in order to stay within the reasonable limits of national security and military standards.

Related to this, however, is the fact that the frequency of assignment must also be taken into consideration. As we have seen, our reservists are brave citizens and soldiers who have willingly traveled to the other side of the world to defend their homeland. If these were career military we were talking about, I do not think that frequency should necessarily be considered.

However, we must take the occurrence, and not just the length of time, of previous service into account when recalling reservists. One tour of four years is substantially different than four tours of one year. I am not making a qualitative or quantitative judgment, or that one reservist should be preferred over another.

One constituent from Houston, who was born in Texas and has lived his whole life in Texas, called because he was confused and concerned that the 4 years he served over a 6 year time span would not be recognized by the military as he thought it should be. His three separate deployments were mentally and emotionally heartbreaking, and I heard his point clearly: His situation should be considered as dissimilar to an individual who had been deployed once and served 4 non-interrupted years.

The number of times an individual has been deployed must be included when recalling a reservist to duty, just as are family responsibilities, previous length and nature of service, and employment consequences.

Serving your country is noble, honorable, and generates pride in oneself and one's country. Re-serving your country is no less noble, yet can damage morale, particularly if the individual is not career military.

I urge my colleagues to support this measure.

Mr. Chairman, I yield back the balance of my time.

Mrs. DRAKE. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I demand a recorded vote.

This is a bipartisan amendment that is supported by Members on both sides. In order to give our Reservist families a moment of celebration, I would like the yeas and nays so that they can see the vote on the floor in support of Reservists and National Guard families.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Texas will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. TANNER

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

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 printed in House Report 109–459 offered by Mr. TANNER:

At the end of subtitle D of title V (page 131, after line 20), add the following new section:

SEC. 534. REPORT ON USING SIX-MONTH DEPLOYMENTS FOR OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Army should continue to further evaluate and consider—

(1) the potential benefits of converting to six-month overseas deployments for members of the Army, including members of the Army National Guard and the Army Reserve, in connection with Operation Enduring Freedom and Operation Iraqi Freedom; and

(2) the potential impacts of such reduced deployment periods on morale, recruiting, retention, readiness, and the conduct of military operations.

(b) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report containing—

(1) the results of any surveys conducted with soldiers and their dependents by the Department of the Army regarding the proposal to reduce deployment times for members of the Army in connection with Operation Enduring Freedom and Operation Iraqi Freedom to a maximum of six months;

(2) potential plans for the Department to implement such reduced deployment times;

(3) a discussion of potential benefits associated with implementation of such reduced deployment times, such as improved members and family morale and increased recruiting and retention; and

(4) a discussion of potential drawbacks associated with implementation of such reduced deployment times, such as impacts on readiness, the conduct of operations, and forecasted additional costs.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from Tennessee (Mr. TANNER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee.

Mr. TANNER. Mr. Chairman, the Army has been talking about adjusting the length of deployment in some manner, and there has been ongoing discussions about that with the Army Chief of Staff and others, and this amendment merely asks the Secretary of the Army to give to the Congress a report on the relative pros and cons, what they are finding out and what they intend to do within I believe it is 90 days of the date this amendment passes.

Mr. Chairman, I would urge acceptance of this amendment.

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

Mrs. DRAKE. Mr. Chairman, although I am not opposed to the amendment, I request unanimous consent to claim the time in opposition.

The Acting CHAIRMAN. Without objection, the gentlewoman's request is so ordered.

There was no objection.

Mrs. DRAKE. Mr. Chairman, I rise in support of the amendment. I thank the gentleman for his amendment and for the opportunity to evaluate the length of time served.

Mr. Chairman, I urge all of my colleagues to support the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. TANNER. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. TANNER).

The amendment was agreed to.

Mrs. DRAKE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FRANKS of Arizona) having assumed the chair, Mr. CULBERSON, Acting 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. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 4297, TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 805, I call up the conference report on the bill (H.R. 4297) to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 805, the conference report is considered read.

(For conference report and statement, see proceedings of the House of May 9, 2006, at page H2209).

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from California.

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

Mr. Speaker, I am pleased that the House is finally able to take up the conference report. The last time the House visited the Reconciliation Act of 2005 was in December of last year. The minority was very much concerned about dealing with the alternative minimum tax problem facing millions of American taxpayers.

We were also concerned, primarily on this side of the aisle, with making sure that the economy continued its robust growth. I am very pleased to announce today that there should be near unanimous support on the other side of the aisle for this reconciliation agreement.

When we offered the alternative minimum tax outside of reconciliation, we got 414 votes for providing that alternative minimum tax relief outside of reconciliation.

Subsequent to the House passing the reconciliation measure, my friends on the other side of the aisle offered, not once but twice, motions to instruct to require the conference to place in the reconciliation measure alternative minimum tax repeal.

It is my pleasure to announce today that the wishes of my friends on the other side of the aisle have been granted. The alternative minimum tax, in the most comprehensive way ever offered, is part of this package; because it is so comprehensive, that more than 15 million Americans will not pay the alternative minimum tax once this bill becomes law in 2006, and that, in addition, more than 2 million taxpayers will not have any liability because of this bill. Because of its comprehensive nature, this is the only opportunity for Members of the House to vote to provide alternative minimum tax relief to taxpayers.

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And so I look forward to having my colleagues join me since we have provided in the reconciliation package what they have voted for and have asked for.

I am also pleased to announce to my friends on both side of the aisle that this measure also contains a provision which extends one of the primary stimulus factors in the economy, and that is the ability to pay only a 15 percent tax on dividends for investing in the economy and 15 percent on capital gains for taking a risk opportunity in the economy.

I will say for those items that were in both the House and the Senate bills that are not part of this package, we are working on an additional important tax relief package which will provide that opportunity. And I know my colleagues on the other sides of the aisle, especially those who represent the States that will see the greatest relief under the alternative minimum tax, those Members who represent the States of California, New York, Florida, Pennsylvania, Massachusetts, New Jersey, they will be pleased to note that a ''yes'' vote on this reconciliation measure provides the tax relief and, I might underscore, the only opportunity for tax relief on the alternative minimum tax measure.

I might say in the reverse, that if a Member does not vote for this measure, they are, in essence, then voting to raise taxes on more than 15 million Americans.

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

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

Mr. Speaker, well, the Republicans are coming. The Republicans are coming. The Republicans are coming with relief for the alternative minimum tax. It is the same way they were coming to give our older people prescription

drugs. Work through the maze, and at the end of it we will give you a penalty. The Republicans are coming in order to balance the budget, but we just have to borrow more money from China and around the world.

Just how gullible do you think that the American people can be? I can imagine now in November my colleagues, Republicans, running around with a sign, ''I am from the Republican Congress. I am here to help you.''

You cannot believe it. If you want the alternative minimum tax the way they are offering it, wherever the conference was, you have to swallow with that a tax bill, a tax cut bill that costs over $40 billion. And this only would help a fraction of 1 percent of the wealthiest Americans in the world.

So if you want equity and fair play, which they refuse to give in the House for the alternative minimum tax, all you have to do is hold your nose and let them continue to give the tax cut to their rich friends and then tell you this is the last chance that the train of equity is coming through your neighborhood.

Well, it is not the last time, because we have a motion to recommit to tell the conferees to take care of those 81 million people that are caught up in this tax hookup which they should not be and to drop the rest of it and to let you try to do something with the deficit.

So let's focus not on the fact that this is the last train in town to help, but Democrats are on the way to really help by knocking off the tax cuts that no one is asking for except the administration and K Street, and concentrate on what we are here for.

And so it just seems to me that you should not frighten people to join some HMO and hold back their drugs and you should not frighten people that you are not going to get relief from the alternative minimum tax unless you buy the whole package, which is an additional $50 billion of unfair, undeserved tax cuts for the wealthy.

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

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

Mr. Speaker, I do want to make a slight correction on a factual basis. The gentleman from New York knows full well, in the reconciliation package the single largest item is the alternative minimum tax relief.

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the committee.

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

Mr. HAYWORTH. Mr. Speaker, I think my colleague from California, the chairman of the Ways and Means Committee, for this time and as always, I listened with interest to my good friend from New York, and I think it illustrates some very real differences.

Tax relief should not be partisan. And part of what we actually do here in the people's House is practice the art of the possible. And so before this House today we have much-needed tax relief.

The alternative minimum tax, or AMT, has become Uncle Sam's ATM. Too much, too often have we seen the Federal Government reach into the pockets of middle-income taxpayers, and with this legislation today, we put a stop to using the AMT as Uncle Sam's ATM. That is something that the American people want to see.

And there is other thoughtful tax relief here because, in stark contrast to the bleak picture painted by my friends on the other side of the aisle, we understand that there is no reason to penalize people who succeed. By extending the 15 percent rate on dividend and capital gains taxes through 2010 and extending the increased small business expensing through 2009, we are not punishing people for succeeding. That is vital.

Is it important to Wall Street? Yeah, Mr. Speaker, it is important to Wall Street. But it is important to Main Street and it is important to your street, Mr. Speaker, every street in this Union, every neighborhood, because it helps to generate wealth and investment and that is what we are about here.

I ask the House to adopt this legislation.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a senior member of the Ways and Means Committee and a hardworking member.

Mr. STARK. Mr. Speaker, I would like to thank the distinguished gentleman from New York for yielding me time.

This $70 billion sham defrauds the working class to line the pockets of the super-wealthy friends of the Republican Party. Taxpayers with incomes of over $10 million will have received on average $500,000 from the Republican capital gains and dividend cuts, and hardworking Americans making under $50,000 have average tax savings of $10; $500,000 if you are rich; $10 if you are just getting along.

Capital gains and dividend tax breaks benefit the rich, not the working class. Here is a chart that indicates how this money is distributed: $20 to the average middle-income household, $42,000 to those making over a million bucks.

You can see here we have taken care, the Republicans have taken care, of Members of Congress, they gave us $1,388, at least for those who are only working in the public trough. Not bad.

But this bill wastes $70 billion on millionaires that could be used to improve people's lives. With that $70 billion, $39 billion in unnecessary cuts to Medicaid which hurts the health care of children, disabled and the poor could be restored. We could fund the President's great bragging rights to the No Child Left Behind with $9 billion and provide health insurance for every child in this country for $20 billion, and there might even be a few bucks left over to decrease the deficit.

So you have here, amidst all the cute rhetoric on the other side, voodoo economics at its most ridiculous and radical extreme and moral reprehensibility that gives $100,000 to millionaires, but takes health care away from families earning less than $16,000 a year. Vote ''no.''

Mr. Speaker, I rise today in strong opposition to the Republican tax reconciliation conference report. I'd like to say it was an honor to sit on the conference committee, but this backroom deal was cut without any input from House Democratic conferees. The predictable result is a Republican agreement that benefits millionaires at the expense of working families.

You don't have to dig far into this bill to realize it helps the rich get richer, while doing little for hard working American families. The extended dividends and cap gains tax breaks didn't even expire until 2008, but Republicans wanted to reward their rich campaign donors before the November elections. As a result, people making over $10 million get an average capital gains and dividends tax breaks of about $500,000 a year. These cuts give families making under $50,000 a whopping $10 tax cut. It is clear where the Republican priorities lie.

Some will say that other tax cuts in this bill help the working class. The facts don't support that argument. Families struggling to get by on less than $20,000 a year get only $2 in average tax breaks from this bill. Average middle income households only get $20. Where could all these tax cuts go? The answer is simple, those making over $1.6 million—the top 0.1 percent of all taxpayers—get $82,000 a year in tax breaks from President Bush and their Republican friends in Congress.

In sum, this tax reconciliation bill is a $70 billion boondoggle for America's wealthiest taxpayers. Wouldn't it make a little more sense to spend this money to help people in need? We could easily eliminate the entire $39 billion in cuts Republicans made last fall to programs like Medicaid, student loans and food stamps. That would leave us $31 billion to fully fund Bush's No Child Left Behind education plan and provide every child in the country with health insurance. There might even be some money left over to help decrease the budget deficit mess Bush has gotten us in.

It is clear this bill benefits the rich at the expense of the working class, but that isn't the whole story. Just as Bush lied about weapons of mass destruction to lead us into the quagmire in Iraq, Congressional Republicans are lying about the true cost of this legislation. This bill pays for the tax cuts for the wealthy by actually raising some taxes in the short-term. Many of the so-called ''revenue raisers'' in the bill will actually end up being huge tax breaks in future years. One specific provision allows people to cash out traditional IRAs and convert them into Roth IRAs. This raises revenue in the first few years, but will cost up to $1 billion dollars a year starting in 2013. Who benefits most from this future tax break? You guessed it . . . families making over $150,000 a year.

Regardless of what some may say, tax cuts for the wealthy do not generate economic

growth, jobs or increased wages. The only people that win under the Republican reconciliation plan are the millionaires who receive all the tax breaks. It is immoral to give a millionaire an extra $100,000 while we're taking Medicaid benefits away from a family of three making under $15,750.

I urge all my colleagues to stand up for the working class and vote against these irresponsible and immoral tax breaks for the rich.

Mr. THOMAS. Mr. Speaker, I yield myself 1 minute.

What the gentleman just quoted was indeed on the front page of The Washington Post today and it comes from the Tax Policy Center. Of course, what he did not bother to do is tell you other material that has come from the very same Tax Policy Center.

Because in 2001 we took millions of people off of the tax rolls, and so for the first time many people making $10,000 to $20,000 do not pay any taxes. And what the Tax Policy Center said was, the top 50 percent pay 97 percent of all Federal income taxes.

We are good, but when we remove people from the tax rolls who do not pay any taxes, how would they expect to get money back? That is, of course, the other side of the story, and it comes from the very same center that the gentleman just quoted.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a valued member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, I rise in strong support of the tax relief before us. Of the major provisions of the tax reconciliation, two particularly stand out as encouraging economic expansion and continued job creation: the 2-year extension of the current 5 percent capital gains and dividend rates and the continuation of section 179 expensing limits.

I have long supported enhanced small business expensing through legislation, and I am pleased this provision was included in the final bill. Studies show that a majority of small firms benefit from expensing, helping to speed up cost recovery on new investment, contributing to small business growth. Since small businesses provide roughly two-thirds of new job creation in the United States, such growth translates into new jobs for Americans.

I have also heard from northern California seniors about the importance of capital gains and dividends to their retirement income, and they are not alone. Future tax rates on investment earnings affect the decisions that families and businesses make today. Extending the lower rates for capital gains and dividends provides tax certainty, helping to boost investment. For proof, we need look no further than today's Dow Jones Industrial Average, again reaching historic highs.

According to a Wall Street Journal piece from a few days ago, capital gains tax Federal receipts rose 79 percent after the new rates went into effect in 2003; dividend tax receipts rose 35 percent. This is further evidence that the lower rates actually produce increased revenues.

Mr. Speaker, I urge everyone's support.

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

Mr. Speaker, the gentleman said the Wall Street Journal says we are doing well. The Main Street Journal says people are going into bankruptcy. They are losing their pensions; they are losing their health insurance. It depends on what paper you read.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), an outstanding member of the Ways and Means Committee.

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

Mr. LEVIN. Mr. Speaker, two quick comments.

Mr. THOMAS, when you say that the people taken off the rolls a few years ago do not pay any taxes—you did, twice you said that.

Mr. THOMAS. Mr. Speaker, will the gentleman yield on my time?

Mr. LEVIN. Yes, Mr. Speaker.

Mr. THOMAS. If, in fact, I said taxes, I obviously meant income taxes, and I appreciate the gentleman's bringing that point to me. And I would like the record corrected to say, they do not pay income taxes.

Mr. LEVIN. Okay. I hope in the future Republicans who keep on saying they do not pay taxes will not say that anymore.

Mr. THOMAS. Mr. Speaker, will the gentleman yield on my time?

Mr. LEVIN. Yes, Mr. Speaker.

Mr. THOMAS. I do appreciate having you around making sure that everyone understands that what we did in 2001 was take millions of people off of the income tax rolls.

Mr. LEVIN. Right, and they continue to pay all kinds of taxes, and indeed they are paying taxes compared to what very wealthy people are not overall paying.

Mr. THOMAS. Mr. Speaker, will the gentleman yield on my time?

Mr. LEVIN. Let me just finish.

Look, another point, we have voted, we Democrats, two or three times on the AMT. We voted two or three times. You are Johnnie-Come-Latelys. So now what you say is, vote for a bill that has that in it, but has these provisions on dividend and capital gains.

As Mr. STARK said, essentially you are bringing a tax bill here that has caviar for the very wealthy and mostly crumbs for most everybody else. That is what you are doing, and the chart shows it: a household, 50- to 75,000, $110; a household from $500,000 to $1 million, $5,500; and more than $1 million, $41,000.

□ 1645

I read in an editorial a few days ago in the Post, ''While the income of the families in the middle fifth of society has grown 12 percent since 1980, the income of the top 10 percent has grown 67 percent, and the income of the top 1 percent has more than doubled. In short, the rich have grown a whole lot richer.''

So what you are doing here is giving this immense tax break to a relatively few very wealthy people, and you are combining it tomorrow with a budget bill, according to your own language, and I quote, ''the debt limit will be increased from $8.965 trillion to $9.618 trillion in an increase of $653 billion'' under your proposal.

So you are saying give the very wealthy, making $1 million or more, 45 percent of this tax bill, while you are increasing tomorrow the national debt by over $653 billion.

If your great tax policies have brought such great economic growth, why is the debt limit being raised $653 billion?

Mr. THOMAS. Mr. Speaker, how is the time distributed at this point?

The SPEAKER pro tempore (Mr. CULBERSON). The gentleman from California (Mr. THOMAS) has 20 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 24 minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a senior member, hardworking member, in the Ways and Means Committee.

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

Mr. CARDIN. Mr. Speaker, let me speak on behalf of our children and our grandchildren.

Mr. LEVIN pointed out our national debt, the actual debt now is $8.3 trillion, $28,000 per person in this country. What we have is a birth tax, and we are adding to that birth tax.

This bill, as advertised, adds another $70 billion or $69 billion to the debt, but when you look at it, it is much higher because we are using gimmicks again. We remove the income ceiling on Roth IRAs, and we count that as a revenue gain of $6 billion when we know, in fact, it will lose revenue for the Treasury to the tune of $1.3 trillion a year.

So we are using gimmicks and we are going deeper and deeper into debt. We are doing this for what? Why do we not have offsets?

You look at the extension of dividend exclusion, the dividend exclusion does not end until 2008. Why do we not work out a program to pay for these extensions?

We tell our students they have got to pay more for their college education, and that we are not going to provide the relief because we do not have the money.

We tell our veterans we cannot provide the health care that we promised them because we do not have the money in the budget; but the tax cuts, that do not expire until 2008, we can put in this bill, knowing full well it is going to add to the deficit of the Nation.

Where is fiscal responsibility? Why are we not looking after our children

and grandchildren? Why are we adding more debt to what they are going to have to pay? We could have a responsible bill that deals with the alternative minimum tax, that deals with selective inequity that we have in the Tax Code, and we could pay for every dime of that tax cut, as we should, so we do not add to the deficit of the Nation.

In the last 5 years, we have accumulated more debt held by foreign countries of U.S. debt than in the first 225-year history of America. It is a matter of national security that we pay our bills.

This bill moves in the wrong direction. I urge my colleagues to reject it.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for his superb work in conference. I rise on behalf of this conference report because I stand here today on behalf of the next generation.

We have heard some rhetoric on the other side, but the fact remains, the next generation needs new jobs. The next generation needs economic growth, and it is fairly clear, contrary to the rhetoric on the other side, economic growth helps the working class. It is the key to social justice, and ultimately, it is the solution to our deficit.

We need to leave in place the current tax policies that are working, that have been so successful in creating the fastest growth in 20 years, 138,000 jobs created last month, 18 consecutive quarters of growth averaging 3.2 percent. Our trading partners for the most part cannot match that. We are doing it because we have put in place clear growth incentives, including the right rate on capital gains and the right tax treatment of dividends.

The other side wants to repeal those reforms. The other side wants, as usual, to raise taxes. The other side wants to talk about revenues that, if these tax rates went up, probably would not be realized. There is an absurdity to the tax policy as advocated on the other side that schedules a capital gains hike, that schedules a phaseout of the proper tax treatment of dividends, and puts in place all sorts of distortions that ultimately will reduce the effectiveness of the market.

What we need to do is continue our commitment to economic growth and send a clear message to national markets that we are going to continue the tax treatments, the tax policies, that have yielded these economic benefits.

Let us pass this legislation. Let us extend for 2 more years the tax treatment of capital gains. Let us continue our commitment to economic growth.

May I add, as I was listening to the comments of the speaker from Michigan, he was mentioning the other taxes that people pay, other than the income tax; and he should have noted that those are their Social Security and Medicare contributions. For the most part, those taxes are a process of earning benefits.

It is fairly clear that the Republican majority has taken thousands of families off of the Federal income tax rolls to their permanent benefit.

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

I do not know what kind of water they drink on the other side of the aisle, but back where I come from, you get a check that tells you how much you have earned and how much is deducted, and what is deducted is a tax and what you take home is net. So you can call it payroll, you can call it income tax, but a tax is a tax is a tax.

Mr. Speaker, I yield 2 minutes to the gentleman from the State of Washington (Mr. MCDERMOTT), an outstanding member of the Ways and Means Committee.

Mr. MCDERMOTT. Mr. Speaker, the Republican rubber-stamp Congress is in session. Republicans are going to rubber stamp the last act of the budget. The first act was in December when the Republicans took from the poor, the disadvantaged and the foster kids, the people on food stamps and students trying to get a student loan.

The Republicans emptied one Christmas stocking, but they thought it would be unseemly to immediately give it to the rich right in front of the poor. So they waited and they waited and they waited, and finally, today, they think the people have forgotten and gone to sleep. So they are going to give it to the rich.

The party of 1 percent is going to get a reward. The millionaires are going to get a windfall for which they did nothing except attend fund-raisers. Every millionaire will get a windfall of $41,000. The average American makes exactly that during a year. He will get $16. Millionaires, $41,000; ordinary people, $16.

Those are real numbers, no matter what they say, and that means it is reward the rich, ignore the poor. That is the Republican rubber stamp of the President's views on the world.

They say it will increase savings. The savings rate in this country is zero. In fact, it is less than zero. Ninety-nine percent of the people in this country are not better off, only the 1 percent who get the rubber stamp today; and the rest of America is forced to choose between filling the gas tank and putting food in the refrigerator.

Now, they all brought their rubber stamps today, but what they have not told you, and I will enter into the RECORD at this point the article from The Washington Post from May 9.

[From washingtonpost.com, May 9, 2006]

ANOTHER POSSIBLE BUMP TO THE DEBT CEILING

(By Jonathan Weisman and Shailagh Murray)

A $2.7 trillion budget plan pending before the House would raise the federal debt ceiling to nearly $10 trillion, less than two months after Congress last raised the federal government's borrowing limit.

The provision—buried on page 121 of the 151-page budget blueprint—serves as a backdrop to congressional action this week. House leaders hope to try once again to pass a budget plan for fiscal 2007, a month after a revolt by House Republican moderates and Appropriations Committee members forced leaders to pull the plan.

Leaders also hope to pass a package of tax-cut extensions that would cost the Treasury $70 billion over the next five years. They would then turn Thursday to a $513 billion defense policy bill that would block President Bush's request to raise health-care fees and co-payments for service members and their families.

In recent days, Congress has received some good news on the budget front. A surge of tax revenues this spring, sparked by economic growth, prompted the Congressional Budget Office last Thursday to revise its 2006 deficit forecast from around $370 billion to as low as $300 billion. But the federal debt keeps climbing because of continued deficit spending and the government's insatiable borrowing from the Social Security trust fund. With passage of the budget, the House will have raised the federal borrowing limit by an additional $653 billion, to $9.62 trillion. It would be the fifth debt-ceiling increase in recent years, after boosts of $450 billion in 2002, a record $984 billion in 2003, $800 billion in 2004 and $653 billion in March. When Bush took office, the statutory borrowing limit stood at $5.95 trillion.

Democrats will harp on those statistics not only in the budget debate but also when the House takes up tax legislation expected to finally emerge from House-Senate negotiations today. The legislation would extend for two years the deep cuts to tax rates on dividends and capital gains that Congress approved in 2003. It would also slow for one year the expansion of the alternative minimum tax, a parallel income tax system designed to hit affluent but increasingly pinching the middle class.

Although the debate will be rancorous, the tax measure is expected to pass by a comfortable margin. The budget vote will be closer. House leaders had to pull the budget plan from the floor in April, after moderate Republicans balked at planned cuts to health and education programs and appropriators objected to limits on home district pet projects—known as earmarks—and a provision that would limit emergency spending for natural disasters to about $14 3 billion a year.

Appropriators have come on board, Appropriations Committee spokesman John Scofield said. GOP leaders and committee chairman Jerry Lewis (R-Calif.) tried to win moderate support last week by cutting $4 billion from the president's defense spending request and adding that money to labor, health and education programs. But some moderates are still holding out.

''I expect they do not have the votes right now,'' said Rep. Michael N. Castle (R-Del.), a leader of the balking moderates. ''Could they get the votes by the end of the week? I'd give it a 50–50 chance.''

GOP HEALTH-CARE REDUX

It's ''health week'' in the Senate, but don't expect any big policy cures. Republicans are seeking to pass legislation that would restrict malpractice awards and encourage insurance pools among small businesses. The three bills are GOP perennials that in the past have met with staunch opposition by Democrats and interest groups. Given the high stakes of the midterm election year, the prospects this week don't look any brighter. Two of the bills, both aimed at limiting medical malpractice jury awards, stalled in the Senate last night after failing

to gain enough votes to overcome Democratic-led procedural hurdles.

The first measure, sponsored by Sen. John Ensign (R-Nev.), would allow up to $750,000 for non-economic damages and unlimited economic damages. A patient could recover up to $250,000 from a health-care provider and up to two health-care institutions each for a total of $750,000. The bill also would guarantee timely resolution of claims by mandating that health-care lawsuits are filed within three years of the date of injury, establish standards for expert witnesses and limit attorneys' fees. The second measure would target lawsuits against obstetric and gynecological providers and was sponsored by Sen. Rick Santorum (R-Pa.), whose wife won $175,000 in damages in a malpractice case against a chiropractor. Democrats mocked the bills as a gimmick designed to rally conservative voters and appease doctors and insurance companies. ''This is not a serious attempt,'' said Sen. Edward M. Kennedy (D-Mass.).

The third bill up this week, offered by Sen. Mike Enzi (R-Wyo.), would allow business and trade association to band their members together and offer group health coverage on a national or regional basis. Opponents warn that it would set the ''barest of bare bones standards for benefits,'' as one Democratic press release put it, undercutting requirements to cover cancer screening, well-baby care, immunization, access to specialists and other services.

They are going to raise the debt limit as the icing on this cake. They are still giving it away faster than it is coming in.

So when they bring the budget out here, if they ever have the guts to bring a budget out here, we are 7 months into a new year and you have no budget, they are going to raise the debt limit. So watch them. Just remember, this is the rubber stamp and the President's view.

Vote ''no.''

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

I heard my colleague say a tax is a tax is a tax. Everyone knows a consumption tax buys you a fish for a day; an investment buys a fishing pole and bait, and you eat for a lifetime.

A tax is not a tax is not a tax. Capital gains, dividends are a fishing pole and bait. The kind of taxes they go for is a fish.

Eat for a day or eat for a lifetime. Our taxes provide a lifetime of benefits.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Colorado (Mr. BEAUPREZ), a valued member of the Ways and Means Committee.

Mr. BEAUPREZ. Mr. Speaker, I thank the chairman of the committee and applaud him for bringing this legislation to the floor. It has made a difference in real American lives and the folks that we all represent.

I want to talk about one of those, Mr. Speaker. Her name is Linda Jones. Linda Jones operates two rental facilities in Westminster, Colorado, called Area Rent-Alls, just little equipment rentals like we have in all of our neighborhoods back in our districts.

She utilized section 179 expensing that is so much a part of this legislation that we are bringing in today, and in 2003, she bought $57,000 worth of new equipment. Somebody had to manufacture that equipment. Somebody had to retail that equipment. Somebody had to deliver it to a store. That is jobs.

From that, she saved $7,360 in expense. She applied that $7,360 to the health care costs for her employees. Health care costs were very much on the rise; she used the tax savings to benefit her workers in her shop.

The next year, she bought $64,000 of additional equipment and used the savings for the same thing, to buy down the increase in health care costs that she experienced on behalf of her employees.

Here is what she says: ''The availability of section 179 motivates me to continue to grow my business and is a key component within my business plan. My goal is to build my rental businesses of two more rental stores into one new location. The goal is achievable in a more reasonable time frame only because of the availability of section 179. It is a vital part of my planning for the future and ensuring a bright and profitable future for my rental business and my employees.''

It works for real, live Americans. It creates jobs and makes those with jobs lives much better and more secure.

I thank the chairman again.

Mr. RANGEL. Mr. Speaker, I am glad to yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), the conscience of the Congress, from the Ways and Means Committee.

Mr. LEWIS of Georgia. Mr. Speaker, there is a time when a politician must put politics aside. There is a time when we must stand up and meet our moral obligation as servants of the people.

Millions of Americans are struggling today. They work hard. They are just trying to make ends meet. They are trying to make a way out of no way, and they are looking to Congress for a little bit of light, a little bit of hope after a hard day's work.

They do not want a handout; they just want a fair shake. But with this tax bill, we have abandoned our responsibility to the people who elected us.

□ 1700

We have shut the door in their faces. We have told them there is no room in the inn.

In this bill, you cut off the orphaned, the old, the poor, the weak, and the sick. In this bill, you cut Medicaid, Medicare, veterans benefits and housing programs all in the name of financial discipline.

Then how can we in good conscience pass a tax bill that helps the rich get richer and drives millions of our citizens into financial despair? We are asking the poor and the middle class to sacrifice. Shouldn't the rich sacrifice, too?

Where is the mercy, where is the compassion, where is the fairness? Our tax policy should be fair.

I ask you, Mr. Speaker, is it right to have a tax bill that saves hardworking American families only $10 a year while millionaires save thousands and thousands? With $10 you cannot even fill a tank full of gas. You can't pay the light bill. You can't put food on the table or clothes on your children's backs.

Mr. Speaker, this bill is not right. It is not fair. It is not just. It demonstrates shameful disregard for the people of this Nation. As a Nation and as a people and as a Congress, we must do better and we can do better. I ask my colleagues to vote against this tax bill.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER), a member of the Ways and Means Committee.

Mr. WELLER. Mr. Speaker, this legislation is all about jobs. Two years ago, almost 3 years ago in 2003, this Congress worked with the President. We lowered taxes for Americans. We lowered taxes for small business. We knew it was time to encourage investment and creation of jobs. Frankly, it worked. Over 5 million new jobs were created. Unemployment today is at 4.7 percent, lower than the average of the 1970s, lower than the average of the 1980s, and lower than the average of the 1990s. This economy is growing.

My friends on the other side of the aisle say now is a good time to raise taxes. We should cut off that policy that was helping families and small business. So the question is who benefits when we put the breaks on the alternative minimum tax and cut capital gains and cut dividends? Small business does, 25 million small businesses; 28 million families benefit on average by reduction of almost $990 under 2006 tax returns. And 8.5 million of those beneficiaries are seniors who are going to be able to keep $1,144 on average. Think about that.

If the Democrats succeed in raising taxes, 28 million families will see an average increase on their taxes of $990 this year, thanks to the Democrats' efforts to increase taxes. This policy has worked in creating jobs. This policy has worked to help regular people keep more of what they earn. While Democrats want to raise taxes, let us help working families and let us help small businesses by continuing to keep their tax burden lower than what the Democrats want. I urge an ''aye'' vote.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), an outstanding member of the Ways and Means Committee.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, the gentleman from Arizona said earlier we ought not to penalize success. What they are asking you to do today is to subsidize that success on the backs of working Americans. We are stuck in this situation because of what they did at the end of last year. Their own Members said their cuts

were too draconian and hurt too many families, but it allowed them to manipulate the rules so that we find ourselves back here today.

Let us talk about who gets what when this debate concludes. The average American family is going to get $20 with the Republican tax cut. By the way, this is the sixth and seventh tax cut while we are fighting two wars. Where is your conscience when they do not have body armor, they do not have the equipment they need in Iraq where they serve us so honorably while you cut taxes for Wall Street at the expense of Main Street?

Let us talk about that $42,000 that millionaires are going to get with the Republican tax cut and what it means. Think about what you could do with that for student aid, which they trimmed last year; as they cut Medicare, what you could do with that $42,000. They are giving it back to the investors, and where I live $42,000 is annual income for thousands of families. They are giving it back to millionaires with their tax cuts. And $42,000 is what we pay an enlisted soldier with 3 years of experience, and they are giving the $42,000 back to millionaires.

$42,000 as they cut Medicaid, $42,000 as they argue that it is okay to trim Medicare. It is $20 for those of you who go to work every day in America. You know what that means with this administration and this Congress, that is 6 gallons of gasoline. Where does it all end with their tax cuts?

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. HART), a very valued member of the Ways and Means Committee.

Ms. HART. Mr. Speaker, I thank the gentleman for the opportunity to speak in favor of H.R. 4297, the Tax Increase Prevention and Reconciliation Act. The title is exactly what this bill will do.

It is important for us to complete our work on this legislation today so we can keep our economy growing in the positive direction that it has been moving in since we cut taxes. Interesting enough, though, those opposed will also oppose reductions in our spending, making it very difficult to make sense in making their argument. They want to increase spending, and somehow I guess that means we are going to have to increase taxes. The results say we need to keep taxes low.

First, the extension of the enhanced expensing for small business will continue to provide incentives for small businesses to expand and create more jobs.

Second, extending the lower rates on capital gains and dividends for 2 more years will free up additional capital that fuels the economic growth that we have experienced over the last 3 years.

The American economy has rebounded strongly over the past 3 years with an average growth rate of 3.9 percent. In the first quarter of this year, the growth rate is nearly 5 percent. This growth has translated into job creation, with over 5 million jobs created since August of 2003, and reducing the national unemployment rate to 4.7 percent.

Where I live in western Pennsylvania, we are always the last to see the economic growth, until recently. Recent articles in the Pittsburgh Post Gazette and our Democrat State Department of Labor have admitted that Pittsburghers are finding jobs. A Labor Department analyst, Michele Heister, called the latest trend encouraging, and we are showing signs of recovery.

The truth is we need to keep taxes low. The truth is we need to keep money in the hands of entrepreneurs who are the job creators. The truth is the policy that those on the other side of the aisle advocate will kill our economy and cause job loss. I encourage my colleagues to support the good, sound economic policy in this legislation.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. HOYER), our outstanding minority whip.

Mr. HOYER. Mr. Speaker, the first plank of the Contract With America was fiscal responsibility. No political promise has ever been so broken as that one.

Mr. Speaker, this blatantly unfair and grossly irresponsible legislation represents the last gasp of the Republican Party's failed economic policies which have only caused greater disparity in America and driven our Nation into the fiscal ditch over the last 5½ years.

Today, our Republican friends are desperate to pass this conference report because they realize after November the party is over. Make no mistake, Mr. and Mrs. America, about what this legislation means to you. According to the Urban Institute-Brookings Institution Tax Policy Center, if you are among the 0.02 of households making $1 million a year, you get a tax cut of $42,000. If you are struggling to make ends meet, earning between $10,000-$20,000, you get $2 a year. If you are firmly in the middle with household incomes between $75,000-$100,000, you get about $400 a year, or $4.75 per week, enough to purchase about 3 gallons of gasoline.

Yesterday Republican Senator OLYMPIA SNOWE of Maine stated, ''The preponderance of these revenues will go to upper income people, people who make a million dollars or more. It is a question of priorities.'' Priorities, indeed.

Four months ago congressional Republicans slashed $39 billion from student loans, Medicaid and Medicare and child support enforcement. And today, 5.4 million more Americans live in poverty than when President Bush took office, and 6 million more are without health insurance. Real median household incomes are down $1,670, and still, Republicans want to give millionaires a new Lexus.

This conference report is a continuation of 5½ years of the most irresponsible fiscal policies in the history of our country. I urge my colleagues to vote against this legislation. Stand up for our country, stand up for our children, stand up for our grandchildren. Vote ''no.''

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Florida (Mr. SHAW), a senior member of the Ways and Means Committee.

Mr. SHAW. Mr. Speaker, I think what we are seeing here is a basic difference between the two political parties.

Ten years ago almost to the date I stood in this well, as well as Members from the other side of the aisle coming to this floor to speak, and the subject at that time was welfare reform. And what split us at that time, what split us was because the Republicans had faith in the human spirit. We heard time after time, speaker after speaker came to that podium right over there to my right and said women and children were going to be sleeping on grates. The reason is you had no faith in the human spirit. You had no faith that those that were poor wanted to do better.

As a result, we created jobs. We created many, many jobs. Now you are showing that same skepticism with regard to what is going to happen if you let people keep more of their own money.

Nearly 60 percent of those who are going to benefit by the capital gains rate being at 15 percent and also the dividend, tax on dividends at 15 percent, almost 60 percent earn incomes under $100,000. And what are these people doing, what is happening? They are reinvesting it in American business because they believe in the capitalistic system. It is working. We have one of the lowest unemployment rates in the entire world. The rate of 4.7 percent is lower than it was throughout the 1970s, 1980s and 1990s.

When I first came to Congress 26 years ago, we thought between 5 and 6 percent was a target for full employment. We have shattered that myth. Now it is 4.7. Why? Because we have faith in the system of capitalism which we embrace through this bill. People will reinvest their money. Where does it go? It creates jobs.

The gentleman from Georgia was talking about putting clothes on the backs of the children. Yes, is there any prouder way to do it than through a job? A real job? We have created a tremendous number of jobs through the tax rates that we have put in place.

This is a fair bill. This is a bill that is going to benefit all Americans. It will raise all ships.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT), a hardworking member of the Ways and Means Committee.

Mr. DOGGETT. Mr. Speaker, some folks really do get all of the breaks, and I am not talking about winning the lottery. The lobbyists are winning. The

very wealthiest few in this country continue to hit the jackpot with their Republican friends controlling Washington.

The tax breaks in this bill will ensure that the ever-growing gap between the rich and the poor in America continues growing.

□ 1715

And our deficit will keep growing, also, imposing a greater and greater burden on our children and on our grandchildren.

The Republicans say that further tax breaks are a necessity, and I guess they are right. With gas prices skyrocketing, the occupation of Iraq showing no end and poll numbers nosediving, more tax breaks for the wealthiest few are what Republican supporters view as a political necessity.

They are right. It is a jobs bill. It is their jobs that it is a bill about. They will pay any price with your children and grandchildren's tax dollars to cling to power up here.

The administration can't capture Osama Bin Laden. It can't meet the prescription needs of our seniors. It can't agree on what to do about immigrants. About the only issue around on which they can reach any agreement is more tax breaks for the privileged few.

Yes, President Clinton did sign an end to welfare as we know it, but corporate welfare has never had a better friend than this Republican caucus. Never mind that they have to borrow money from all to give tax breaks to a few. Never mind that this is the first time in recorded history that a country has embarked on a war by saying to some people, you must die for your country, and to others, you must stuff your pocket with more tax breaks. Some shared sacrifice.

A ''no'' vote today is a vote for fiscal responsibility. It is a vote for long-term stability over short-term gimmicks. A ''no'' vote is a step forward in freeing our children from the burdens of today's Republican excesses.

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

Mr. DOGGETT. I yield to the gentleman from Maryland.

Mr. HOYER. Our Republican friends have talked a lot about jobs. Under the Clinton administration, we created 216,000 jobs per month. Under the Bush plan we have created 21,000, on average, per month.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds to engage in a colloquy with the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, the deduction of State and local sales taxes is extremely important to my constituents and those in States that do not have an income tax.

Do you expect to present a bill to extend this crucial deduction soon?

Mr. THOMAS. I will tell my colleague that in my opening remarks I indicated that there were provisions that passed both the House and the Senate in the reconciliation packages that are not part of this bill. We are working currently on this next bill. Clearly, the State and local tax deduction will be a part of it, and we will move it to the floor as soon as possible.

Mr. RANGEL. Yeah, that next bill will probably be $100 billion.

Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY), an outstanding member of the Ways and Means Committee.

Mr. POMEROY. Mr. Speaker, the majority Members have said this is all about jobs. No, it's not. It's all about debt.

Let me tell you something that you are not going to hear from a single proponent for this tax cut. The passage of it is going to necessitate raising the borrowing limit for our country yet another time because we are spiraling into further red ink under their reckless fiscal policy.

Look at the record. June 2002, they raised the debt. May 2003, they raised the debt. November 2004, they raised the debt. March of this year, they raised the debt. And do you know what we have now discovered? In their budget documents that will be presented on this floor this week or next, they are going to raise the debt again. They just raised it in March, now they are going to raise it again.

The record of this President will be that 42 Presidents left this country with a debt of $5.6 trillion, and under the watch of President George W. Bush, that debt will double.

This could not be happening at a worse time. Seventy-eight million Americans are going to retire next decade. The draw on Social Security and Medicare will begin. And yet we are saddling those that will follow in our country with this staggering debt even while we have the entitlement obligations to meet.

This feeding frenzy of more tax cuts, deeper fiscal imbalance, more borrowing, yet another borrowing, has got to stop. We are leaving our children with a legacy of debt they will never get out of.

Do you know any family whose approach to retirement is to blow everything they have got, expecting fully that the children are going to take care of their debts, pay their medical bills, give them income to live on in retirement? Of course not. Families take care of their children. This Congress is selling our children short by saddling them with unending debt.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, just today one leading national newspaper reported the Federal revenue has gone up 11.2 percent in the first 7 months of this fiscal year over last year, three times the rate of inflation. The tax cuts enacted under Chairman THOMAS' leadership have strengthened the economy so much that not only has Federal revenue gone way up, but growth was 4.8 percent the first quarter, and unemployment is at a very low 4.7 percent.

Now, as to the deficit and the debt that some on the other side have mentioned, they are too high. But those on the other side attack us continually for not spending enough on every program out there. Well, you can't have it both ways. You can't continually enact big increases in spending and lower the debt at the same time.

But the best way, the best thing we can do is to keep lowering taxes so we can keep improving our economy. And I commend Chairman THOMAS and his staff, and I thank the gentleman for giving me this time.

And I rise in strong support and urge support for this conference report.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES), who makes outstanding contributions to the Ways and Means Committee.

Mrs. JONES of Ohio. Mr. Speaker, I thank the ranking member for the opportunity to be heard.

I was sitting in my chair over there, and people kept complimenting me today about this scarf that is about Save the Children. And I started thinking, you know, when I was a little girl we used to play this game called ''What Time Is It, Mr. Wolf'' And Mr. Wolf would say, ''1:00.''

And we would go on and you say, ''Well, what time is it, Mr. Wolf?'' And he would say, ''2:00.''

And then next was, ''Well, what time is it, Mr. Wolf?'' And then he would say, ''It's time to eat you up.''

And that is what I am thinking about with this legislation. What time is it?

It ought to be time for our children to know that we would expend money to improve opportunities for education.

It ought to be time for us to take money and tell seniors you don't have to sign up on May 15; you sign up when you get ready, but we are going to ensure you that you have a prescription drug benefit.

It ought to be time to tell children across the country that we are going to extend deductions for classroom expenses for teachers.

It ought to be time that we would extend deduction of tuition and related expenses for students.

It ought to be time that we tell companies that we are going to provide them an R&D, or research and development, tax credit.

It ought to be time for us to tell working families that we are going to cover the AMT and remove it from the situation.

But, instead, when we ask, ''What time is it, Mr. Wolf?'' his response is that we are going to make sure that the top 1 percent get a tax deduction.

And one of my colleagues said, ''You ought to have faith in the human spirit.'' When I say, ''What time is it, Mr. Wolf?'' I am afraid that there is no human spirit left out here, because if

there was human spirit in the House of Representatives, we would not even be debating this issue today.

What time is it, Mr. Wolf?

Well, today we are going to deal with some tax reductions, and when we ask, Well, why not the AMT for a longer period of time? Oh, we are going to do that in the next tax bill. And the appearance they want to give to the world is that each month we are going to do a tax bill reduction.

Instead of ''What time is it, Mr. Wolf?'' I am going to take care of the children.

Mr. THOMAS. Mr. Speaker, I yield to the gentleman from Michigan (Mr. CAMP) for a revision and extension remark.

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

Mr. CAMP of Michigan. Mr. Speaker, I rise in favor of the Tax Increase Prevention and Reconciliation Act.

By approving this Conference Report, the House of Representatives is sending another strong signal to American taxpayers that Republicans want to lock in tax relief and continue the economic recovery. The U.S. economy has grown for 18 consecutive quarters and the unemployment rate is at 4.7 percent—a rate lower than the average of the 1960s, 1970s, 1980s, and 1990s. Workers are taking home more money with paychecks growing at 4.1 percent in the last 12 months, the fastest pace since 1998.

Despite high gas prices, disposable income has increased, business investment continues to advance, retail sales are up and consumer confidence is rising. Interestingly too, the U.S. unemployment rate is lower than that of Canada, France, Germany, Italy, and the United Kingdom. Congress must continue to pursue tax policies that are responsible for this outstanding economic activity. In my view, the tax cuts the Republicans have passed since 2001 are largely responsible for this economic expansion.

This bill could not have come at a better time. Extending the 15 percent rate on capital gains and dividends to 2010 is important to do today. Investors want assurances that their money will not be subject to large tax increases only a few years from now. By extending cap gains and dividend relief Congress is sending a strong signal to the markets that economic growth will continue into the next decade. For taxpayers, market growth means businesses will continue to spend and create jobs.

The Conference Report also shields millions of taxpayers from the onerous AMT, provides small businesses with enhanced expensing limits, and contains international tax provisions that aim to increase the competitiveness of U.S. firms. The Conference Report accomplishes all this while staying within our current budget limits.

The House should pass this measure now and protect millions of Americans from unfair tax increases.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, first of all, I would like to thank the chairman for his leadership in bringing this bill to the floor. It is a monumental task, and I want to congratulate him on its completion.

I rise in support of the Tax Relief Extension and Reconciliation Act of 2005. And there is no question that today is a great day for American families, and despite how much Republican policies translate into a stronger economy, what we hear today from our friends on the other side of the aisle is continued talk of the tired language of tax and spend and their insistence on engaging in class warfare.

But let's take a look at the facts: 5.4 million jobs have been created since the enactment of these rate cuts; unemployment is at $4.7 percent. These cuts have spurred spectacular economic growth. And as far as the assertion that we are aggravating the debt limit, the facts are, revenues are up 14 percent this year and receipts this year have far outstripped the growth in outlays.

And what about those, and who are they, that benefit from these rate cuts? Sixty percent of American families who benefit from these cuts make under $100,000 a year. So clearly, the assertion that there is some type of unfairness or a class-based argument is simply absurd. Wage payers and wage earners alike have benefited from these rate cuts.

And I would like to respond to one of the speakers on the other side who says, how dare Americans want to stuff their pockets with tax cuts.

I would ask, Mr. Speaker, whose money is it anyway? It is the taxpayers' money. It is their money that goes into their pockets.

We must act now, Mr. Speaker. We must not leave American families in limbo wondering whether their taxes will go up. Delaying the extension of these cuts only serves to punish taxpayers who count on us to provide certainty in fiscal policy and to respect the temptation to engage in class warfare.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL), an outstanding, valued member of our Ways and Means Committee.

Mr. EMANUEL. Mr. Speaker, it's deja vu all over again. Another windfall for the wealthy while everybody else gets to work for a living. By my count, this Congress has now financed three wars with four tax cuts. How else do you get $300 billion in annual deficits, $3 trillion in new debt accumulated in just 4 years and a budget that raises the debt ceiling to $10 trillion?

Middle-class families care about gas prices. They care about the war in Iraq that has now cost $450 billion. Health care costs are up 58 percent. College tuition, 38 percent. The median income in this country has dropped 2.3 percent.

So what's the number one priority for the Republican Congress? None of the above. The top 1 percent, whose average income is $5.3 million, will save an average of $82,000 under this bill. Those who make $1 million or more will get $42,000 in tax cuts. But the middle-class families, who work hard and play by the rules in this country, will get $20. That is the epitome of the wrong-headed priorities and fiscal insanity.

But there is more. This Congress has come up with yet another tax shelter for the wealthy when it comes to savings. The Wall Street Journal last week, here is their headline, ''Wealthier Taxpayers to Gain.'' If you make a six-figure income, your retirement prospects may be getting a boost, while for 55 percent of the country, all they have is Social Security. But for the wealthiest people in this country, we are giving them a boost to help save, while other people have no retirement savings.

It is coming up to Mothers Day. Sometimes I wonder what your mother thinks you are doing here on the floor. People working, people dying in Iraq fighting for this country. And what do we do? We have three wars, one in Afghanistan, one in Iraq, good men and women of our country fighting. And we are going to give another tax cut to the wealthiest 1 percent.

Mr. Speaker, the defining characteristic of this Congress is its shameless devotion to the special interests. Instead of working to extend the middle-class AMT relief for another year, for more than just 1 year, they also snuck in a provision to exempt certain overseas income for active financing to businesses to the tune of $5 billion.

What did we not do? Extension of key middle-class tax incentives for higher education, for hiring welfare recipients and for offsetting aggressive State and local sales taxes, not to mention the research and development, R&D, tax credit that is so critical for our innovation, our technology and manufacturing.

Mr. Speaker, to govern is to choose. And leadership is about priorities. This Congress has made the wrong choice. It is time for a new direction, a new set of priorities.

□ 1730

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. REYNOLDS), a member of the Ways and Means Committee.

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

Mr. REYNOLDS. Mr. Speaker, I had prepared remarks talking about the fact that so many people said we couldn't, absolutely couldn't do a middle class tax break for 2006 on AMT. We absolutely couldn't put that withholding the tax rates for 2 more years on capital gains and on dividends, and some might have even forgotten that expensing for small business section 179 allows an extension of the opportunity to have an additional 2 years of expensing of $100,000 on small business.

So when I listened to my colleague from the other side of the aisle put

forth the politics of the party of ''no,'' what he failed to say and what we saw on the weekend talk shows, the Democratic Party stands for more taxes and bigger government. He was quick to outline the things he would like to see Federal Government spend, but he didn't tell you it is going to come from a tax increase.

There is no comparison. If you cannot support this legislation today to continue middle class tax cuts for the AMT and to help businesses continue the economy that has the strength that we have seen and strength for quarter after quarter after quarter, it was a clear message from the financial markets and Wall Street and businesses across Main Street U.S.A. today, give us continuity of knowing that we have the opportunity of having both dividends and capital gains as part of our planning. More importantly, fit in expenses so we can plan the small businesses that we can write 100 grand off.

Maybe the Democratic Party has been out of touch with mainstream businesses across our country because that is a clear message they asked us to get done. Chairman THOMAS and the conferees have completed that work. I urge passage of this legislation today because it is going to give a break to middle class America.

Mr. Speaker, as the lead sponsor of the House's middle-class AMT relief bill—which has been incorporated into the legislation before us today—I rise in strong support of this conference report.

For months now, we've heard our friends on the other side of the aisle tell us that we must choose between extending the lower rates on investments and the need to extend essential middle-class AMT relief. For months, they've said we can't do both. And for months, the party or no has offered no solutions and no fresh ideas—just slash and burn attacks on the Republican majority.

But today, Mr. Speaker, our majority is moving and with our positive agenda on behalf of America's hardworking taxpayers.

With regard to the AMT, many in this chamber will recall that the House passed my Stealth Tax Relief Act late last year by an overwhelming, bipartisan vote of 414 to 4. That legislation would prevent this stealth tax from sneaking up on millions of unsuspecting middle-class taxpayers by extending the temporary AMT relief for one additional year.

I would remind my colleagues that the stealth tax was never intended to hit the middle class. It was originally enacted in 1969 to prevent a small percentage of taxpayers with very high incomes from paying little or no Federal income tax. However, because the AMT was never adjusted for inflation, it is now threatening more and more middle class taxpayers each year as they climb the income ladder.

While Congress must certainly continue to work toward a permanent solution on this critical issue, our immediate task is clear. America's middle class deserves to have its temporary AMT relief extended, and I am very pleased that my legislation serves as a centerpiece of today's conference report.

I am also pleased that the conference agreement includes an extension of the lower rates for capital gains and dividends. This is an important priority not just for the ever-growing investor class—which includes millions of seniors and other middle-class Americans—but for our economy as a whole.

Thanks in large part to these lower rates on investments, tax revenues have been streaming into the Federal Treasury at a record pace. And these lower rates—which are particularly important to the economy of my home state of New York—have helped keep our Nation's economy strong and our domestic job base growing.

Mr. Speaker, I commend Chairman THOMAS and the other conferees for their efforts to ensure that these critical priorities are addressed, and I urge my colleagues to support this much-needed tax relief with a strong, bipartisan vote.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, for those who say that we will not have an opportunity to vote for a fair alternative minimum tax, I would like to share with you that on the motion to recommit that we give instructions that we will have an opportunity to do that. Why are the Republicans so excited about enacting the cuts and interest rates and capital gains taxes for something that does not expire when 17 million, 18 million people need help? I don't know, but they want to give this $50 billion tax cut to people who are not screaming for it.

Where are they going to get the money? They are going to borrow the money in order to give the tax cuts, so that on our motion to recommit we set aside these tax cuts for the rich and concentrate on the middle class. This is really where your vote should be counted. Do you want to deal where 50 percent of this tax cut is going to the top 1 percent of the country, or are you really concerned with the alternative minimum tax that we Democrats have been advocating for the last few years that these people were not supposed to be caught up in this, and so we don't want them caught up in this. We don't pay for it, we borrow money to do it. It is paid for.

It just seems to me that as we talk about the economy booming, that as we go home, I hope we talk with the people that worked in the factory. The increase that we have had in job creation, 50 percent of it has been an expansion in government jobs. I am certain that this is not what the other side is so proud of. But as you walk the street and ask the people that work every day that are concerned about their pensions, concerned about their health care, the Delta pilots on strike, our automobile industry in jeopardy, why don't you ask these people about this great economic boom that you are talking about, and now you got to promise them more.

I am glad that we have come to this time in this session that we can distinguish between Republicans and Democrats and we can see the difference between us. I think what you are saying if you give these enormous tax cuts to the richest people, sooner or later it will leak down to the people who are working on the jobs.

I can understand how some people do not believe that a Medicare tax or that a Social Security tax is a tax. You may call it a fish, you may call it a fishing pole. But when people work every day and they know what their salary really is and they see what they take home, they think what is taken out is a tax.

Maybe in November we will see who is right and who is wrong. Meanwhile, this is an opportunity for America to distinguish do we borrow money for tax cuts and do we cut those people off that are relying on Medicaid and Medicare and reduce their services that we are supposed to give them. I think this is a classic case as we see more and more poor people becoming poor statistically and more of the rich people getting rich and more of the middle class people losing that status, and the people know who they are.

If the old folks really think that they have gotten a fair shake by the other side, well, then, they can be heard. They have an opportunity to be heard. But right now what we are talking about is fairness, we are talking about equity, we are talking about services. Clearly, we are talking about $70 billion or at least $50 billion of that going to the richest people that we have in this country.

The AMT should have been handled separately, and we hope that the motion to recommit will carry, and therefore we would see what honest Americans really believe as to where the relief is going to be.

The biggest fault that we have probably on our side is that we don't rub shoulders with the billionaires and millionaires that you are doing this for. But we do work for the American people. We do know what they want, and I have not received one letter from people asking me to give more relief in that upper income tax bracket. I, for one, refuse to wait for this to leak down and be able to help the middle class people that made this great republic the great country that it is.

People who work hard every day, not just cutting coupons to make this country great, people who volunteer to fight this great war, which we are paying $500 billion a month, these are the people we should be supporting and not the richest of the rich that make no sacrifice at all.

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

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, the tax relief that the Republicans have passed has now helped to create over 5 million new jobs. But if Democrats succeed with their huge automatic tax increase, you start to lose those jobs. Let me tell you about a few of them.

Hugh Dublin owns East Texas Right of Way in Tennessee Colony, Texas. In the past 3 years his company has grown from two full-time employees and four

part-timers to adding an additional four employees. Why? Because of tax relief.

The Democrats now want to raise taxes on Hugh Dublin and his small business. They want to replace his employees' paychecks with welfare checks. This is their idea of compassion.

Eddie Alexander owns Triple S Electric in Henderson County, Texas. For the past 3 years, he worked alone with one part-time helper. Since the passage of the President's economic growth plan he has had to hire two more workers just to keep up. But the Democrats now want to raise taxes on Eddie Alexander in his small business, replacing his employees' paychecks with welfare checks. This is their idea of compassion. The Republican idea is more jobs, hope and opportunity.

Mr. THOMAS. Mr. Speaker, I yield myself the remainder of my time.

The gentleman from Illinois wanted to know why we aren't going to be voting on the research and development tax credit, on State sales tax provision, the work opportunity tax credit or the assistance to teachers for out-of-pocket expenses, money for paying for items in the classroom. My answer to the gentleman from Illinois is that he should look forward shortly for an opportunity to vote on that measure. My hope is, based on the statement, at least the feeling I got out of the statement that he made, that he would be anxious to vote ''yes'' on that measure. We will provide him an opportunity to do that.

Gee, I don't know. We had AMT outside of reconciliation, and we got all kinds of complaints about how it should be inside reconciliation. We put it inside reconciliation, and we get all kinds of complaints about the fact that it is inside reconciliation.

Our colleague from Ohio said, what time is it, Mr. Wolf? I will tell her what time it is. It is time to act. This is the measure that provides alternative minimum tax to American taxpayers. It is time to act.

If you vote ''yes,'' you are in favor of that relief. If you vote ''no,'' you are not. What time is it, Mr. Wolf? It is time to quit wolfing. It is time to vote. A ''yes'' vote provides relief.

Mr. ETHERIDGE. Mr. Speaker, I rise today to voice my opposition to H.R. 4297. I have long supported responsible tax reform, but this bill is the opposite of responsible policy. The Republicans in Congress have once again failed to provide the American people with a fair, common-sense tax reform bill. Instead, they are trying to promote a bill that hides its deficiencies behind gimmicks and trickery. But the American people will not be duped.

North Carolina taxpayers struggle to provide for their families, educate their children, and still save enough for retirement, without having the extra burden of high taxes, an intrusive IRS, or a complicated tax code.

The median household income of the people in North Carolina's Second Congressional District is about $36,000. If this bill passes, their savings would be a whole $16—less than half a tank of gas in the family minivan.

Under this Republican Congress, the national debt per person is currently $28,000. And this bill would give my constituents $16. Instead of adopting a bill that would increase the burden on our children and grandchildren, we need a common-sense solution that would return fairness to our tax system.

Under Republican rule in Washington, we have witnessed the most dramatic fiscal reversal in our nation's history. Our budget surpluses have been wasted, and our nation suffers under ever-growing budget deficits and increasing federal debt. This debt crisis is the direct result of the irresponsible tax schemes the Republican Congress have enacted.

The people of North Carolina's Second District elected me to help chart a common-sense, prudent course for the country. I pledged to represent my constituents by paying down the national debt; saving Social Security and Medicare funds for older Americans, and investing our country's resources into education, health care and other initiatives that enable people to improve their lives. H.R. 4297 is inconsistent with these goals; therefore, I oppose the bill.

Mr. FARR. Mr. Speaker, with today's vote on the ''Tax Relief Act of 2005'' (H.R. 4297) conference report, the Congressional Republican Leadership is planning, once again, to give huge tax cuts to the wealthiest one percent of Americans, while leaving 99 percent of Americans with little to no tax relief, a federal government hamstrung by deficits and a future generation saddled with monstrous debt.

I would like to insert into the record a chart from the Tax Policy Center that outlines how much Americans would actually save under this bill. These numbers clearly spell out the priorities of this Republican Leadership:

HOW MUCH WOULD YOU SAVE UNDER THE PLAN?

Income, in 2005 dollars	Average tax savings
$10,000–20,000	$2
$20,000–30,000	9
$30,000–40,000	16
$40,000–50,000	46
$50,000–75,000	110
$75,000–100,000	403
$100,000–200,000	1,388
$200,000–500,000	4,499
$500,000–1 million	5,562
More than $1 million	41,977

SOURCE: Tax Policy Center.

As legislators, we have to remember that tax cuts are part of the larger federal budget picture. We have access to a range of tax and budget policy tools, and we have to use these tools, along with common sense, to support and grow all sectors of our national economy.

Today, I tried to reestablish American values and priorities for our Nation's veterans while addressing some of the most egregious problems created by the Republican budget and tax policy. During the House Appropriations Committee debate on the FY07 funding bill for Military Quality of Life programs and Veterans, I offered an amendment that would have rolled back part of President Bush's tax cuts for millionaires. Specifically my amendment would have reduced the tax cut for taxpayers making over $1 million annually by a mere 4.5%, reducing their tax cut from $114,172 to $109,025. The savings would have provided more funding for mental health care and prosthetics devices for veterans of the Iraq war, increased the number of VA nursing home beds and added health care coverage for Priority 8 veterans. Unfortunately, the amendment failed on a party line vote.

The one Middle Class tax issue the Republicans should have addressed, but didn't, is the Alternative Minimum Tax (AMT). Their ''fix'' is only for one year. Without a serious, long-term AMT fix, the Administration and Congressional Republicans are leaving middle and upper middle income Americans in financial limbo. Democrats want real AMT reform. Republicans have passed sham AMT reform. We all need to work together to promote a progressive tax system that Americans deserve.

Mr. MARKEY. Mr. Speaker, I rise in opposition to this bill.

With this bill we are now engaged in the second phase of ''The Republican ReCONciliation Game.'' That's exactly what it is—a giant Con Game.

In February, the Con Game began with the Republicans' cutting nearly $40 billion in benefits for the most vulnerable in our society:

They cut $12 billion from student loan programs to help kids go to college.

They cut $6.4 billion from Medicare and made elderly beneficiaries pay higher premiums for their health care.

And they cut $6.9 billion from Medicaid which helps the poorest and sickest children and families in our country get healthcare.

And then they tried to turn to the second part of the Con Game, where the Republicans turn over that money that they got from cutting programs for the poor to the Ways and Means Committee to give all of that money away to their millionaire friends.

But in February when they tried for the first time to give this money to millionaires there was a public outcry because people understood that the Republicans were taking from the poor and giving to the rich. So the Republicans had to pull the bill and wait for the public to forget.

So now, three months later, the Republicans are hoping that the American public has forgotten about all of those cuts they made. They are hoping the American public won't remember that the Republicans cut Medicare and Medicaid and student loans in order to give more to their fat cat friends.

This bill favors the wealthy so dramatically that the average American family making $40,000–$50,000 a year will get $46, which is about enough for one tank of gas.

But if you make over a $1 million a year, you will get about $42,000. That's enough to buy a luxury Hummer 3 and still have $10,000 left over for the gas!

It is immoral to take medicine away from the poor, elderly and disabled so that millionaires can buy Hummers.

Vote to reject this con game and vote ''no'' on this shortsighted, fiscally irresponsible and immoral legislation.

Mr. LARSON of Connecticut. Mr. Speaker, I rise today in strong opposition to the tax reconciliation conference report, H.R. 4297, that will cost $70 billion over ten years and provides little to no tax relief for working American families. With continued job outsourcing, cuts to pensions, health and retirement benefits, and a deficit crisis, the American people deserve targeted tax relief, they deserve better than this bill.

Today is yet another missed opportunity by the Republican-controlled Congress to provide real tax relief to working families. This tax package is disingenuous and reckless. For example, for the wealthiest among us, this bill

would extend the capital gains and dividends tax cut set to expire in 2008 for an additional 2 years through 2010. While on the other hand, the bill would only provide a one-year extension in relief for the Alternative Minimum Tax (AMT) that affects an estimated 18.9 million middle-class taxpayers and already expired in 2005.

Originally intended to ensure the wealthy taxpayers paid their fair share, the AMT has become a tax on the middle-class. Without adjustments for inflation like the federal income tax, the AMT targets a growing number of people each year. Those most affected by the AMT are taxpayers in states like my home state of Connecticut with high property taxes, high local and state income taxes, and high sales taxes. These taxpayers are middle-class families: the engineer at Pratt & Whitney, the assistant school principal at your child's elementary school, the real estate agent, the architect, the restaurant general manager, or the policy underwriter working at any number of the insurance companies located in Hartford.

What are the priorities of this Republican-controlled House? Consider this, under the Bush dividends and capital gains tax cut, taxpayers making more than $10 million a year will receive approximately $500,000 annually in tax savings. ExxonMobil's retiring CEO, Lee Raymond will receive approximately $2.5 million in tax relief for his stock investments, while the average American family making less than $50,000 will receive an average of $10 in relief a year, which barely covers the cost of 3 gallons of gas.

This conference agreement also drops three provisions in the Senate bill that would have rolled back nearly $5.4 billion over ten years in unneeded tax breaks and loopholes for the oil industry. Last week, I offered a motion to instruct house conferees to adopt these provisions because they reflected the common sense that Americans should not be getting hit by high prices twice—once at the pump and once again by seeing their tax dollars given away to an industry enjoying unprecedented levels of profit. House Republicans, and this conference agreement, rejected this simple idea in favor on continuing this Congress' misguided record of subsidizing the bottom line of oil companies and executives rather than providing real energy relief for the American people.

I am voting against this tax package because it is another example of the party of the few ignoring the majority of Americans and taking care of only the wealthiest taxpayers. I am not opposed to tax cuts. In fact, I've voted 6 times to expand tax relief and protect middle-class families from the growing reach of the AMT in the 109th Congress. The American people deserve better. Instead of helping more Americans help themselves and ensure that as a country, we move forward together, this bill will continue the Republican's record in the House to benefit the wealthiest among us and leave the majority of Americans behind.

Mr. DINGELL. Mr. Speaker, I rise in opposition to this ill-advised, ill-conceived, poorly calculated, and deeply regressive tax bill for the same reasons that I rose to oppose the tax cuts of 2001 and the yearly effort by this Congress to make them permanent every year since their approval.

I oppose them for a host of reasons. I oppose them because they are leaving our children and grandchildren with trillions, I say that again, trillions of dollars of liabilities owned by the Chinese, the Saudis, the Indians, and the Europeans. We are literally mortgaging the prosperity of today's children to the fickle nature of our competitors and rivals.

I oppose them because it has forced our military to go into battle without proper body armor on our troops—soldiers who largely come from families that do not benefit from these tax cuts—and without blast shields on our Humvees.

I oppose them because it shifts the tax burden from those who benefit the most from the success of America, to those who are desperately trying to realize their American dream. In fact, Mr. Speaker, the poorest workers under this legislation will end up with a total tax savings of two dollars while those who earn $1,000,000 or more will pocket a generous $42,000.

But this distribution isn't just unfair to the working poor; it is deeply unjust to the middle class. Families who earn from $75,000 to $100,000 will only receive a dollar a day of tax relief—not even close enough to cancel out the higher interest rates on credit cards and student loans that are resulting because of our persistent budget deficits.

Finally, I am opposed to this legislation because it excuses this Congress from the tough decisions that a future Congress and a future President are going to have to make. We all know that the Alternative Minimum Tax is going to hit the middle class hard and to fix it will cost hundreds of billions of dollars. But rather than addressing it, we are asking the Congress of 2012 to take care of our mess. We know that the retirement of the Baby Boomers is going to force massive concessions in our budget, but again, our message is to leave it to tomorrow. Let someone else clean up our mess.

Well, I hate to say, with this Congress and this President I am not surprised we are asking someone else to take responsibility for yet another mess.

Mr. HOLT. Mr. Speaker, I rise in opposition to the tax reconciliation bill. Today's tax budget reconciliation bill will give the average American family an average of $10 per year from the extension of this tax benefit, or about enough to cover 3 gallons of gas. They will receive no benefit from the extension until 2009. Despite the popular GOP rhetoric about the large percentage of Americans that benefit from the rate reduction, the average American family's share of the total tax cut is approximately 2 percent.

Taxpayers with annual incomes greater than $10 million will receive approximately $500,000 in tax reductions per year.

While I do believe we need to create a fix to the Alternative Minimum Tax problem, today's bill just pushes off the problem by another year. I have voted numerous times in favor of AMT relief far larger than the provisions included in the conference report. The conference report has limited relief that only applies in 2006, but protects dividend and capital gains benefits through the close of 2010.

We are paying for this $70 billion tax cut by deep cuts of $39 billion over 5 years in programs like Medicaid and child support enforcement. The other $31 billion will be added to the debt.

Medicare funding was cut by $6.4 billion; the social security index by $732 million. In New Jersey alone three thousand mothers will be dropped from the Women, Infants, and Children (WIC) program, which helps mothers care for their babies before and after birth. Four hundred children in New Jersey currently attending Head Start will be cut out of this important childhood education and development program. More than 3,200 low-income and disabled people will be cut from Section 8 housing vouchers, all in New Jersey alone.

They have also made a college education more expensive. Cuts—more than $12.76 billion—to federal student financial aid were made by increasing rates that students pay, charging students more fees on their loans, and reductions in subsidies to lenders. This is the largest cut in history in student loans. The result will be nearly $8 billion in new charges that will raise the cost of college loans—through new fees and higher interest—for millions of American students and families who borrow to pay for college. For the typical student borrower, already saddled with $17,500 in debt, these new fees and higher interest charges could cost up to $5,800. Once again, New Jersey families were hit—over 125,000 college students in New Jersey will be affected.

Today's tax bill cuts $70 billion in taxes and the reconciliation bill cut $39 billion in spending, so how will the other $31 billion be made up? By adding to our national debt, putting the burden on our children and grandchildren. According to the Treasury Department, major foreign holdings of U.S. Treasury securities total $2.18 trillion. Currently, China is the world's second-largest buyer, exceeded only by Japan. Furthermore, China's purchases of U.S. government securities have exploded by more than 211 percent since the beginning of 2001 and now total $311 billion.

This situation is dangerous because it is a major way that we are funding the federal government—by selling our debt to the Chinese. In 1980, 17 percent of the federal debt held by the public was in foreign hands. By 2006, 45 percent of the debt held by the public was owned overseas. Unfortunately, this trend seems to be increasing rapidly. During the past year, approximately 90 percent of the debt we have accumulated has been purchased by foreign banks, individuals and governments.

The high level of foreign holdings of U.S. securities could have a debilitating impact on our economy and foreign policy. If China threatened to sell large volumes of U.S. Treasury securities, it could easily fuel higher inflation and put pressure on the Federal Reserve to increase interest rates, putting our economy at risk for a large-scale recession.

Mr. Speaker, I ask my colleagues to oppose this tax reconciliation bill, because we can do better.

Mr. LANGEVIN. Mr. Speaker, today I rise in opposition to H.R. 4297, the Tax Reconciliation Conference Report. This gimmick-laden piece of legislation will require taxpayers to borrow another $70 billion so that the wealthiest Americans can keep their taxes low in 2009 and 2010. What kind of priorities favor the wealthy in the future over working families today? We can ill afford the continued ''tax cut and spend'' mentality that has marked the House during the last few years. Without a change in fiscal policy, future generations will be buried under a mountain of debt created by the Republican Congress.

H.R. 4297 includes a 2-year extension of the capital gains and dividend tax cuts, which are not scheduled to expire until 2008. Nearly half of these tax cuts will go directly into the pockets of the 1 in 500 taxpayers who earn more than $1 million per year. The contrast is stark: those who earn between $40,000 and $50,000 will see an average tax cut of $46, while those earning more than $1 million will save an average of $42,000 in taxes. More egregiously, those earning over $10 million will receive an average $500,000 tax cut per year.

Regardless of what the Republicans claim, this legislation disproportionately favors the wealthiest Americans. For taxpayers earning less than $100,000 per year, only 1 out of 7 benefit from the dividend tax reduction, and only 1 out of 20 benefit from the capital gains tax cut.

Under this legislation, an additional 20 million middle class families will have their taxes raised in 2007 thanks to the Alternative Minimum Tax (AMT). Congress had an opportunity to exempt the middle class from this complicated tax that was created to prevent a very small group of high income families from avoiding income tax altogether. Unfortunately, H.R. 4297 only offers a band aid to this massive problem, and more and more middle class families will have their taxes raised in the future because this Congress chose to cut taxes for multimillionaires instead.

In addition, I am disappointed that unlike an early version of H.R. 4297, this bill does not include the extension of the Research and Development Tax Credit, which expired in December. I am a cosponsor of a bill to make the Research and Development Tax Credit permanent, as it keeps American companies competitive and provides a strong incentive for businesses to invest in the future and create jobs.

This year, we have a projected deficit of more than $330 billion. We will spend billions more in Iraq and Afghanistan, as well as rebuilding the Gulf Coast in the wake of Hurricanes Katrina, Rita, and Wilma.

We simply cannot afford all of these emergency expenses while cutting taxes for the richest Americans.

I urge my colleagues to join me in rejecting the conference report and supporting responsible tax policies that benefit all Americans, not just the wealthiest.

Mr. Speaker, our Nation's fiscal house is not in order. The tax portion of the budget reconciliation bill, which we are considering today, does absolutely nothing to fix that.

Congressional leaders and the President should go back to the drawing board and create a budget plan that more adequately balances the interests of the American people. When President George H.W. Bush faced a similar budget crisis, he had the courage to create a bipartisan budget summit and to implement needed fiscal constraints. America is better for it, and I hope that our leaders today will follow that example.

I have no quarrel with providing a substantial tax cut for middle class Americans. That is why I have consistently supported legislation to eliminate the marriage tax penalty, to abolish the federal estate tax, and to allow persons to contribute more to their retirement savings. But, like with federal spending allocations, tax cuts must be paid for in the budget. In this case, they are not.

The budget reconciliation bill contains more tax cuts than spending cuts and plunges our country deeper into debt. This is fiscally irresponsible and gives the short shrift to our children and grandchildren who will be forced to pick up the tab for such out of control budgeting.

At a time when America is embarking on a prolonged and costly war on terrorism and is waging a war against insurgents in Iraq, I am convinced that this bill would make it far more difficult to meet the defense and homeland security needs of our Nation, while keeping Social Security and Medicare on sound fiscal footing.

I hope my colleagues will abandon this reckless budgeting style and embrace a more common sense approach to drafting a budget. Reinstating the effective pay-as-you-go (PAYGO) rules, long championed by conservative House Democrats, that helped create the budget surplus of the 1990s would be a good place to start.

Mr. UDALL of Colorado. Mr. Speaker, I cannot support this conference report.

As I noted before, this conference report—like the House-passed bill—is only part of a brew based on the Republican leadership's budget recipe.

Last year, they put the first ingredients into the mixing bowl in the form of a bill to cut more than $50 billion over five years from Medicaid, student loans, and many other programs of great importance to millions of Americans. Then, with the original version of this bill, they added a compound of a few good things tainted by such unwholesome provisions as the premature extension of preferential rates for dividends and capital gains.

The result was a full-bodied one-two punch that might have been intoxicating to some but was sure to leave us all with a bad budgetary headache and stick future generations with paying the tab.

So, when it originally came to the House floor, I voted against it but held out some hope that a conference with the Senate would result in a bill that deserved enactment. Unfortunately, that did not occur and instead we have before us a conference report that perhaps is a little better than the House-passed bill but shares its basic flaws.

The centerpiece of the conference report, like that of the House-passed bill, is an extension of the reduced tax rates on capital gains and dividends, even though those rates are not scheduled to change until 2008.

This is not only unnecessary, I think it is not good policy—and neither is letting lapse better tax provisions such as the research and development tax credit, the education tax deduction to help students go to college, tax deductions for teacher's classroom expenses, and the deduction of state and local sales taxes. All of these have been omitted from the conference report.

It is true that the conference report addresses the need to remove the threat of alternative minimum tax (AMT) liability from millions of middle-income American families. But it provides only a one-year respite.

And, worst of all, enacting the conference report will result in adding at least another $70 billion onto the deficit, while the long-term budget costs are masked by a change in the rules for Individual Retirement Accounts that may increase revenue in the short term but will greatly worsen the long-term budget picture.

Questionable at any time, that kind of increase in the deficit—meaning an increase in the national debt—is even worse now, when America is at war and when President Bush and the Republican Congress have taken us from paying off our debts to a projected deficit of $3.3 trillion. Over the last 5 years, the Federal Government has had to borrow more than $1 trillion—much of it from foreign governments—which is more than the total it borrowed over the preceding two centuries. This is a sorry record, and this conference report will make it worse.

So, Mr. Speaker, count me out. I thought the original recipe was wrong. I did not vote for the original House bill and I cannot vote for this conference report.

That doesn't mean I am opposed to tax relief. That's why I voted for the motion to recommit, which would have shielded middle-income families from the AMT without adding to the deficit. Unfortunately, the Republican leadership insists on rejecting that in favor of its own recipe. I fear the result will be half-baked and leave a bitter aftertaste.

Mr. VAN HOLLEN. Mr. Speaker, I rise today to support providing much needed relief from the alternative minimum tax, but oppose those provisions providing special tax breaks for the wealthiest. I am disappointed that important legislation to help the American middle class is tied to an irresponsible tax giveaway to the wealthiest among us. The dividends tax break would help only 1 in 7 families making under $100,000 a year. The capital gains tax break affects only 1 in 20 such families. In a time of massive deficits, we should not be passing such unnecessary tax cuts. It is unfortunate that an important tax break—the AMT—is tied into this bill. While I support the AMT fix, I strongly object to the crass political ploy of attaching it to a tax break that disproportionately benefits the very wealthiest among us.

The original purpose of the AMT was to ensure that taxpayers with high incomes would not take advantage of loopholes in the tax code and pay little or no income tax. However, because the AMT is not adjusted for inflation, it will penalize middle income families. The IRS calls this tax the "Number 1 most serious problem" facing taxpayers. We must extend AMT relief to ensure that middle class families do not face the burden of this complicated and expensive tax. That is why I am encouraging my colleagues to vote for the Democratic substitute. The substitute would eliminate AMT liability for individuals whose income is less than $125,000 and for couples whose income is less than $250,000. It is simpler, broader relief, and we can pay for it by restricting tax shelters.

But an extension is only a temporary fix. We must amend the AMT to accomplish its original purpose rather than unfairly penalize millions of taxpayers. If we do not make serious changes, the AMT will affect nearly 35 million taxpayers in 2010. An extension is a good first step, but we should continue to work on policies to make the tax structure sensible and fair.

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

The SPEAKER pro tempore (Mr. ADERHOLT). Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlemen opposed to the conference report?

Mr. RANGEL. Yes, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Rangel moves to recommit the conference report on the bill (H.R. 4297) to the committee of conference with instructions to the managers on the part of the House to report back on or before May 17, 2006, a new conference report which—

(1) includes the maximum amount of relief for individuals from the alternative minimum tax permitted within the scope of conference,

(2) does not include any extension of the lower tax rate on dividends and capital gains that would otherwise terminate at the close of 2008, and

(3) to the maximum extent possible within the scope of conference, will neither increase the Federal budget deficit nor increase the amount of the debt subject to the public debt limit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of the adoption of the conference report.

The vote was taken by electronic device, and there were—yeas 190, nays 239, not voting 4, as follows:

[Roll No. 134]

YEAS—190

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Frank (MA)
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kaptur
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (PA)
Wexler
Woolsey
Wu
Wynn

NAYS—239

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Costello
Cramer
Crenshaw
Cubin
Cuellar
Culberson
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Matheson
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Cardoza
Evans
Kennedy (RI)
Smith (WA)

□ 1808

Messrs. MCCOTTER, PEARCE, CASTLE, REYNOLDS, KIRK, BARTON of Texas and MARCHANT changed their vote from ''yea'' to ''nay.''

Mr. ABERCROMBIE changed his vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. ADERHOLT). The question is on the conference report.

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

RECORDED VOTE

Mr. WICKER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 244, noes 185, not voting 4, as follows:

[Roll No. 135]

AYES—244

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Bean
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonilla
Bonner
Bono
Boozman
Boren
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Case
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Cramer
Crenshaw
Cubin
Cuellar
Culberson
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg

Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
Matheson
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris
Melancon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Salazar
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—185

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Carnahan
Carson
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—4

Cardoza
Evans
Kennedy (RI)
Smith (WA)

□ 1816

Mr. CLEAVER changed his vote from ''aye'' to ''no.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

The SPEAKER pro tempore. Pursuant to House Resolution 806 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5122.

□ 1817

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, with Mr. DUNCAN (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose earlier today, amendment No. 5 printed in House Report 109–459 by the gentleman from Tennessee (Mr. TANNER) had been disposed of.

AMENDMENT NO. 3 OFFERED BY MR. ANDREWS

The Acting CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. ANDREWS) 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 Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 237, not voting 4, as follows:

[Roll No. 136]

AYES—191

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bass
Bean
Becerra
Berkley
Berman
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Boehlert
Bono
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brown (OH)
Brown, Corrine
Capito
Capps
Capuano
Cardin
Carnahan
Carson
Case
Castle
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Edwards
Emanuel
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foley
Ford
Frank (MA)
Frelinghuysen
Gilchrest
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kaptur
Kelly
Kilpatrick (MI)
Kind
Kirk
Kolbe
Kucinich
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lofgren, Zoe
Lowey
Maloney
Markey
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McKinney
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller (NC)
Miller, George
Moore (KS)
Moore (WI)
Moran (VA)
Nadler
Napolitano
Neal (MA)
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reyes
Rothman
Roybal-Allard
Ruppersberger
Rush
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Shaw
Shays
Sherman
Simmons
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Tanner
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—237

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Beauprez
Berry
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonilla
Bonner
Boozman
Boren
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Chocola
Coble
Cole (OK)
Conaway
Costello
Crenshaw
Cubin
Cuellar
Culberson
Davis (KY)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Doyle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Holden
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kennedy (MN)
Kildee
King (IA)
King (NY)
Kingston
Kline
Knollenberg
Kuhl (NY)
LaHood
Langevin
Latham

LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas
Lungren, Daniel E.
Lynch
Mack
Manzullo
Marchant
Marshall
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris
McNulty
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Ortiz
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Putnam
Radanovich
Rahall
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ryan (OH)
Ryan (WI)
Ryun (KS)
Salazar
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Sherwood
Shimkus
Shuster
Simpson
Skelton
Smith (NJ)
Smith (TX)
Sodrel
Souder
Stearns
Stupak
Sullivan
Sweeney
Tancredo
Taylor (MS)
Taylor (NC)
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Cardoza
Evans
Kennedy (RI)
Smith (WA)

□ 1834

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 6 OFFERED BY MR. FRANKS OF ARIZONA

Mr. FRANKS of Arizona. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN (Mr. DUNCAN). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 printed in House Report 109–459 offered by Mr. FRANKS of Arizona:

At the end of title XII (page 419, after line 7), insert the following new section:

SEC. 12___. HUMANITARIAN SUPPORT FOR IRAQI CHILDREN IN URGENT NEED OF MEDICAL CARE.

(a) FINDINGS.—Congress makes the following findings:

(1) The Secretary of Defense has discretionary authority to permit space-available travel on military aircraft for various reasons, including humanitarian purposes.

(2) Recently, 110 Iraqi children journeyed 22 hours by bus from Baghdad, Iraq, to Amman, Jordan, for urgently needed oral/facial surgery. While traveling, armed insurgents stopped and boarded the children's bus, raising serious questions about the safety of further travel by ground.

(3) Pursuant to the Secretary's discretionary authority referred to in paragraph (1), the Secretary authorized the Iraqi children to travel on military aircraft for their return trip from Amman to Baghdad.

(4) The Secretary is to be commended for his initiative in providing for the safe return of these children to Iraq by military aircraft.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should continue to provide space-available travel on military aircraft for humanitarian reasons to Iraqi children who would otherwise have no means available to seek urgently needed medical care such as that provided by a humanitarian organization in Amman, Jordan.

(c) FUNDING SUPPORT.—Within the amount provided in section 301 for Operation and Maintenance, Defense-wide—

(1) $1,000,000 shall be available only for Department of Defense support of the Peace Through Health Care Initiative; and

(2) the amount provided for Budget Activity 4 is reduced by $1,000,000.

MODIFICATION TO AMENDMENT NO. 6 OFFERED BY MR. FRANKS OF ARIZONA

Mr. FRANKS of Arizona. Mr. Chairman, I have a modification to my amendment at the desk, and I ask unanimous consent that my amendment be considered in accordance with this modification.

The Acting CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment No. 6 printed in House Report 109–459 offered by Mr. FRANKS of Arizona:

In the text proposed to be inserted by the amendment, insert ''due to operational unobligated balances'' before the period at the end.

Mr. FRANKS of Arizona (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

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

There was no objection.

The Acting CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from Arizona (Mr. FRANKS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FRANKS of Arizona. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer an amendment that will provide funds for a critical component in our Nation's effort to win the hearts and minds of Iraqis and others in the global fight for freedom and democracy.

For 25 years, groups like Operation Smile have sent teams of volunteer surgeons and medical personnel throughout the world to provide medical treatment and surgery to children suffering from facial injuries, cleft palates and other facial deformities.

Last year, I had the wonderful opportunity to travel to Jordan to take part in the first mission of the Iraq Initiative of Operation Smile. I was able to observe the indescribable joy of families as the lives of over 50 Iraqi children were transformed.

Mr. Chairman, it is difficult to describe how moving such an experience really is. It made clear absolutely to me the vital role these efforts play in our Nation's diplomatic efforts.

Recently, the Secretary of Defense exercised his discretionary authority to permit space available travel on military aircraft in order to safely return 110 Iraqi children to Baghdad from Amman where they had undergone urgently needed oral and facial surgeries. This intervention was deemed necessary and appropriate because armed insurgents had stopped and boarded the children's buses when they were traveling to Amman, raising serious questions about the safety of undertaking the return trip by ground.

Mr. Chairman, such activities are vital to our efforts in Iraq. Not only are many young children receiving critical, life-changing reconstructive surgeries, Iraqi physicians are also being trained so that even more children can be helped. This helps the Iraqi people understand that our war is with the terrorists and not with the Iraqi people.

Mr. Chairman, Americans have a genuine and abiding compassion for their fellow human beings, and if our diplomatic efforts and our military efforts in other Nations are to truly succeed, compassion must always be a centerpiece of those efforts. Groups such as Operation Smile provide a clear, tangible demonstration of such compassion. They put a smile on the face of freedom and our Nation's commitment to liberty in Iraq and the world over.

I truly believe these efforts save American lives by helping to win the peace, and I urge my colleagues to support this amendment.

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

Mr. ISRAEL. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the amendment, although we do not oppose it.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from New York.

There was no objection.

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

Mr. Chairman, I rise today in support of the gentleman's amendment. The amendment would provide $1 million for the Peace Through Healthcare Initiative to provide humanitarian assistance for critically ill Iraqi children.

Mr. Chairman, it is well known that nothing aids the international reputation of our country, and particularly our image in the developing world, as much as our humanitarian and our relief efforts. Following the aid we provided after the recent disasters of the tsunami in Indonesia and the earthquake in Pakistan, polls in both countries showed a significant increase in those who viewed America favorably. Yet humanitarian relief is more than just a tool of international politics. It is exactly who we are.

Americans are the most generous people in the world. We give more to charity each year than any other nation. We are just and we do not hold a people guilty for the sins of their leadership.

Mr. Chairman, health care in Iraq is in a perilous state, but time and time

again American servicemembers in the field, warriors and medics, and American hospitals and doctors back home have gone out of their way to help those in need. I have read numerous cases of Iraqi children being medivaced out of the country in order to receive first class medical treatment for everything from cleft palate to congenital heart disease.

Mr. Chairman, I know that the gentleman has heard these stories as well, and we both recall one case of the chief of police in the southern Iraqi province of Wasit. He worked hand-in-hand with our troops every day, putting his own life at risk. And then, one night, he turned to his American advisers and said, ''My son is dying of leukemia and the road to Baghdad is too unsafe for me to drive him to a good hospital.''

Within 24 hours, the child and his mother were helicoptered to Baghdad. The child was treated there by U.S. Army medics in the International Zone and airlifted to Jordan.

In Jordan, very sadly, Mr. Chairman, the child passed away, but with tears in his eyes, the chief of police turned to his American friends only days later and said, ''I will never forget what you have done for me.''

That, Mr. Chairman, is what this amendment is about. It is about doing the right thing for innocent children. It is about making friends and building relationships with the people of Iraq and all for only $1 million.

That is why, Mr. Chairman, I urge my colleagues to support the gentleman's amendment.

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

Mr. FRANKS of Arizona. Mr. Chairman, I would just thank the gentleman for his kind words and support. I now yield such time as he may consume to the gentleman from California (Mr. HUNTER), the distinguished chairman of the Armed Services Committee.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding, and I want to reinforce and echo the very eloquent words of the gentleman from New York (Mr. ISRAEL).

I listened to the gentleman from Arizona (Mr. FRANKS) when he brought in Operation Smile, and I saw the pictures and I listened to his description of how important this is. This is part of the American ripple. It is part of the effect that those 138,000 ambassadors in desert camouflage uniforms have in that theater on a human basis, on a personal basis.

If the gentleman would just tell us, because I thought this was the neatest part of your presentation when you brought Operation Smile in, the effects of this operation, because you had these kids with cleft palates. I saw the pictures of their fathers and mothers with their children after the operation. If the gentleman could describe that, I think we would all appreciate it.

Mr. FRANKS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Arizona.

Mr. FRANKS of Arizona. Mr. Chairman, thank you.

I guess the only way I can describe this, Mr. Chairman, is as they begin to create these surgeries, as they begin to pull the child's lip together with a giant hole in the center of his face or her face, it not only seems to pull a face together, it seems to pull a life together. If you understand the significance of going through life with an uncorrected cleft palate or cleft lip, this is to also take the child out of an emotional darkness that is almost impossible to describe.

The ultimate impact to these families is one that is emotional beyond words. When you hand the child back to the mother or the father, there is a wailing and a moved feeling that they express that, again, is just beyond my ability to describe.

But it does have I think an effect, as I said, of putting a smiling face on the face of freedom, and I just am so grateful that this is something that we can do together as a House and that while we may have differences on a lot of our policies throughout the world, the one thing remains that America is a noble Nation and we are committed to making sure that all of God's children, as it were, have an opportunity to lay hold on this miracle of life and to live as meaningful as they can possibly can, and I appreciate the support that is demonstrated for the amendment.

Thank you, Mr. Chairman.

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

Mr. Chairman, we have no additional speakers on our side. So I would close by again thanking the chairman and the gentleman for his leadership and agreeing with them that nobility is a bipartisan virtue.

Mr. Chairman, I yield back the balance of my time.

Mr. FRANKS of Arizona. Mr. Chairman, I yield myself such time as I may consume.

I am not sure what else I can add to this except to just simply express that we are not only changing the lives of children in the profoundest sense, but we are letting our soldiers in different parts of the world demonstrate their own compassion to these children as they are a part of the logistical process of making this real.

I would just suggest to you that the bottom line is that this is a diplomatic effort, a medical diplomacy, that is in the best interests of America. It saves Americans lives, and it transform the lives of all the children.

Mr. Chairman, I yield back my time.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. FRANKS), as modified.

The amendment, as modified, was agreed to.

□ 1845

AMENDMENT NO. 7 OFFERED BY MR. SIMMONS

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

The Acting CHAIRMAN (Mr. DUNCAN). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 printed in House Report 109–459 offered by Mr. SIMMONS:

At the end of title X (page 393, after line 23), insert the following new section:

SEC. 10___. AUTHORIZATION TO EXPIRE CLEARANCES REVOKED.

(a) PROHIBITION ON EXPIRED CLEARANCES.—No security clearance granted by the Department of Defense that has been requested to be renewed, based on a requirement for periodic reinvestigation, shall be permitted to expire until the Secretary of Defense certifies to the congressional defense committees and the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives that—

(1) the Defense Security Service has continued to accept industry requests for new personnel security clearances and periodic reinvestigations; and

(2) the Defense Security Service has fully funded its requirement for fiscal year 2007 security clearances and taken steps to eliminate its backlog of requests for security clearance and periodic investigations by September 20, 2008.

(b) EXCEPTION TO PROHIBITION.—The prohibition in subsection (a) shall not apply if the Secretary of Defense determines that sufficient cause exists to revoke a security clearance, that has been requested to be renewed, based on other requirements of law or Department of Defense policy or regulations.

(c) DURATION OF PROHIBITION.—The prohibition on expired clearances authorized by this section expires on September 30, 2008.

(d) RULE OF CONSTRUCTION.—Nothing in this section alters the process in effect as of the date of the enactment of this Act for security clearances and periodic investigations.

(e) DEFINITION.—In this section, the term ''backlog'' means the body of industry requests for new personnel security clearances and periodic reinvestigations that have not yet been completed or that have not yet been opened for investigation.

(f) REPORTS.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report detailing the actions required by subsection (a)(2) no later than September 30, 2007. A final report shall be submitted no later than September 30, 2008.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from Connecticut (Mr. SIMMONS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Connecticut.

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

First, I would like to commend Chairman HUNTER and Mr. BARTLETT, as well as Mr. SKELTON and Mr. TAYLOR for their leadership and vision on this bill. This bill is particularly historic with respect to the shipbuilding programs that it supports.

But I am rising today, Mr. Chairman, to offer a bipartisan amendment that would protect our industrial base workers from losing their jobs because of the failure of our Federal bureaucracy to process security clearances and periodic updates. Last month, without

warning or notice to Congress, the Defense Security Service stopped processing security clearance background checks and periodic updates for defense contractor workers.

What makes this most frustrating is the fact that the Department of Defense said it had fixed the security clearance problems last year when it transferred responsibility for these investigations to the Office of Personnel Management. Many of us who have defense workers in our district questioned DSS on that point, but they were emphatic that OPM could get the job done.

Well, Mr. Chairman, they were wrong. We cannot allow their failure to result in cleared defense workers losing their jobs.

Very simply, this amendment would prevent the Department of Defense from firing workers whose security clearance may have expired through no fault of their own. It does not change the security clearance process or prevent the Department from revoking security clearances for reasons other than the backlog, but it does protect our workers who currently have clearances that simply need to be updated.

Those already at work eventually need renewals to stay on the job, and there are thousands of shipyard workers in my district and elsewhere across the country who need clearances updated to design and build the best ships in the world. But we must give these defense workers peace of mind that they won't be out on the street because of a botched job in the bowels of the Pentagon.

Our amendment has support from both sides of the aisle as well as from numerous national security organizations, and I include for the RECORD a list of these associations. I urge my colleagues to support the Simmons-Davis-Davis amendment to keep American defense workers at work.

SECURITY CLEARANCE COALITION SUPPORTS SIMMONS/DAVIS AMENDMENT TO H.R. 5122

The associations listed below have joined in coalition to work to address the significant problems their members encounter negotiating the security granting process. All of the problems that this process has experienced for the last several years were severely compounded when the Defense Security Service placed a moratorium on the acceptance of new security clearance applications and applications for periodic reinvestigations at the end of April.

The coalition supports the Simmons/Davis amendment as a positive first step toward reversing the impact of this decision and to mitigating its impact. While the ability to attract, hire and retain qualified personnel who are able to get a clearance has been greatly impacted, this proposal will at least assure those that currently employed and holding a clearance that their job will not be impacted because of their inability to submit an application for reinvestigation.

The actions by DSS are symptomatic of the chronic problems found in the Federal government's security granting process. We hope that Congress will act to mitigate the impact of this action by adopting the Simmons/Davis amendment. It is also our hope that Congress will recognize the need to overhaul the entire clearance granting process and work with this coalition and others to bring about a more enlightened and 21st Century approach to providing trusted personnel to meet our National Security needs.

Please vote yes in support of the Simmons/Davis Amendment.

Aerospace Industries Association
Armed Forces Communications and Electronics Association
Contract Services Association
Information Technology Association of America
Intelligence and National Security Alliance
National Defense Industrial Association
Professional Services Council

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

Mr. BUTTERFIELD. Mr. Chairman, I ask unanimous consent to claim the time in opposition even though I support the amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

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

Mr. Chairman, it is critical that our Department of Defense provides clearances to the right people to get access to the right information so they can do their jobs in support of our troops. Access to classified information should be need driven rather than budget driven.

For this reason, I urge my colleagues to support the amendment. I want to thank the gentleman for bringing this amendment forward. It is a fair amendment, and I ask and urge its adoption.

Mr. Chairman, I yield back the balance of my time.

Mr. SIMMONS. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. TOM DAVIS).

Mr. TOM DAVIS of Virginia. Mr. Chairman, I rise today in strong support of the Simmons-Davis-Davis amendment in the defense authorization bill.

This amendment will safeguard national security and ensure fiscal responsibility by preventing the security clearances of defense contractors from expiring until the Department of Defense resumes processing their requests for security clearance investigations and fully funds its personnel security clearance program for fiscal year 2007. I urge all of my colleagues to support this amendment.

On Friday, April 28, I discovered DOD's security clearance processing arm, the Defense Security Service, was imposing a moratorium on all requests for private sector security clearance investigations. DSS reported that it experienced a massive spike in the number of clearance requests and that it didn't have the resources to handle this spike. DSS, therefore, decided to just turn off the spigot. This is, frankly, unacceptable. It is an unacceptable solution to what should have been a very foreseeable problem.

I will be chairing a Government Reform Committee hearing on May 17 to examine this issue in more detail. In the meantime we cannot put defense contractors that need to review employees' clearances in the position of having to choose between firing their employees or granting uncleared personnel access to classified materials and facilities.

The government spends billions of dollars each year on defense contracts requiring workers with security clearances to do the work. If contractors are unable to find enough cleared personnel who have access to classified information, the cost of these contracts increases dramatically. Simply supply and demand, not enough people with the clearance, too much work to do, and the taxpayers are then forced to pick up the tab and our national security suffers.

Therefore, I rise in strong support of the Simmons-Davis-Davis amendment to prevent the Department of Defense from revoking expiring security clearances until DOD is able to get a handle on the current crisis and resume processing requests for security clearance investigations in a timely and efficient manner.

This amendment does not fix the problem, but it keeps it from getting worse. It is an important issue for national security and fiscal responsibility. I urge my colleagues to support this important amendment.

Mr. SIMMONS. Mr. Chairman, I yield myself the balance of my time, and thank the chairman and my colleagues from across the aisle for bringing fairness and peace of mind to our defense workers.

Mrs. JO ANN DAVIS of Virginia. Mr. Chairman, I rise today in strong support of this amendment that I am offering with my colleagues from Connecticut and Virginia.

As we continue to fight the Global War on Terror, the Department of Defense must adapt to meet the challenges posed by this new kind of war. I believe that it is our responsibility in Congress to exercise proper oversight and direction of our military, and the recent developments regarding the processing of security clearances deserve the attention of this body.

In our post 9/11 world, the need for precise and timely security clearance processing has never been more important. The demand for clearances of all types and levels continues to increase, yet our budgets and our processes are not up to date.

I represent thousands of workers in my district who rely on their security clearance to perform their jobs, from the shipbuilders in Newport News to the thousands of uniformed service members and contractors that are working to support our national defense. In fact, I've heard from a lot of them in the last few weeks. Our amendment will temporarily prohibit the Department of Defense's authority to expire clearances that have requested renewal until September 30, 2008, unless certain criteria are met. I firmly believe that we should not be penalizing our military and contracting community because the Department cannot adequately estimate or budget its future security clearance requirements.

Additionally, I'm pleased that a separate amendment offered by Congressman SIMMONS

and myself was included in the underlying legislation that is before the House today. The provision requires the Department to submit a series of reports on their progress in solving these problems, and I believe this is an important step in our congressional oversight of this extremely vital program for our national defense. I want to thank Chairman HUNTER for working with me on this issue.

I urge my colleagues to vote in favor of our amendment.

Mr. SIMMONS. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. All time for debate has expired.

The question is on the amendment offered by the gentleman from Connecticut (Mr. SIMMONS).

The amendment was agreed to.

AMENDMENT NO. 8 OFFERED BY MR. GUTKNECHT

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

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 printed in House Report 109–459 offered by Mr. GUTKNECHT:

At the end of subtitle B of title VI (page 220, after line 8), add the following new section:

SEC. 624. ELIMINATION OF INEQUITY IN ELIGIBILITY AND PROVISION OF ASSIGNMENT INCENTIVE PAY.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Army should promptly correct the pay inequity in the provision of assignment incentive pay under section 307a of title 37, United States Code, to members of the Army National Guard and the Army Reserve serving on active duty in Afghanistan and Iraq that arose from the disparite treatment between—

(1) those members who previously served under a call or order to active duty under section 12302 of title 10, United States Code, and who are eligible for assignment incentive pay; and

(2) those members who previously served under a call or order to active duty under section 12304 of such title and who are currently ineligible for assignment incentive pay.

(b) REPORT REQUIRED.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report—

(1) specifying the number of members of the Army National Guard and the Army Reserve adversely affected by the disparate treatment afforded to members who previously served under a call or order to active duty under section 12304 of title 10, United States Code, in determining eligibility for assignment incentive pay; and

(2) containing proposed remedies or courses of action to correct this inequity, including allowing time served during a call or order to active duty under such section 12304 to count toward the time needed to qualify for assignment incentive pay.

The Acting CHAIRMAN. Pursuant to House Resolution 806, the gentleman from Minnesota (Mr. GUTKNECHT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. GUTKNECHT. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, I will try to make this as simple as I can. We have one of the largest deployments right now of National Guardsmen from the State of Minnesota since World War II. It has created a disparity.

Back in January, members of the 1st Platoon Bravo Company asked my office to help with a pay problem. It just so happens that most of them were called up to serve in the Balkans back in 2003. Part of them were called up under a Presidential Reserve Call Up, and others were called up under a Partial Mobilization.

What this has led to is a discrepancy in how much they may be eligible for in terms of what we used to describe as combat pay. The bottom line is that about 400 members of the Minnesota National Guard, who will be doing the same duty as the other members of the National Guard in Iraq, will not be eligible for roughly $7,000 in incentive pay. This is an inequity. It is unfair, and it is something that we in Congress can and should do something about.

I want to thank the chairman of the committee and the ranking member and the staff as well. We have been working with them for several weeks and they have been extremely helpful on this matter. Hopefully tonight we can adopt this amendment and send a clear message to the Pentagon that this inequity needs to be resolved and it needs to be resolved soon.

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

Mr. SNYDER. Mr. Chairman, I ask unanimous consent to claim the time in opposition, although I do not oppose the amendment and I am unaware of anyone on our side of the aisle who opposes this amendment.

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

There was no objection.

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

Mr. Chairman, I think this is a very straightforward amendment supported by the entire Minnesota delegation. My understanding is it expresses very clearly that we expect people who perform equally for their government are meant to be treated equally. I also ask for the study and I support the amendment, as does this side of the aisle.

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

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for his comments.

Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota (Mr. KLINE).

Mr. KLINE. Mr. Chairman, I thank Mr. GUTKNECHT for his leadership on this issue and for yielding me this time.

I rise today in strong support of this amendment. In my 25 years of military service, sadly I have witnessed other examples of pay discrepancies. It is unfortunate that even today such issues arise, but I am pleased to be in a position now to help solve this problem.

In a true sign of their dedication to duty and camaraderie, many members of the 34th Brigade Combat Team volunteered to join their fellow Guardsmen in Iraq despite having previously deployed to Bosnia and Kosovo. I was disappointed to hear that many of these dedicated citizen-soldiers were denied incentive pay simply because of the administrative mechanism used to mobilize them. This is not the way we as a nation should treat those who have volunteered to serve.

Mr. GUTKNECHT and I promptly engaged the House Armed Services Committee professional staff to help solve this problem. As a member of the House Military Personnel Subcommittee, I was gratified by the staff's prompt action, and I would like to thank them as well as Chairman MCHUGH and Chairman HUNTER for their efforts.

I would also like to commend the entire Minnesota delegation for their strong support in both the House and Senate.

This past week, my staff delivered a letter signed by the entire delegation to the Department of Defense requesting their assistance in resolving this inequity, and I will include a copy of the letter for the RECORD.

This amendment is a fitting addition to that initial effort, and it is my hope it will help spur the resolution of this significant problem. I urge my colleagues to support this amendment.

CONGRESS OF THE UNITED STATES,
Washington, DC, May 4, 2006.

Hon. THOMAS F. HALL,
Assistant Secretary of Defense for Reserve Affairs, Washington, DC.

DEAR SECRETARY HALL: We are writing to request a review and adjustment of the current policy regarding Assignment Incentive Pay (AIP). Several activated members of the Minnesota National Guard (MNNG), now deployed to Iraq, recently brought to our attention a pay technicality that makes the distribution of AIP inequitable. Specifically, under current finance rules, the soldiers who previously deployed and served in Kosovo are eligible for AIP, whereas the soldiers who previously deployed and served in Bosnia are not. We believe these soldiers, whether having served in Kosovo or in Bosnia, should be treated equally for purposes of AIP eligibility.

After consulting with House Armed Services Committee staff, we conclude that this would best be treated as a Department of Defense (DOD) policy matter. There appears to be nothing in the law that would preclude DOD from modifying the technical eligibility criteria, making these soldiers, and others like them, eligible for AIP.

Enclosed please find the letter we received from the MNNG soldiers who brought this matter to our attention. Also enclosed is a letter from Major General Larry W. Shellito, Adjutant General of the MNNG. General Shellito's letter supports our view that a change to current policy regarding AIP is needed.

After an initial review of this issue, we would request an update from your office. If you have any questions, please do not hesitate to contact Fred Chesbro in Congressman John Kline's office at (202) 225–2271.

Sincerely,

John Kline; Martin Olav Sabo; James L. Oberstar; Collin C. Peterson; Jim Ramstad; Mark Kennedy; Mark Dayton; Gil Gutknecht; Betty McCollum; Norm Coleman.

Enclosures.

JANUARY 27, 2006.

DEAR CONGRESSMAN RAMSTAD: We are soldiers in the Minnesota National Guard currently in Mississippi training to go to Iraq, and we have a concern we hope you can help us with.

As you know, for some of us, this is not our first deployment; many of us also went to Bosnia or Kosovo in 2003–2004. Because of our prior deploymemt those of us that went to Bosnia or Kosovo had to sign a volunteer form to go on the OIF rotation we have been tasked with. But, here comes the problem, there is a type or pay called COTTAD that is specific to soldiers who have been recently deployed. The guys who went to Bosnia are not going to receive this pay; however, the soldiers that went to Kosovo are going to receive this pay. We feet that anyone who volunteered to go to Iraq after recently going on a separate deployment are entitled to that extra pay, and should not be discriminated based on where and when they were deployed before.

Being deployed is a hardship. We take time off from our family and friends, many of us are trying to finish our civilian educations or advance our civilian careers, and we have put all that on hold and volunteered for this rotation. Now, because of what best we can tell is a technicality, we will not be receiving a substantial amount of pay. This affects a lot more soldiers than those that signed this letter; hundreds are affected by this. But we, unfortunately, do not have the time to have them all sign this letter. However, I believe that most would have the same viewpoint as we do.

Congressman, we would appreciate any help you can give us. If you have time can you please respond to us and let us know if there is anything you can do. Thank you for taking the time to read this.

1ST PLATOON BRAVO COMPANY CREWS.

CONGRESS OF THE UNITED STATES,
House of Representatives, March 24, 2006.

Interested Soldiers from 1st Platoon,
Company B, 2nd Battalion, 136th CAB 1 BCT, 2490 25th SF, Camp Shelby, MS 39407 (ATTN: B Co. 1SG)

DEAR SOLDIERS: Thank you very much for taking the time to write to me. While it is always good to hear from fellow Minnesotans, it is especially meaningful to hear from members of the Minnesota Army National Guard. I appreciate that you brought to my attention the issue of compensating Soldiers who, like you, are mobilized in support of the Global War on Terrorism.

In response to your request, I've asked my staff to research the current law and to provide me with possible recommendations taking into account your special circumstances. I believe it is particularly important to provide fair and equitable pay and benefits to all members of our armed services, active and reserve components alike.

Please know that I am very proud of you and I applaud each of you for stepping forward and volunteering to serve our State and Nation during these challenging times.

Sincerely,

JOHN KLINE,
Member of Congress.

DEPARTMENT OF THE ARMY,
Saint Paul, Minnesota, March 13, 2006.

Hon. JOHN KLINE,
Representative in Congress, Burnsville, MN.

DEAR CONGRESSMAN KLINE: Thank you for your inquiry of March 10, 2006 raising concerns regarding the compensation of Soldiers mobilized for deployment in support of the Global War on Terrorism. Your issues were researched by Colonel Greg Langley, Mobilization and Readiness Officer for the Joint Force Headquarters in Minnesota. Detailed below is an explanation of the different categories of mobilization and what qualifies a Soldier for the entitlement to the Assignment Incentive Pay requested by the Soldiers in their letter of January 27, 2006. In their letter they referred to Assignment Incentive Pay as ''pay called COTTAD''.

Within federal law there are different types of authority to mobilize the Reserve Components (RC). The two types of authority pertaining to this matter are Title 10, USC 12302, called Partial Mobilization (PM) Authority and Title 10 USC 12304, referred to as Presidential Reserve Callup (PRC). Since President Bush signed Executive Order 13223 on September 14, 2001 authorizing partial mobilization of the reserve components, Minnesota Soldiers have been mobilized under the provisions of both Partial Mobilization Authority and Presidential Reserve Call-up Authority, depending upon the needs of the Army.

The Soldiers from 1st Platoon, Company B, 2nd Battalion, 136th Infantry who wrote to you were previously mobilized in July 2003 and sent to Bosnia as part of Stabilization Force (SFOR) 14. The Army mobilized those Soldiers using Title 10, USC 12304, PRC. The maximum length of this types of mobilization is 270 days and most of these Soldiers returned from the mission and left active duty in March or April of 2004. Each Soldier's individual record may have a different release from active duty date based on their flight back to the United States and the length of time out-processing at Ft. McCoy, WI.

Other Soldiers from the same organization, 2nd Battalion, 136th Infantry, mobilized in October 2003 and went to Kosovo as part of KFOR 5B. These Soldiers mobilized for a period of 365 days, which exceeds the time limit on PRC and therefore the Army mobilized these Soldiers using Title 10, UCS 12302, PM authority. Partial Mobilization authority has a maximum time limit of 730 days. The KFOR Soldiers returned to the United States in the August or September 2004 time period.

Another provision of federal law impacting on this situation is Title 10, USC 12302 (b), whereby all members of the RC must receive fair treatment when being considered for recall to duty without their consent. Secretary of Defense Rumsfeld has directed he will personally approve or disapprove any member of RC who has previously been involuntarily mobilized under either PM or PRC since September 11, 2001. All of the Soldiers writing to you on January 27, 2006 were asked to volunteer for remobilization during their Soldier Readiness Processing in Minnesota during the June through September 2006 time period and did sign a Volunteer/Waiver Certificate. Soldiers not signing the Volunteer/Waiver Certificate were removed from this current mobilization.

The maximum length of Partial Mobilization for any RC Soldier is 730 days. The mission length of the mobilization for the Soldiers in the 1st Brigade Combat Team is 608 days, ending in May and June 2007. No RC Soldier is required to serve more than 730 days of PM time under this current Executive Order 13223. Any Minnesota Soldier who served in Kosovo has already accrued a previous PM period of approximately 330 to 360 days, depending on their return flight and out-processing time. When added together the 608 days on this current mission, plus at least 330 days from the previous Kosovo mission, the Soldier's mobilization time exceeds the maximum of 730 days. Soldiers in this situation, in addition to volunteering to be remobilized, had to volunteer to serve beyond the 730th day in a different portion of federal law called Contingency Temporary Tour of Active Duty (COTTAD), which is Title 10, USC 12301 (d).

Soldiers mobilized to go to Bosnia previously served under the provisions of Title 10, USC 12304, not 12302. Service time in Title 10, USC 12304 by law, does not apply toward an RC Soldier's 730 days of PM (Title 10, USC 12302) time. When they mobilized for this current mission under the provisions of Title 10, USC 12302, they still had 730 days remaining on their PM mobilization clock. They will never reach the 731st day of mobilization since this mission will end in approximately 608 days. Therefore, their signing a Volunteer/Waiver Certificate agreeing to be remobilized is all that is required by the Army.

The provisions of federal law creating Assignment Incentive Pay (AIP) recognized the hardship of prolonged periods of mobilization on RC Soldiers. When Congress passed the law they included Soldiers accruing 730 days of PM (12302) mobilization time and volunteering under the provisions of Title 10, USC 12301 (d) to remain on duty past 730 days with their unit to finish their current mission as qualifying for AIP. Congress omitted PRC (12304) mobilization time as counting toward the 730-day maximum a Soldier can accrue before being required to volunteer for COTTAD (12301 (d)).

This situation was explained to the Soldiers from 1st Platoon, Company B, 2nd Battalion, 136th Infantry who previously mobilized for the Bosnia mission under the PRC (12304) mobilization authority prior to their signing of the required Volunteer/Waiver Certificate. None of these Soldiers will reach the 730th day of PM authority on this current mission and will not serve under the COTTAD provisions of Title 10, USC 12302 (d).

We believe any mobilization should count towards qualifying for AIP. Soldiers sent to Bosnia served under the same conditions as their fellow Soldiers who went to Kosovo. They underwent the same hardships caused by separation from family and civilian employer. However, we have no options to grant AIP to the soldiers who previously mobilized under PRC (12304) until they have also served 730 days under PM authority.

The solution to this problem is for Congress to change the federal law authorizing AIP and include previous mobilization under either authority, PM (12302) or PRC (12304), as counting on the Soldier's mobilization clock to reach 730 days, after which the Soldier may volunteer to remain on mission in COTTAD (12301 (d)) status and earn AIP.

I hope this information from Colonel Langley is helpful to you. Please be assured we will continue to do everything we can to provide Soldiers with the necessary information to make informed decisions about remobilization and their entitlements. It is always my pleasure to respond to the concerns of our Congressional delegation regarding Soldiers of the Minnesota National Guard.

Sincerely

LARRY W. SHELLITO,
MAJOR GENERAL, MINNESOTA ARMY
National Guard, The Adjutant General.

Mr. SNYDER. Mr. Chairman, I support this amendment, and I yield back the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut (Mr. SIMMONS).

Mr. SIMMONS. Mr. Chairman, I rise in strong support of this amendment. I had the honor to serve 4 years on active duty in the U.S. Army and over 30 years as a member of the U.S. Army Reserve, and as somebody who has commanded troops who have deployed, there is nothing more demoralizing to get unequal pay for equal duty.

To support a resolution that provides for equity for our Guard and Reserve is

very important. I thank the gentleman for his amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Chairman, I rise today in strong support of this amendment offered by my good friend, Mr. GUTKNECHT. This amendment fixes a pay disparity currently affecting almost 400 Minnesota National Guard, men and women, serving in Iraq. These members of the 1st Platoon Bravo Company were previously on active duty in 2003, some in Bosnia and some in Kosovo, and I was pleased to be able to visit them with Mr. GUTKNECHT.

However, unlike the soldiers that served in Kosovo, the Bosnia contingent is not eligible for the extra $1,000 a month incentive pay based on the circumstances of their mobilization.

This technicality will cost these soldiers and their families up to $7,000. That is simply unfair and must be corrected. That is why I support this amendment which directs the Army to fix this disparity so those who have equally sacrificed for their country receive equality of pay.

Again, I thank Mr. GUTKNECHT for his leadership on this issue.

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Mr. GUTKNECHT. Mr. Chairman, I will be very brief.

I want to thank my colleagues from Minnesota for helping to resolve this inequity. I want to thank the gentleman from Connecticut and my colleagues from Arkansas.

In the big picture, when we were talking about spending hundreds of billions of dollars, $7,000 for these families does not seem like a lot of money in the big picture. But to those families, $7,000 is extremely important. So I appreciate your support tonight to make certain that we have equity and create a solution for this problem that is fair to all of the folks who are proudly serving us in uniform wherever in the world, but particularly in Iraq.

Mr. PETERSON of Minnesota. Mr. Chairman, I rise today to support the Gutknecht amendment along with my fellow MN Colleagues.

In January these soldiers wrote to me and every member of the MN delegation asking for help. And I believe as their representatives we have an obligation to address their concerns.

This amendment will correct a technicality that is affecting 400 Minnesota National Guardsmen who are now serving in Iraq. And who knows how many other hundreds or even thousands of reservists all over the country have fallen victim to a similar technicality .

Most of these soldiers had previously served on active duty in 2003, some in Bosnia and the others in Kosovo. The two groups were activated by different orders and now both of these groups are activated together under the same order in Iraq.

The soldiers who served in Bosnia are not eligible for the extra $1,000 per month in incentive pay because their tours cannot be added together due to a mere technicality.

This issue is about fairness. Unless something is done to change this Army policy, these soldiers and their families will lose out on $6,000 to $7,000 in extra pay. They are making a huge sacrifice for our country and this is the least we can and should do for these men and women.

Mr. RAMSTAD. Mr. Chairman, I rise today in strong support of this important amendment, which seeks to end a pay disparity for our brave men and women who are serving in harm's way.

Today, Mr. Chairman, Minnesota National Guard troops are serving in the War on Terror in Afghanistan and Iraq, with more than 3,000 citizen soldiers recently called to service in support of Operation Iraqi Freedom.

As my colleague has previously explained, at least 400 of these 3,000 Minnesotans in Iraq will not be receiving the same pay as many others in their unit.

These are troops who have now bravely served our country in two foreign theaters. These troops not only deserve our utmost respect and gratitude, they also deserve their full compensation for their service and sacrifice.

Mr. Chairman, the Minnesota National Guard truly represents the very best of duty, honor and country. I join the people of the Third Congressional District in thanking our Guard members for their selfless service.

And I'd like to thank my colleague from Minnesota for sponsoring this important amendment and thank all my colleagues from the Minnesota delegation for cosponsoring the amendment and working to end this pay disparity.

I urge my colleagues to support this important amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN (Mr. DUNCAN). All time for debate having expired, the question is on the amendment offered by the gentleman from Minnesota (Mr. GUTKNECHT).

The amendment was agreed to.

The Acting CHAIRMAN. No further amendment being in order, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. INGLIS of South Carolina) having assumed the chair, Mr. DUNCAN, Acting 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. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, had come to no resolution thereon.

REQUEST FOR REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4200

Mrs. JACKSON-LEE of Texas. Mr. Speaker, I ask unanimous consent to remove myself as a cosponsor from H.R. 4200.

The SPEAKER pro tempore. Because H.R. 4200 has been placed on the Union Calendar, pursuant to clause 7 of rule XII the gentlewoman's request may not be entertained.

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 the motion 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.

Any record vote on the postponed question will be taken tomorrow.

ENCOURAGING ALL ELIGIBLE MEDICARE BENEFICIARIES TO REVIEW AVAILABLE OPTIONS TO DETERMINE WHETHER ENROLLMENT IN A MEDICARE PRESCRIPTION DRUG PLAN BEST MEETS THEIR NEEDS FOR PRESCRIPTION DRUG COVERAGE

Mr. DEAL of Georgia. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 802) encouraging all eligible Medicare beneficiaries who have not yet elected enroll in the new Medicare Part D benefit to review the available options and to determine whether enrollment in a Medicare prescription drug plan best meets their current and future needs for prescription drug coverage.

The Clerk read as follows:

H. RES. 802

Whereas Medicare now offers a prescription drug benefit for its beneficiaries, known as Medicare Part D;

Whereas more than 35,900,000 Medicare eligible individuals are receiving prescription drug coverage, of which there are more than 27,000,000, including a substantial number of low-income and minority beneficiaries, receiving coverage through the new benefit;

Whereas 8,100,000 beneficiaries have enrolled in stand alone Medicare prescription drug plans;

Whereas estimates indicate that the average beneficiary will save more than $1,100 this year alone by enrolling in a Medicare prescription drug plan;

Whereas the average monthly premium for enrolling in a Medicare prescription drug plan is now just $25 per month, which is far below the initial estimate of $37 per month;

Whereas recent surveys of Medicare beneficiaries enrolled in Medicare prescription drug plans indicate that beneficiaries are satisfied with their coverage;

Whereas advocacy groups including the AARP, National Alliance for Hispanic Health, the National Medical Association, and the National Council on Aging have all sponsored enrollment events designed to encourage eligible beneficiaries to enroll in Medicare prescription drug plans;

Whereas Area Agencies on Aging, State Health Insurance Programs (SHIPs), and other local and community organizations are available to provide seniors with assistance and answer their questions about how to select the Medicare prescription drug plan that best meets their needs;

Whereas pharmacists are on the front line in delivering prescriptions to Medicare beneficiaries and continue to be instrumental in providing valuable information and assistance about the new benefit;

Whereas in recent months Members of Congress have hosted hundreds of events and the Secretary of Health and Human Services, the Administrator of the Centers for Medicare &

Medicaid Services, and other Administration officials have sponsored thousands of outreach and enrollment events, to educate seniors regarding the new prescription drug benefit;

Whereas the deadline for enrollment in the new prescription drug plan without being subject to any late enrollment penalty is May 15, 2006; and

Whereas editorial writers and opinion leaders across the nation have recognized the importance of an enrollment deadline because it encourages beneficiaries to make a decision about enrolling: Now, therefore, be it

Resolved, That the House of Representatives encourages all Medicare beneficiaries who are not yet enrolled in Part D to review carefully all of the options that are available to them and to determine whether enrollment in a Medicare prescription drug plan best meets their current and future needs for prescription drug coverage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. DEAL) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. DEAL of Georgia. Mr. Speaker, I would ask unanimous consent that the gentlewoman from Connecticut (Mrs. JOHNSON) be allowed to control 10 minutes of my time.

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

There was no objection.

GENERAL LEAVE

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

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

There was no objection.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to discuss something of great importance to all Medicare beneficiaries. As my colleagues are no doubt aware, on January 1 of this year, prescription drug coverage for our seniors became more than just something we talked about in this body. It became a reality for every single person eligible for Medicare.

This legislation accomplished a very important thing. It helped millions of senior citizens save thousands of dollars on their prescription drugs.

For years, before enactment of this new benefit, we heard the horror stories of our seniors having to choose between groceries or their medicines, or having to cut their pills in half, all because they just couldn't afford their prescription drugs. Well, now, all those beneficiaries have the option to have good drug coverage and have the quality of life that we wish for all of our American seniors.

As of today, we have nearly 37 million Medicare beneficiaries with drug coverage. This is an outstanding number. The unparalleled effort to get this brand-new change to Medicare up and running and get people enrolled has truly been incredible. However, there are still individuals who have not yet signed up, and we want to make sure that they are aware of this new benefit and can examine the options available to them, and can and will make a decision as to whether or not to sign up.

We have to remember, though, that this is a voluntary benefit. If a beneficiary chooses not to enroll, then that is his or her choice. However, we will ensure that all seniors have the information available to them to make such an informed decision.

We are on the verge of an important date in the implementation of the new Medicare prescription drug benefit. The initial enrollment period for drug coverage ends at midnight, May 15. All beneficiaries who have not signed up for this new benefit will need to make a choice. If there is a Medicare prescription drug plan out there that will save you money on your prescriptions, I would urge these seniors to sign up before May 15 in order to avoid paying a penalty. Like Medicare part B, if a beneficiary fails to enroll in part D during their initial eligibility period, then they may have to pay a penalty.

Even if you are a Medicare beneficiary who doesn't have any prescription medicines right now, I urge you to consider signing up. You can't wait until you have had an automobile accident to buy automobile insurance. And if you are eligible today and can save money, then I urge you to sign up before the open enrollment period ends.

Local outreach efforts and enrollment events are being continued across the country, and the capacity is in place to help callers who phone to 1–800–Medicare. People with Medicare can join a Medicare drug plan through the mail, by phone or over the Web now through May 15 of 2006. All completed applications postmarked on May 15 must be processed.

I urge all my colleagues to help their constituents to examine all the options available to them. We can't afford to let the opportunity to save thousands of dollars on prescription medicines pass even one of our seniors by.

I encourage, therefore, my colleagues to adopt this resolution.

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

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to yield half of my time to the gentleman from California (Mr. STARK).

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2¼ minutes.

Here are the facts. They aren't pretty. It is the evening of May 10. That means there are three working days left until the part D enrollment deadline.

If you are one of the more than 5 million Medicare beneficiaries who lack coverage and you are not on Medicaid, this deadline is binding on you.

Unless you enroll by the 15th, you face a late penalty that increases each month until you do enroll. Your next enrollment opportunity isn't until November, but the penalty rises anyway.

When and if you do enroll, the accumulated penalty will be added to your monthly part D premium. Most beneficiaries who sign up in November will pay a 7 percent penalty for as long as they have coverage.

Why should seniors be tied to the original deadline when the part D program missed its own deadline?

Part D was supposed to be up and running by January 1. Unless you believe that mass confusion, major computer glitches, daily bad press, hit-or-miss consumer assistance qualifies as up and running, then part D was not up and running by January 1 or February 1 or March 1. It is barely up and running now.

Why are Medicare enrollees being pressured into a drug plan? Where is the line between pressure and coercion? And what right does the Federal Government have to let the drug industry and the insurance industry, and what right does the President have and the Republican leadership in Congress have to let the drug companies and the insurance industry write this bill, pass in the middle of the night and then penalize seniors when they are confused by this bill? If some seniors are wary of enrolling, who can blame them?

Aided by a less than hospitable Web site, a blizzard of insurance company marketing materials, an overburdened Medicare hotline, seniors are being asked to choose a drug plan that they simply can't understand, that no one can understand very well.

State and local agencies trying to help Medicare beneficiaries, including my office and the office of Mr. GREEN and Mr. ALLEN and Mr. STARK and Mr. MCDERMOTT, are doing the best we can. But navigating part D hasn't been easy for any of us.

There are 400,000 Medicare beneficiaries in my State who have not signed up. They shouldn't be pressured. They shouldn't be penalized. Seniors didn't ask the Republican majority to bypass Medicare and build a drug coverage obstacle course. Seniors didn't ask the Republican majority to let the drug companies write the bill and let the HMOs shape Medicare policy. That was this body's decision. That was the President's decision, based on huge numbers of HMO and drug company contributions. Seniors have to live with it. Giving them time is the least that we can do.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from Georgia for yielding time to the members of the Ways and Means Committee Health Subcommittee.

Well, there you have it, folks. There it is. Almost 90 percent of seniors have drug coverage today, more than ever before in America's history, and

thanks to Medicare part D and its 10,000 grass-roots partners who have reached into communities across our country to provide personal, face-to-face advice to millions of seniors on signing up.

In Connecticut, 75 percent of our Hispanic seniors are signed up; 69 percent of our African American seniors are signed up; 65 percent of our Asian American seniors have signed up because, for the very first time ever, Medicare has partnered with people right in their local communities to give them the help, support, advice, to make their own choice about Medicare, which Medicare part D plan helped them do.

And you know what? Poll after poll shows how seniors are happy with the benefits provided by these plans. AARP, the largest organization representing seniors, found that eight out of ten seniors enrolled in the program said that it met or exceeded their expectations. A Kaiser Family Foundation poll found that three out of four seniors enrolled in a Medicare D plan are satisfied with their plan and are not having trouble getting the drugs they need.

Seniors are signing up and they are liking it. Why? Because it saves them money. It saves them lots of money. It saves some couples $4–, $5,000 a year.

Why are they signing up? Because it protects them from dangerous, adverse drug interactions. They have never had that protection before.

Why are they signing up? Because it protects them from catastrophic drug costs. They have never had that protection before. They have never had that financial security before.

When Gail Glazewski from Cheshire, Connecticut, found out that her part D drug program was going to save her $2,000 a year, she just let out a whoop of glee and said, I am the happiest senior citizen in town. Gail is one of the millions of seniors that the New York Times reported last month as Medicare's satisfied customers. The newspaper said, They are not vocal, they are not organized, but they are saving hundreds, and in some cases, thousands of dollars for our seniors.

The only sad note has been the dedication of some to scaring our seniors. It is not uncommon to have a senior tell me how complicated the program is, how unfair it is, how wrong that I worked so hard to pass it, only to come back and tell me later, after they went to the choices counselor, as I proposed, how easy it turned out to be, and how much money they were saving.

You know, nothing has moved me more than some of the seniors who have come to me after these counseling sessions with the buses that CMS has provided, with the State counselors, with the local people, and as one said, she said, you know, I was sad when I came here. This is the difference between my staying in my home and having to give up my home.

□ 1915

So this is a big step forward for Medicare. It is a dramatic change. It is really exciting to see how people have come forward and signed up. We have a few more days, and the message is sign up, sign up, sign up. It not only saves you money, it gives you health protection and financial protection. You have never before had access to through Medicare.

Mr. Speaker, I rise today to offer a resolution urging seniors to sign up for a Medicare drug benefit plan before the deadline. Why? Because it will save you money on prescription drugs, protect you from harmful drug interactions, and cover 95 percent of your costs if your personal expenditures exceed $3,600. Medicare Part D will fundamentally, improve our seniors' health and financial security.

The Medicare momentum we're witnessing is undeniable. Of the 42 million seniors in Medicare, 9 million have drug coverage, either through TRICARE, FEHBP, or as active employees, and do not need to enroll. The 33 million remaining, includes 28 million seniors that are now benefiting from the program. Of the 5 million remaining another 1 million are expected to sign up before the deadline and another 2 million seniors, that qualify for extra help, can continue to sign-up throughout the year. So at this point it looks like 40 million of the 42 million seniors in Medicare will enjoy prescription drug coverage or can sign up for it at any point during the year.

A truly remarkable fact and it is due to the spectacular commitment of over 10,000 grassroots organizations that in partnership with CMS, have been conducting face-to-face enrollment of seniors. CMS and its 10,000 grassroots partners are conducting more than 1,800 enrollment events across the country each week, right up until the May 15th enrollment deadline. Additionally, CMS has increased resources to keep the wait times down and beneficiary support up at 1–800–MEDICARE and the Medicare.gov website.

And these seniors and the disabled are filling more than 93 million prescriptions a month—an average of 3 million a day. As important, once enrolled in the program seniors are happy with the benefits provided. AARP, the largest organization representing seniors found that 8 out of 10 seniors enrolled in the program said that it met or exceeded their expectations. A Kaiser Family Foundation poll finds that 3 out of 4 seniors enrolled in a Medicare drug plan are satisfied with their plan and are not having trouble getting the drugs they need. Seniors are giving this new benefit their stamp of approval!

But this is a major change in the Medicare program and it is not surprising that there have been implementation pitfalls along the way as we heard from GAO and other witnesses at our subcommittee hearing. Because CMS has aggressively taken ownership of these implementation problems, most of the problems were addressed within the first two months of the year. For some, the solutions have been agreed to and implementation is now proceeding as states submit their bills. Once the program is free to focus on the delivery of benefits to our seniors, we will, I'm sure, identify refinements that need to be made with either CMS' contracting standards or the law.

But at this point, the enrollment numbers and survey after survey attest to the tremendous value of the Medicare drug benefit. The real story is that seniors across the country are saving money!

For example, seniors like Gail Glazewski from Cheshire, CT are saving $2,000 a year who described herself with glee as ''the happiest senior citizen in town when I realized how much I was going to save!'' That is the real story of the Medicare prescription drug benefit and it is being repeated all around the country. Gail is one of the millions of seniors that the New York Times reported about last month as ''Medicare's Satisfied Customers.'' The newspaper said ''they are not vocal, they are not organized,'' but they are saving hundreds and in some cases thousands.

The only sad note has been the dedication of some to scaring our seniors. It's not uncommon to have a senior tell me how complicated the program is, how unfair, how wrong I was to work so hard to pass it—only to admit that they haven't tried to sign-up—and only to say after we help them—that it wasn't hard and look at the money I'm saving.

When I travel around my district, I meet senior after senior who has signed up and is saving money and each day help seniors sign up and save. As we approach the end of the enrollment period, I urge every senior to sign up, save money, and protect yourself against catastrophic costs and harmful drug interactions.

There are still seniors that have questions about the program and haven't enrolled. It's natural to have questions with a change this big. But every senior—especially those without drug coverage—should assess the drugs they take and talk to a counselor at 1–800–MEDICARE, at one of the many hotlines states are operating, or at their local senior center or agency on aging. They should not let questions about this program dissuade them from saving money like so many of their friends, family and neighbors are.

This brings me to my final point. Some are urging delay of the deadline for signing up. Unfortunately, too often these are the same Members who use scare tactics to discourage beneficiaries from signing up early. All programs have deadlines. Shame on them! We must enforce the deadline so the plans can deliver! We need to let the system work so any needed refinements needed be addressed promptly.

For years Members of Congress have talked about adding prescription drug benefits to Medicare. But today—right now—a Medicare prescription drug benefit is a reality. Thirty million seniors are benefiting from it, including 8 million who had no drug coverage before. That is a great, historic achievement for both the health and financial well-being of our seniors.

I reserve the balance of my time.

PARLIAMENTARY INQUIRY

Mr. STARK. Mr. Speaker, I would like to address a parliamentary inquiry to the Chair.

Is this motion amendable?

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). No, it is not.

Mr. STARK. Mr. Speaker, second parliamentary inquiry. Is it possible for the gentlewoman from Connecticut, the author of the amendment, to withdraw the motion, accept a friendly amendment to urge the administration

to move the May 15 enrollment deadline to the end of the year, thereby enabling another 1 million people to enroll and saving 7 million people from extra penalties, and then reoffer the motion to suspend the rules and pass this resolution?

The SPEAKER pro tempore. The motion would be permitted to specify whatever text might be proposed for adoption by the House.

Mr. STARK. Mr. Speaker, that is the question.

I would therefore, Mr. Speaker, like to address a question to the author of the bill. Would she be willing, as you have said, she has the clear authority to withdraw her motion, amend it so that 1 million Americans would have extra time to sign up and save the money and then resubmit it to the House. Then I am sure we will all support her resolution.

I would be glad to yield to the gentlewoman from Connecticut if she would care to respond.

Mrs. JOHNSON of Connecticut. I would be happy to respond. Actuaries estimate things differently. The CMS actuaries estimate that 1.1 million won't sign up if we move the deadline. In other words, they will lose the pressure they have today to sign up by May 15 and the total will be lower, not higher.

Mr. STARK. Mr. Speaker, I thank the gentlewoman for her response. I would like to note that the gentlewoman, Mrs. JOHNSON from the Fifth District of Connecticut, having the clear opportunity to afford millions of Americans the extra time to sign up for this marvelous program has declined to do it. In doing so, she has condemned probably 7 million people to paying an extra 7 to 10 percent on their premiums for the rest of their lives.

If this plan is so good, then my question would be why the gentlewoman from Connecticut, who is refusing to extend the time for these seniors, why they are doing that. It just amazes me, Mr. Speaker, that if the plan is good why they would try to deny this. The extra million people that the Congressional Budget Office tells us would sign up and for the great savings that would come it would cost an extra maybe $100 million.

But out of a $1 trillion bill that would seem to me to be a paltry amount and it would save 7.5 million seniors from this additional Republican tax on their Medicare benefits. I just wanted to know clearly that it is Mrs. JOHNSON, the author of this, who refuses to allow us to vote on the opportunity to extend the deadline for those many millions of Americans who haven't been able to participate.

I reserve the balance of my time.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume. Actually, Mrs. JOHNSON is not the author of the resolution. I believe I am. I would have the same response because I find it somewhat interesting that the gentleman from California who, according to my statistics, says 83 percent of his seniors who have signed up for the program, who I believe voted against the inception of the program to begin with, and who has repeatedly said how bad the program is, would now say we need to give more time to sign up for a program that he doesn't like to start with. There is something basically inconsistent.

If we had seen as much effort on the other side to encourage seniors to sign up as we have seen to discourage them from doing so, perhaps we would have had a higher percentage rate. He is to be commended because 83 percent is a very good rate. I commend the citizens of his congressional district for having the foresight to be able to take advantage of this great opportunity.

I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. GENE GREEN), who has pointed out the problems in this program with the drug industry and all but has been a leader in trying to fix it.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in support of the resolution and thank my colleague from Ohio for all eligible beneficiaries to enroll in part D before Monday's deadline. Last night our office did hold two enrollment workshops to help seniors in our district navigate the Medicare Web site to choose a plan that best suits their needs.

Large numbers could not choose a plan because of the confusion that they had, even though they walked out with the principal versions from our volunteers who worked the Internet.

I didn't vote for the Medicare Modernization Act, and we could have provided seniors with a more comprehensive and less confusing benefit. But make no mistake, I want every Medicare beneficiary to get the most out of what benefit Congress did pass. That is the reason I support the resolution. What I question, however, is the House Leadership's decision to schedule this particular bill.

We could be spending time on legislation to actually fix the problems associated with part D. We could consider legislation to reduce the price of the drugs by allowing Medicare to negotiate with the pharmaceutical companies. That was a question my seniors had at the workshop.

We should also consider legislation to extend an open enrollment period and give beneficiaries a one-time chance this year to change plans if they decide to instead of discussing ways to improving the clearly flawed plan, which does nothing substantive for our seniors.

Also, my colleague from Connecticut talks about CMS actuaries. These are the same actuaries I think that told us this plan was going to cost 400 billion. Now we know with the money we may spend on it we could actually give seniors a quality plan without so much confusion.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Washington State (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, the Medicare prescription drug benefit plan is doing a bad job, and it is doing a worse job of helping those who need the help most. I was down in the lunchroom in the Longworth Building, and one of the cashiers stopped me and said can you explain to me how this works? She said, I figured out what it is going to cost me to join, and I can save more money by going to Costco. My drugs will cost less in Costco. If you added it all up, I am going to be better off staying out of the program and buying my drugs at Costco.

Now, this program was faulty in its inception, and of the millions of people on Medicare who still haven't signed up, 85 percent of them are poor enough to qualify for the low income subsidy. When this bill was in the Ways and Means Committee, we offered the opportunity to the chairman to sign up these poor people at the beginning, automatically, because they are low income. We know what their income is. They are not going to get rich all of a sudden. But, no, we are going to let them flop around out there trying to figure out this complicated program.

Now, how could we have let it happen? Well, haven't the Republicans been telling us that the Medicare drug benefit was intended to help those most in need, those eligible for low income subsidy?

They turned down, the author of this turned down tonight Mr. STARK's offer to rewrite this thing and get all these people in.

But that is not what really went on here. Just encouraging people or threatening or, as the gentleman from the Energy and Commerce Committee says, keeping the pressure on old people is not sufficient. That is not humane public policy. You ought to be ashamed of saying something like that. We want to pressure.

My mother is 96 years old. I don't need you pressuring my mother on this drug plan if she can't figure it out. Now the low income beneficiaries are twice as likely to have health problems, mental problems or live in a nursing home. Many have difficulty with English. You can't just stand out here and say, hey, folks, sign up, sign up. They can't figure out what to do.

You have made it so complicated so that they wouldn't sign up. That is what you did. You wanted the ones who were most needy to be unable to figure out how the plan would work so they could be left out.

Now, just to show what a warm heart you have, you slap a 7 percent penalty on them for the rest of their life. You say to them, if you don't sign up by the 15th of May, you can't sign up for 6 months, and it is going to cost you 1 percent a month for every month you don't sign up. That kind of loving treatment is, in my view, exactly what this program does not need.

It is a mess, this is a bad resolution. We will all probably, you know, vote

for it. But when you let the drug companies write the bill, it was never meant to work for ordinary people.

The program needs time to find these people and help them.

Blindly adhering to the May 15th deadline, just five days away, dramatically penalizes many seniors who have not signed up.

This program has been a mess from the start.

If Republicans are serious about helping seniors, we must extend the deadline for enrolling, remove the penalties for not signing up, and streamline the procedures, so that our most distinguished citizens can actually understand this.

Just because Republicans let big drug companies help write the legislation doesn't mean we are helpless to take action.

Republicans were wrong about the real cost of this program. Now they are wrong when they say they want to help seniors.

An artificial deadline won't help seniors. A real prescription drug benefit will.

Mr. STARK. Mr. Speaker, I ask unanimous consent to yield the additional time I may control back to Mr. BROWN.

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

There was no objection.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I recognize myself for 1½ minutes.

I do find it really quite remarkable that my colleagues from the other side of the aisle, who spent literally months scaring seniors away from signing up for this benefit, claiming it was too complex, claiming it was this and that. I can't tell you how many seniors I had call my office saying oh, I cannot do this, it is too hard.

Then when we show them they say, oh, it is not so hard. Fifty-four percent of the people who signed up signed up themselves. The tools provided made it not so hard.

Yet colleague after colleague, and I read it in the paper and I saw it, spent their entire time and effort scaring seniors, shameful behavior for elected officials.

Of course, now we come to the end and they want to extend the deadline. They should have been out there the last few weeks saying sign up, sign up. Let me tell you, I can't tell you how many we helped. I would just like to remind you that your own bill had an earlier deadline than the bill we are dealing with. So let us pull together, get everybody to sign up. Then let us let the plans deliver the goods.

You who said this was complicated ought to be the first one who wants these plans to have some time to deliver the services to the seniors who signed up, the 90 percent, the seniors who signed up, so we can make sure that the plans will run according to Hoyle, according to their promises, that they will deliver, and that we can know whether there is any fine-tuning that needs to be done before the next round of sign-ups.

I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, the difference may have been our legislation was written by senior advocates while theirs was written by the drug companies and the HMOs.

I yield 2 minutes to my friend from Maine (Mr. ALLEN), who has fought to make this program work way better than the drug companies and the insurance companies designed it to.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding. Mr. Speaker, there is no amount of public relations spin or resolutions which can cover up the frustration that people felt in the beginning.

People in my office, on this side of the aisle, all of us, were trying to help people sign up because we knew that this bill would help some of our constituents. This is one area where we agree. There are some people who are helped by this legislation. Not surprising, we are moving over half a trillion dollars into this program over 10 years, billions and billions of dollars in excess funds to the pharmaceutical companies, billions and billions of dollars in excess funds to the insurance companies, but it is absolutely true. Seniors do get some of it.

But the problem with this legislation is, from the beginning, confusion, inability of people to understand the program. The frustration has been just remarkable.

The problem here today is that the people who have not signed up for this program are often the people who need the drug assistance the most.

□ 1930

They are the ones who are not signing up.

Nationally, only about 1.7 million of the 7.2 million low income seniors are actually receiving the low income subsidies that this legislation should provide. That is what is happening in Maine. We have 6,000 low income residents who have been in the State Pharmaceutical Assistance Program, and, as of today, we still don't have word from CMS that these people are eligible to receive the low income subsidy, so they are not getting the coverage they need.

What is wrong with some additional time? Why slam the door on these people, make them pay this Bush prescription drug tax for the rest of their lives? Why not give them the extra time and do this program right? That is what we ought to be doing, so the people who need the coverage the most can get it.

One final comment: The gentlewoman from Connecticut said millions have signed up. Many of those millions didn't sign up at all. They were automatically enrolled.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me clarify a statement that Mr. MCDERMOTT attributed to me about keeping the pressure on senior citizens. I did not say that. The New York Times said that.

He said he had a 96-year-old mother who is confused. I have a 99-year-old mother. I am sure he was like me, a good son, who helped his mother figure out what is the plan that was best for her, and she signed up and she is very happy with it.

He also alluded, as did the last speaker, to low income seniors who are under a deadline. CMS has made it very clear if they are entitled to the low income subsidy, that the deadline will not apply and they will take care of that problem. So the problem is a nonexistent one.

Mr. Speaker, I yield 3 minutes to my colleague, the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Georgia for yielding.

Mr. Speaker, today I rise in strong support of House Resolution 802, encouraging America's seniors to take a serious look at the new prescription drug benefit under Medicare. There is less than one week left before the May 15 deadline, and I want to encourage all seniors to take this hard and thoughtful look to find the program that best fits their needs.

There are more than 37 million seniors enjoying the benefit of prescription drug coverage, and I want to share with you some the success stories I have heard from the great state of Georgia.

Mary and Jerry O'Brien of Cobb County sent me an e-mail highlighting their success with Medicare part D. Mr. O'Brien wrote, ''I went to Medicare.gov and I found a comparison of various programs. I chose one for my wife for $70 a month which has no deductible. We had no prescription insurance before and find Medicare part D to be very effective. We saved enough on the first prescriptions to pay for two months of premiums. I realize the program got off to a shaky start, but as far as I am concerned, it is now working well.''

Mae Thacker of Kingston, Georgia, and her husband had heard the Medicare benefit was too difficult and wouldn't save them any money. But after learning a little about the program and enrolling, Mae was sold on Medicare part D. She was paying $781 a month for her drugs. Now, Mr. Speaker, with the Medicare part D plan she pays only $178 a month, saving $600 each and every month.

Mr. Speaker, I can go on and on highlighting the success stories I have heard from the Eleventh District, but I will just mention quickly an additional two.

Lola Squires of Cedartown lives on a fixed income and she qualified for the low income supplement. Last year, her monthly drug bill was $1,016. However, when she got on Medicare part D, she is now paying, guess what, $27 a month, saving more than $900 per month on her medications.

Cornelia Kinnebrew of Rome was paying more than $700 a month. Now, with the new drug plan, she pays only $37 a month, saving $600.

So, Mr. Speaker, America's seniors should not take my word for it, but listen to their peers and hear what this program is doing for them. Medicare part D is worth looking into. Take the time to call 1–800–Medicare and find out what plan works best for you and your needs, and do it today.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

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

Mr. CARDIN. Mr. Speaker, I must tell you that I agree and have been talking to my seniors that they need to, and I quote, ''review carefully all the options that are available to them and determine whether enrollment in a Medicare prescription drug plan best meets their needs.''

I have had over 30 town hall meetings since this bill has been enacted, and at these meetings I have had people from our Office on Aging to help seniors go through the different options to make a decision whether they need or they don't need to join a plan and which plan they should join.

But, Mr. Speaker, the problem is, the information that was made available to them when this bill was passed was wrong. The information is extremely confusing. In my State we have 47 or 48 different plans with deductibles that range by great numbers, and it is very difficult for my constituents to understand this bill.

I have gotten e-mails from people in Maryland who tell me the bill is very confusing, and they should at least be allowed more time to make a decision. I got e-mails saying that this one constituent is going to make a decision, but he is not sure whether it is right or wrong because he needed more time and he doesn't have that time.

So, Mr. Speaker, yes, we want our constituents to make the right decision, and we urge them to focus in on making the right decision, but it is absolutely wrong that we are not extending the May 15 deadline. Our constituents need more time, and we certainly shouldn't be imposing a lifetime penalty because a senior perhaps makes the wrong decision in part because of our failure to get the right information to our constituents.

Mr. Speaker, I would have hoped that we would be using the time now to correct this bill. This bill is structurally flawed. We need to make this a real benefit within Medicare. We need to take on the cost of prescription drugs. We need to deal with the coordination of the benefits with retiree benefits so that retirement plans don't terminate retirees' prescription drug coverage. We need to do all that.

We need to cover drugs that aren't covered today. I could tell you of a person in my district, Barbara Waters, who had her drugs for epilepsy covered before this bill was passed, and now it is not covered because it is under a class of drugs not covered under Medicare. We need to correct that. There is a whole group of organizations that are urging us to correct the bill.

So I appreciate the fact that we have a resolution on the floor urging seniors to focus on what is in their best interests under the law we passed, but what we should be doing is having a bill on the floor giving our seniors more time, eliminating this penalty and then correcting the mistakes that we made when we passed this bill.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman from Connecticut for yielding and the gentleman from Georgia for his leadership on this issue.

I want to tell the story about Bennie and Katheryn, real people in Vidalia, Georgia. This is a couple who was paying $2,200 a month for their prescription drug bill. One of my staffers happened to be related to them and heard about it, and he went over there and sat down with them on all their drug needs and went over the website. He did not make a recommendation, but he showed them the information and they made their own choice. Now their total drug cost has gone from $2,200 a month to $104 a month, a 95 percent savings.

When they saw stuff like that, they did not believe it was possible, because they too had heard some of the rhetoric, some of the angry, some of the bitter rhetoric that comes out of Washington, D.C., and they thought, well, there is no way. But, in fact they are enjoying it now, and they need that extra income just like so many other millions of seniors do around the country.

Mr. Speaker, I heard former Secretary of Health and Human Services Tommy Thompson say that when Gladys starts talking to Mabel, this thing will really take hold. And, indeed, that is the truth. My office has had 48 workshops helping people decide which program works for them. Maybe it doesn't work for them, because I am always quick to say, it might not be the best thing for everybody. That is part of what a public offering is. Sometimes it works, sometimes it doesn't. But it works for most people. It is about a 50 percent to 60 percent savings for most people. Bennie got a 95 percent savings. Not everybody is going to get that.

But the interesting thing is that Gladys is talking to Mabel, because my friend GIL GUTKNECHT always quotes Ronald Reagan in saying that markets are more powerful than armies. In this case we have an army of people saying this is a horrible program that should be thrown away, thrown out; it is bad, it is wicked, it is the Republicans up to no good.

But look at the market. In my district, with my 48 workshops, our market penetration is about 70 percent right now. The interesting thing is one of my colleagues who is not in favor of this bill has about the same penetration, and he hasn't held one workshop.

That is one the ironies of it. I thought I am going to go out as a salesperson and really wave the flag and tell everybody how great it is. I am irrelevant. The market is more powerful than the army, the army for it or the army against it. The market is selling this thing, not the Republican Party, not the Democrat Party, wherever they may stand on it at the moment.

The reality is the seniors like it, and the reality is our seniors need it, because so many of them were having to choose between food on their table and prescription drugs.

My mom, who takes Tamoxifen from now on for the rest of her life, and my dad who has diabetes and their friends, they have some choices. Not everybody is going to sign up for it, but everybody is aware that the program is out there.

I will close with a quote from my good friend from Minnesota, who had voted against this bill. He said he has moved from being an atheist to an agnostic, but pretty soon he is going to be a holy roller and a believer like everybody else, because markets are stronger than armies.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Chicago, Illinois (Ms. SCHAKOWSKY), who has been fighting in her district to explain this bill and to improve it.

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are times that I wonder whether my colleagues on the other side of the aisle live in a different reality from the rest of us. This resolution encourages senior citizens and persons with disabilities to carefully review all the part D private plan options before them and determine whether to purchase a policy.

We all want senior citizens and disabled people to make informed choices, and we have been helping them, but the reality is there is no way that the millions of beneficiaries who have not enrolled are going to be able to do that in the next 5 days.

The Republican resolution completely ignores the complicated mess that the Republican Congress created in part D. It ignores the fact that current HHS Secretary Leavitt's parents, who he helped, got it wrong and had to change plans.

It ignores the Kaiser Family Foundation report that nearly half of all citizens don't know about the May 15 deadline or the lifetime financial punishment they will face if they miss it, permanent higher premiums as long as they live.

It ignores the GAO report that the Medicare hotline gave inaccurate or inadequate information on which was the best plan to 60 percent of the callers.

It ignores the fact that independent counselors are inundated and unable to provide unbiased advice to sort out the dozens of private plans available.

It ignores the Family USA Report that three out of four low income seniors have not signed up.

It ignores the fact that half of the seniors who didn't have drug coverage last year still don't have it today. That is 10 million people.

It ignores the fact that yesterday's CNN poll said that 47 percent of seniors said the part D program isn't working.

As hard as the Republicans may work to ignore reality, the real reality out there for most people, it won't go away. And the pressure should not be on older and disabled Americans to act over the next 5 days. It should be on the Republican majority to extend the deadline and fix this mess.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself such time as I may consume.

In spite of the doom and gloom, I am pleased to say to Ms. SCHAKOWSKY that in her State of Illinois, 72 percent of her seniors feel it is a good idea and have signed up. I think that is a good percentage.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DEAL of Georgia. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I am confused by that. Are you saying 72 percent chose to sign up of those eligible?

Mr. DEAL of Georgia. Seventy-two percent of those eligible are on the program, yes.

Mr. BROWN of Ohio. I am confused. Did they choose to sign up, or were some forced to sign up from Medicaid?

Mr. DEAL of Georgia. Surely as our ranking member on the the Health Subcommittee, you know on dual eligibles they are signed up under the program, as the law provides. So dual eligibles are included.

Mr. Speaker, I will reclaim my time. The gentleman has more time remaining than I do. I will be glad to debate him on his time.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BURGESS).

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Mr. BURGESS. Mr. Speaker, I thank the chairman of the Subcommittee on Health and Chairwoman JOHNSON for bringing this important bill to the floor of Congress this evening.

Mr. Speaker, we have heard some talk about how complicated the program is and how confusing it is. I would like to just take a moment to point out that if you have a couple of things at your disposal it is not that confusing at all. And if you will put your prescriptions in one hand and in the other hand your Medicare card, and then call 1–800 Medicare, the people at the other end can help you with choosing the right prescription drug coverage for you.

Yes, there are a lot of plans. In my State of Texas, there are 20 different drug plans that have a variety of different permutations, and 36 different prescription drug options are out there.

But if you approach it from cost, coverage and convenience, look at how much the cost is, if that is your most important driver, look at the coverage of the medicines provided, if that is your most important driver, or if you want to get mail order or your mom-and-pop pharmacy down the street, if that is the most important thing, make that the issue that becomes the top of the list, and then cost, coverage and convenience.

You can go through with their Plan Finder tool on the Web site, www.medicare.gov, or again 1–800 Medicare, have your prescriptions ready so you know what you are taking and the dosage you are taking, and they will help you with that.

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). The gentleman from Ohio (Mr. BROWN) has 4 minutes remaining, and the gentlewoman from Connecticut (Mrs. JOHNSON) has ½ minute remaining, and the gentleman from Georgia (Mr. DEAL) has ½ minute remaining.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to follow what Dr. BURGESS says, but GAO says 60 percent of the calls to 1–800 Medicare they have given out wrong information, and I wish our government would get organized before they penalize seniors for not being organized.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Madison, Wisconsin (Ms. BALDWIN), who has worked hard to make this bill written by the drug companies a better bill, a better law.

Ms. BALDWIN. Mr. Speaker, it has really been clear from day one that the Medicare part D prescription drug program was planned with the best interests of drug companies and insurance companies but not seniors in mind.

This plan was wrongfully conceived, and then poorly implemented so that seniors had to struggle to understand a confusing mass of plans, prices and protocols.

As we approach the deadline by which seniors must enroll in a plan or be faced forever more with a financial penalty, it is obvious that we need a new prescription for progress.

Just last week, a GAO report found that the information about the part D benefit provided by CMS through the hotline and handbooks and their Web site was full of errors. We should not penalize seniors for a poorly designed program which was poorly implemented.

Mr. Speaker, we must change this deadline now and allow seniors adequate time to study their options and choose the drug plan that best fits their needs. Instead of passing this meaningless resolution, we should pass legislation to extend the deadline and truly help seniors.

Mr. BROWN of Ohio. Mr. Speaker, may I ask my friend their plans?

Mr. DEAL of Georgia. Mr. Speaker, I believe I have 30 seconds remaining, and I would have the right to close. I would reserve it with no other speakers that I intend to use.

Mrs. JOHNSON of Connecticut. I have 30 seconds remaining. I will be the last speaker before you.

Mr. BROWN of Ohio. I would like to be the next to last speaker under the rules. So whichever of you wants to go.

Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, my friends on the other side are confused. First of all, they know that most of the seniors that they speak of have been automatically enrolled through Medicaid. But they also know that only 55 percent know that the deadline is May 15 and only 53 percent know the lifetime penalty.

Mr. Speaker, I have tried to make lemonade out of lemons. For the last 2 months, I have had those enrollment meetings, and in those meetings I have found the confusion and as well the 1–800 number does not work.

Mr. Speaker, I will have a meeting on May 15, the morning of May 15. I will open up the opportunity for seniors to enroll on the spot. But the contractor that has been hired by HHS only has three computers for my constituents to use, drawing on the City of Houston.

So what I say is do not waste time on this resolution that I do support, extend the deadline and end the penalty, and do not pressure senior citizens with frail health conditions. Do not pressure low income seniors. This is not the opportunity to pressure seniors. This is an opportunity to provide for the Medicare prescription of all seniors eligible to enroll.

Mr. Speaker, I would ask, extend the deadline past May 15 and end the lifetime penalty for our seniors. They deserve our respect and appreciation.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, let me just correct a few facts on this record, because for those watching this debate I want them to understand two things. First of all, all low income seniors can continue to enroll without penalty. That is just a fact. No low income senior has an enrollment deadline.

Secondly, this GAO report that was referred to earlier, it actually says that CMS's help line accurately and completely answered callers' questions two-thirds of the time. They go on to say that CMS provided accurate and complete responses to calls about beneficiaries' eligibility for help 90 percent of the time.

So we have worked hard. We have done well. Seniors are signing up and saving money.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would correct my friend from Connecticut. Not all low income seniors can enroll without penalty, only some low income seniors can enroll without penalty. I hear her bragging that two-thirds of the time, two-

thirds of the time you call 1–800 Medicare you get correct information.

That means one-third of the time you do not. So we are not penalizing the administration for not being able to get this law up and running correctly. Nobody has lost their job over that. But we are going to penalize seniors who have not made up their mind because of this confusing law, because they were getting wrong information from the 1–800 Medicare number that we talk about on the floor.

We are going to charge seniors as much as a 7 percent penalty for the rest of their lives if they do not get this together by November.

Mr. Speaker, a Republican pharmacist in my district said to me, he said, ''President Bush might as well have handed a blank legal pad to the drug industry and said write this new Medicare law.''

Congress and the President wrote a confusing plan at the behest of the HMOs and the drug companies, and then Congress and the President are saying that seniors should have to pay a penalty, seniors in Cincinnati and Dayton and Columbus and Toledo and Mansfield and Chillicothe and all over my State and all over Connecticut and all over Georgia and all over Minnesota have to pay a penalty because the drug industry and the HMOs and those lobbyists in Washington got this Congress to write a law like that. That hardly seems fair.

Mr. Speaker, I would just ask my friends on the other side of the aisle, please ask President Bush to extend this deadline so seniors do not have to pay a penalty for this very confusing new drug law.

Mr. DEAL of Georgia. Mr. Speaker, I yield myself the balance of our time.

Mr. Speaker, this has indeed been an interesting debate. Here we are having people who did not vote for the bill who for 40 years controlled this House and kept saying to seniors, we are going to provide you with a drug benefit and never delivered.

The Republicans delivered. They did not like the bill. They still do not like the bill. Now they say they do not want a deadline, but the bill that they drafted had a March 1 cutoff with penalties following that.

Ours is more generous than that. The purpose of today's debate is to simply remind seniors, this is a voluntary program. If you want to sign up you should do so before May 15.

The confusion, yes, there is confusion because there are a lot of choices out there. Our friends on the other side of the aisle said this will not work and nobody will have any choices. The truth of the matter is, there probably are maybe too many choices, but it is better to have choices than none at all.

Mr. DINGELL. Mr. Speaker, rather than bringing legislation to the House floor that would actually help senior citizens get the prescription drugs they need and address some of the problems that they are having with the new drug benefit, the Republican leadership has brought forward an ''advertisement'' in the form of a meaningless resolution that does nothing, absolutely nothing, to make it easier for seniors to enroll in the prescription drug plan.

Instead, they are encouraging our constituents to beat an artificial deadline and enroll in these plans without having accurate information to prevent them from enrolling in a plan that does not meet their needs.

The independent Government watchdog agency, the Government Accountability Office, recently reported that a good deal of the information that Medicare is providing on this new drug benefit is wrong or incomprehensible to the average beneficiary. For example, Medicare representatives gave an incorrect answer 60 percent of the time when they were asked to help a beneficiary find the lowest-cost plan to enroll in.

These findings also point to larger problems. Because of inaccurate, complicated, or confusing information, seniors have not been given a fair shake. Why is the House not addressing these matters?

We should be here today voting on a bill to extend the May 15 deadline and helping seniors avoid an unfair and unnecessary penalty. Instead, we have a meaningless resolution encouraging seniors to do exactly what they have been doing, which is to evaluate their options. I encourage that—so I will support the resolution. But we should be doing much more to help seniors.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. DEAL) that the House suspend the rules and agree to the resolution, H. Res. 802.

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. DEAL of Georgia. 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 question will be postponed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, 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 gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PRESCRIPTION DRUG DEADLINE

Mr. GEORGE MILLER of California. Mr. Speaker, I ask unanimous consent to take her place since she is not here.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

There was no objection.

Mr. GEORGE MILLER of California. Mr. Speaker, today I rise to talk about a serious issue facing America's seniors, an issue that was just debated prior on the floor, the upcoming deadline for enrolling in the new Medicare prescription drug program.

I, like many of my colleagues, have held forums around our congressional districts to try and encourage the senior citizens to enroll in the program and to try and help explain it with the help of advisers from Medicare, from the Kaiser health care organization in my district, from the county health care offices and many others to explain the process of enrolling, the benefits, and what the seniors need to get together to do that.

But the problem is that time is going to run out on many of these seniors. There is just 5 days left to enroll in the program or face the possibility of a lifetime penalty. Most seniors do not fully understand the nature of that penalty, that that penalty will be assessed on the value of the average premium paid, and it will be assessed for the rest of the time that the senior is enrolled in the program.

It is a serious and a harsh penalty for those who may not be able to sign up, because they simply failed to understand the program and need additional time. We have been pressing the Congress and the President and the Republicans in this House to extend the enrollment deadline and to waive the penalty for the first year to give people enough time to understand the confusing and complicated program.

Instead the Republicans have brought up this resolution that was just passed here that encourages the beneficiaries not yet enrolled to enroll in the drug plan and to review carefully all of the options available to them.

Many have been trying to do that and have not been able to do it successfully to completion. I do not believe that they should be punished for that. We are talking about individuals who in many cases have other disabilities, other problems, health care problems, and it is not easy to wade through these options that confuse many of them.

This resolution does not do anything to help those individuals avoid the lifetime penalties. It does not give the Federal Government the power to negotiate in bulk for the drug companies and for lower prescription prices.

Instead of passing this resolution, I would have hoped that the Republicans would have brought forth a provision to provide real help to the beneficiaries by giving them more time to review carefully all of the options that are available and delaying the deadline until May 31.

Why, you ask, is this necessary? On April 26, USA Today reported less than 3 weeks remain for most Medicare

beneficiaries to sign up for the prescription drug coverage without penalties, but nearly half the Nation's seniors do not know it.

The fact is that many beneficiaries are still unaware of the deadlines and the penalties, highlighting the fact that more time is needed. But even those who know about the deadlines and penalties are having a hard time with this confusing law. A new GAO report found that many beneficiaries are receiving inadequate, incorrect information from the Medicare hotline that many of us have been encouraging them to call to help them enroll.

It has been inadequate help to them and seniors should not be punished for that reason. The Wall Street Journal reported just a couple of days ago that the Federal investigators from the GAO posing as senior citizens found that the Medicare operators routinely failed to give callers accurate and complete information about the government's new drug benefit.

□ 2000

Investigators said that about one-third of their calls resulted in faulty responses or no response at all because of disconnected calls. This is not an atmosphere which should lead to the punishment of senior citizens who are making a good-faith effort to reach Medicare, to reach for the enrollment, to understand the program and make the decision for themselves or a member of their families on a timely basis.

Based upon a new analysis, there are probably about nine million beneficiaries with little or no drug coverage who still have failed to sign up. According to the nonpartisan CBO, delaying the deadline to December 31 would save more than 7 million beneficiaries from a lifetime of higher monthly premiums.

If the Republicans were truly interested in fulfilling the program that they designed, then they ought to extend the deadline so that senior citizens that we represent can have an opportunity to enroll and put off that penalty.

So I would hope—there is still time between now and the 15th, I would hope that now that they have passed this resolution, we would bring out legislation to provide an extension of time for seniors who are in fact acting in good faith.

The suggestion has not been made that seniors are trying to dodge the obligation. We know why there is a penalty. Eventually you want them all to sign up so people do not selectively enroll and cherry-pick and make the program more complex. But the indication is not that seniors are refusing or trying to dodge the program. The indication is that many are still reaching out in good faith to sign up for the program and to understand the program, but they just have not been successfully able to do that.

It seems to me that is not what a government should be doing is punishing people going through the process in good faith, but simply have not been able to negotiate it.

The SPEAKER pro tempore (Mr. INGLIS). 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.)

AN IDEA WHOSE TIME HAS COME

Mr. GUTKNECHT. Mr. Speaker, I request unanimous consent that I be allowed to claim the time of the gentleman from North Carolina (Mr. JONES).

The SPEAKER pro tempore. Without objection, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

There was no objection.

Mr. GUTKNECHT. Mr. Speaker, I rise on the House floor tonight to talk about something that I think is one of the big solutions that we need to pursue here in the United States. And I would like to, first of all, talk about this first chart; and hopefully, Members can see it back in their offices. But this is a chart of the imports of petroleum as we have seen it from 1984 until 2005.

Back in 1984, we were importing less than 5.5 million barrels of oil a day; today, that number is over 13.5. In fact, I should say in 2005 it was about 13.5 million barrels a day. This is a scary chart because the direction is heading in the wrong direction.

Let's put some numbers on this. I am told that by this summer with $70-a-barrel oil, we will be spending about a billion dollars a day to buy oil from countries, in many cases who are not particularly friendly to the United States. This is a serious problem. It is a challenge to our economic security and it is a challenge to our national security.

Now, renewable fuels are only part of the solution. I voted to increase the CAFE standards. I think conservation is an important part of solving our energy problems here in the United States. I believe in developing other kinds of energy. I voted consistently to develop the oil and the natural gas which we know is up in Alaska. I voted to expand the many uses of other energies.

But, Mr. Speaker, one of the things that we have not talked enough about, in my opinion, is our ability to grow more of our own energy. And so tonight I want to talk about renewable energy in general and ethanol in particular because I think there is huge misunderstanding, and it is not just among Members of Congress and the general public, it is among many of the policymakers even in the Department of Energy.

Mr. Speaker, there is still a misunderstanding about how much it costs to produce ethanol. In fact, we had a hearing of the Science Committee about 6 months ago. We had three top energy experts who testified before the committee. I asked all of them, I said, How much does it cost to produce a gallon of ethanol? Well, they started to look at their watches and their shoes and it was clear they did not want to answer the question.

Well, I said, make a guess. And the low guess, and these are energy experts, the low guess among those three experts was $2 a gallon. The high estimate was $3 a gallon. And I said, Would it surprise you to know that we are actually producing ethanol in Minnesota for less than $1.20 a gallon? In fact, some of the plants at that time with lower natural gas prices were actually producing ethanol for about $1 a gallon.

Today, with corn at about $2 is a bushel and with oil at about $70 a barrel, the cost right now to produce a gallon of ethanol at an efficient plant in the upper Midwest is about $1.20 a gallon. Gasoline, on the other hand, right now costs about $2.10 a gallon for unleaded gas.

Now, I have to be clear, though, and we want to be fair in this discussion. You do not get as many Btus, British Thermal Units, out of a gallon of ethanol as you do a gallon of unleaded gasoline. In fact, it is about 20 to 25 percent less. So you get less energy out of a gallon, partly because ethanol is 35 percent oxygen. That is good, though, because it means it burns much cleaner than gasoline.

Ethanol is better for our environment. It is better for our economy because that billion dollars a day that we may be spending this summer we are sending to countries that in some respects do not like us, and in worst cases they may be using part of that oil revenue to actually fund the terrorists.

The beauty of producing energy here in the United States, clean-burning ethanol in the United States, is that all of that money stays here in America where it recycles through our own economy. A new plant, for example, recently opened just west of Mankato, Minnesota, in the little town of Lake Crystal, Minnesota, and they told us they will be employing, on average, 42 workers in that plant, and the average starting wage will be somewhere over $16 an hour plus benefits. These are good jobs that help our own economy right here in the United States.

But the point really needs to be made, not only is it better for our economy, it is better for our environment, but it is actually cheaper. So some people say, well, if it is better for the economy, if it is better for the environment and it is cheaper, why is more of it not available?

Well, the answer is simply this. The oil companies do not make any money on ethanol. I am not here to say that

the oil companies are evil, but right now they have a 98 percent market share, maybe a little less than 98 percent market share. They are not interested in giving away market share to ethanol, which is why I have introduced a bill called 10 By 10. And what it says, and I believe that success leaves clues, and what it says is that by 2010, 10 percent of our gasoline supply should be renewable energy. It is an idea whose time has come.

TEACHERS MAKE A DIFFERENCE

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

Mr. ETHERIDGE. Mr. Speaker, this evening I come to the floor to remind my colleagues, just today we passed a tax bill that cuts taxes. In the next several weeks we will be back on this floor talking about the money for education. Unfortunately, we will be reducing our investment in education.

Tonight, though, I want to share with you a statement relating to our teachers. I was a great privilege on Saturday evening to speak to our State PTA in North Carolina; and they shared this story, and I want to share it with my colleagues because I think it ought to remind all of us what is important about the job we do, what is important here in America. Because too many times we get caught up in what people make and how much money they get, and today this Congress did just that. And let me share it with you.

Some dinner guests were sitting around the table discussing life. One man, a wealthy CEO, decided to explain the problem with education. He argued, What is a kid going to learn from someone who decided his best option in life was to become a teacher? He reminded the other dinner guests that it is true what they say about teachers. Those who can, do; those who cannot, teach.

To corroborate what he said, he turned to another guest. You are a teacher, Susan. Be honest. What do you make?

Susan, who had a reputation of being honest and frank, replied, You want to know what I make? I make kids work harder than they ever thought they could. I can make a C-plus feel like a Congressional Medal of Honor winner. And I can make an A-minus feel like a slap in the face if the student did not do his or her best. I can make kids sit through 40 minutes of study hall in absolute silence. I can make parents tremble in fear when I call home.

You want to know what I make? I make kids wonder. I make them question. I make them criticize. I make them apologize and mean it. I make them write and I make them read, read, read. I make them spell definitely beautiful, definitely beautiful, definitely beautiful over and over and over again until they will never misspell either of those words again.

I make them show all their work in math and hide it all on their final drafts in English. I make them understand that if you have the brains, then follow your heart. And if someone ever tries to judge you by what you make, you pay them no attention.

You want to know what I make? I make a difference.

Mr. Speaker, God bless all those who go into the classroom every day and make a difference, not because they are paid, but because they care about the future of this great country.

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

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

CLIMATE CHANGES

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

Mr. GILCHREST. Mr. Speaker, I would like to talk for 5 minutes on this issue known as climate change. Are humans affecting the climate or is it the natural influence of natural variabilities?

Mr. Speaker, if people will look back into their middle school and high school years, they will remember their silence class, their geography class, maybe their geology class, and they learned that the planet Earth over millions of years varied in its climate. Sometimes we had very warm periods and sometimes we had very cold periods. Sometimes the tropics were as far north as Canada and sometimes ice ages covered much of North America. But the point is, what do we remember about the details and the facts on how they occurred?

I think maybe Jay Leno should ask that question in a ''Jay Walking'' exercise, ''What do you know about climate change?'' Well, in past eons of times, tens of thousands of years ago, millions of years ago there were very few human beings on the planet and those human beings were not burning fossil fuel.

Today we have six billion people on planet Earth and many of those people are burning coal, natural gas, oil, gasoline. They are burning for their energy sources fossil fuel. And the fossil fuel that we are burning in the modern era of time is putting more greenhouse gasses into the atmosphere in decades than the natural variabilities of planet Earth locked up over millions of years.

Why is fossil fuel important when we are looking at the issue of climate change or global warming? When you burn fossil fuel it puts into the atmosphere a gas known as CO or carbon dioxide. Carbon dioxide is the chief element, the chief gas, in the atmosphere that controls climate, that controls the heat balance. We call this the ''greenhouse effect.'' Sunlight comes in, but because of COG, some of it cannot be radiated out so we have had a pretty good of balance of climate on the planet, at least for the last few thousand years.

Now, how much COG is in the atmosphere that has this huge effect on the climate?

□ 2015

Less than 1 percent of the atmosphere is made up of carbon dioxide. Way less than 1 percent of the atmosphere is made up of carbon dioxide, but it has a huge effect. So you can see that any variability in carbon dioxide will have quite severe consequences on the planet.

How much CO_2 was in the atmosphere 10,000 years ago, at the very edge of the end of that Ice Age? Ten thousand years ago, there were 180 parts per million of carbon dioxide in the atmosphere. Thousands of years later, with a warming trend, a natural warming trend on the planet, almost 10,000 years later, it was 280 parts per million.

Two hundred years ago on the planet, during the early American days, there were 80 parts per million CO_2 in the atmosphere. One hundred years ago, that increased by a small fraction; 100 years ago, there were 290 parts per million of CO_2 in the atmosphere. Now, this sounds like a lot of calculations and a lot of numbers. 100 years ago, 290 parts per million, heat balanced because of CO_2. One hundred years later, now, we are talking about 100 percentage points, 100 parts per million difference over 10,000 years.

What happened in the last 100 years? We are at 380 parts per million in the last 100 years. What normally would take 10,000 years to happen in a natural variation, variability, fluctuation, we did in 100 years. The estimate will be, by the year 2050, we are likely to be over 500 parts per million. That means we have had more of a dramatic increase in CO_2 that controls the climate in 100 years than happened 5 million years ago.

The Earth is warming because of the increase in CO_2 because of the burning of fossil fuel. The hottest years on record have happened since the 1980s. The major institutions of science in the United States have concluded that the matter of climate change is settled. Human activity is having an influence on the planet.

The SPEAKER pro tempore (Mr. INGLIS of South Carolina). 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 Texas (Mr. POE) is recognized for 5 minutes.

(Mr. POE. 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 California (Mr. DREIER) is recognized for 5 minutes.

(Mr. DREIER 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 Minnesota (Mr. KENNEDY) is recognized for 5 minutes.

(Mr. KENNEDY of Minnesota 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.)

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 Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

(Mr. MCDERMOTT 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 Maine (Mr. ALLEN) is recognized for 5 minutes.

(Mr. ALLEN 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 Florida (Mr. BILIRAKIS) is recognized for 5 minutes.

(Mr. BILIRAKIS 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 Arkansas (Mr. SNYDER) is recognized for 5 minutes.

(Mr. SNYDER 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 Kentucky (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Kentucky 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 Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ASIAN PACIFIC AMERICAN HERITAGE MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ) is recognized for 5 minutes.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I am here today to join my colleagues and the Nation in recognizing May as Asian Pacific American Month, a time to celebrate the numerous contributions that Asian Americans and Pacific Islanders have made to American life.

But first, I would like to recognize and congratulate my colleague, the gentleman from California (Mr. HONDA). As the Chair of the Congressional Asian Pacific American Caucus, Congressman HONDA has worked tirelessly to highlight the contributions of the Asian Pacific American community.

Congressman HONDA's leadership emphasizes the importance of diversity, cultural education, and awareness of the many beautiful cultures and heritages that are woven into the fabric of our country.

Thank you, Congressman HONDA, for your dedication and your passion.

May was chosen to commemorate the immigration of the first Japanese to the United States on May 7, 1843, and to mark the anniversary of the completion of the transcontinental railroad on May 10, 1869. The majority of the workers who laid the tracks were Chinese immigrants.

Asian Pacific American Heritage Month is celebrated with community festivals, government-sponsored activities, and educational activities for students. Currently, 15 million Asian Pacific Americans live in the United States.

With more than 25 Asian and Pacific Islander groups with different languages and unique histories, including Taiwanese, Vietnamese, Chinese, Filipinos, Indian, Pakistani, Korean, Japanese, and Bangladeshi, Asian Pacific American Heritage Month highlights the diversity that makes up our great Nation.

As an American Jew, I am proud to say that Asians and Jews have a unique and celebrated history of partnership and community. Asian Americans have developed many thriving communities in California and New York City, for example, where there are also a large number of Jewish communities.

Our cultural similarities and major emphasis on family and education present a variety of opportunities for cooperation between the communities, including community organizing, mutual support and political advocacy.

Asian Americans have impacted our Nation in several distinct ways: in science and technology; arts and media; and business and social work.

Approximately 1.1 million Asian Americans and Pacific Islanders own small businesses in the United States. Additionally, Asian Pacific Americans have served bravely in the United States Armed Forces, and more than 300,000 Asian Americans and Pacific Islanders are veterans.

The theme for this year's Asian Pacific American Heritage Month is ''Dreams and Challenges of Asian Pacific Americans.'' Throughout the month of May, this theme serves as a reminder that while this community has made several strides, many Asian and Pacific Americans face economic and societal challenges.

Affordable health care and education are among those challenges that all Americans, including Asian Pacific Americans, face. It is estimated that more than 2 million Asian Americans and Pacific Islanders currently have no health insurance, a figure that is far too large.

We must focus on policies that will provide all Americans the opportunity to prosper in our great country.

Throughout the month of May, Mr. Speaker, I ask all Americans to join me in raising awareness of this growing community as we celebrate together Asian Pacific American Heritage Month.

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

(Mrs. BIGGERT addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) is recognized for 5 minutes.

(Ms. GINNY BROWN-WAITE of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

30 SOMETHING WORKING GROUP

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the minority leader.

Mr. MEEK of Florida. Mr. Speaker, it is an honor to come before the House once again.

I would like to thank my colleagues, DEBBIE WASSERMAN SCHULTZ, and also my good friends from the great State of Massachusetts, Mr. BILL DELAHUNT. I am so glad Mr. DELAHUNT is here.

We were talking earlier. I had to chuckle there for a minute because Mr. DELAHUNT always takes the opportunity and the privilege to share with us the printed word, and it is good to have him here. Mr. RYAN will be joining us a little later, Mr. Speaker.

If I could just take a moment here, Mr. Speaker, to let the Members know that the great debate took place here on this floor, a number of amendments were proposed, to make sure that we pass a budget that is just and fair for every American. But I must bring to the Members' attention, because I think Members do not realize what is happening, or if they do realize what is happening, I want to make sure that it is in the RECORD that they know.

We talk about debt a lot in our 30 Something Working Group, and talking about debt and doing something about debt are two different things.

The Republican majority continues to spend in a record-breaking way that is bankrupting this country and changing the philosophy of this country, which is pay-as-you-go.

Democrats, we are the only party in this House that can say that we balanced the budget. We have actually done it. We have actually had surpluses as far as the eye can see.

Republicans can only talk about, well, we would like to cut it in half and we would like to cut it back a quarter or what have you; but I just want to make sure that folks understand that there was an article written on Tuesday of this week entitled, Another Possible Bump to the Debt Ceiling, $2.7 trillion budget plan pending before the House would raise the Federal debt ceiling by nearly 10 trillion less than 2 months after the Congress last raised the Federal debt borrowing limit. The provision is buried on page 121 of a 151-page blueprint. It serves as the backdrop for congressional action this week.

I think it is important, Mr. Speaker, and I usually have my letters here from the Secretary of the Treasury, but I think it is important that the American people and the Members of this House understand that what they are doing to this country, record-breaking debt.

I just want to make sure before we start off, and then I am going to be kind of quiet here tonight because I know that we have a lot to share. It is almost too much to share, Mr. Speaker, but I just want to share this with the Members one more time.

We are talking about who are we borrowing from. We are borrowing from Japan at $682.8 billion; China, $249.8 billion; the UK, $223.2 billion; the Caribbean, $115.3 billion; Taiwan, $71.3 billion; OPEC nations, including Saudi Arabia and a number of nations that we have issues with, $67.8 billion; Germany, $65.7 billion; Korea, $66.5 billion; Canada, $53.8 billion and climbing.

If we do not stop this Republican majority from continuing to raise this debt ceiling and burying it within the Federal budget on what they believe their Members have to vote for, and this budget vote has been postponed and postponed and postponed, not because, Mr. Speaker, the Republican majority did not have time to deal with it; they just did not want to do to their constituents what the majority wants them to do.

As long as we are here and we have breath in our bodies, we are going to share with the Members of this House that we will not allow this to be a ''back room with the lights off in the middle of the night'' proposition for the American people that they do not have any choices in, but the special interests do.

I just in closing, again, history making, this is not the KENDRICK MEEK report, DEBBIE WASSERMAN SCHULTZ, BILL DELAHUNT or TIM RYAN report. This is facts, not fiction. The U.S. Department of the Treasury backs this up: $1.01 trillion borrowed in 224 years, since 1776 to the year 2000, versus $1.05 trillion that was borrowed from 2001 to 2005 and counting from the President and the Republican majority Congress.

We are saying that we want to pay as we go. We are saying that we want to make sure that we are fiscally responsible. And we are saying that we are not going to allow the Republican majority to be able to have these countries look at America in a different way than they were prior to this administration and prior to this Republican Congress.

Mr. Speaker, I yield to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, thank you.

It is so great to be here with my 30 Something colleagues once again; and just to take off from where you left off, we try to help illuminate things during our hours and underscore for the American people, Mr. Speaker, what is really going on inside this Chamber and inside this Capitol and the debt, the colossal debt, that we are literally caving in under.

Mr. DELAHUNT. Just like that.

Ms. WASSERMAN SCHULTZ. Just like our poster here, the colossal debt that we are caving in under that Mr. MEEK just described.

Sometimes it is hard to get your arms around, or mind around, what 1 billion is. One billion is a very big number. So we took the time to analyze or break down for folks the things that are analogous to 1 billion, and let me just walk people through that, Mr. Speaker, and this might be helpful for you, Mr. Speaker, as well.

The question is, how much is $1 billion really. Well, for example, 1 billion hours ago, humans were making their first tools in the Stone Age. One billion seconds ago, it was 1975 and the last American troops had pulled out of Vietnam.

Gee, I guess we sort of wish we were 20 years in the future and we could be saying that about the troops in Iraq, but I digress.

One billion minutes ago, it was 104 A.D. and the Chinese had first invented paper, and $1 billion ago in Republican terms, Mr. Speaker, that was only 3 hours and 32 minutes at the rate that our government spends money.

So when you talk about people who live paycheck to paycheck, people who are struggling to make ends meet, people who are desperately trying to not live off of their credit cards, it does not appear to matter to the Republican leadership here, Mr. Speaker.

□ 2030

My colleagues, it really is astonishing to me. I have only been here 14 months. Both of you are more senior than me, but I am really surprised that some people actually believe what the Republican leadership says when they say they are the party of less government and more fiscal responsibility. Is an $8 trillion debt fiscally responsible? Is being in debt to OPEC responsible? I mean, where is the fiscal responsibility in that?

Mr. DELAHUNT. Mr. Speaker, if I can, I ran across a column in one of the publications that circulates throughout here on Capitol Hill. It was actually in the Roll Call newspaper. It was this past Monday when it was published.

The headline is entitled, ''GOP Banking on Economy.''

You know, it is no secret that a growing majority of the American people believe that the country is headed in the wrong direction. The last poll that I saw just recently exceeded 70 percent of the American people believe that the country is going in the wrong direction. I happen to share that particular view.

It seems to perplex some of our friends and colleagues on the Republican side of the aisle that while the economy in terms of macro statistics is growing, that they are receiving no political benefit. I noted that the House majority whip from Missouri, who happens to be a friend of mine and someone for whom I have great respect, had this to say, ''I spend a lot of time wondering about this myself. Why is it that with this incredibly strong economy people do not embrace the economy with the same kind of confidence that everything indicates that they should.'' That is what the House majority whip ROY BLUNT said in an interviewed taped by C–SPAN this past weekend.

Let me offer my own explanation.

It is because the benefit of the booming economy is extremely limited. The vast majority of Americans are not benefiting from the economic growth

that is occurring in our country. I think that is reflected in what happened here today in terms of the debate about the new tax cuts that are being proposed, Mr. Speaker, by our Republican colleagues and friends.

Let me just cite some interesting statistics. If you earn between $20,000 and $30,000, the benefit that you will receive from the tax cut that applies to dividends and capital gains amounts to $9 on the average. So as a result of today's work by this Bush Congress, if you earn between $20,000 and $30,000 you received a tax break of $9.

If you earn between $50,000 and $75,000, you got a tax break of $110. But, Mr. Speaker, if you earned more than $1 million, you get a check from Uncle Sam as a tax refund of $42,000. Let us just reflect on that for a moment. Who is benefiting from the policies of the Bush administration and the Bush administration Congress? Let me put this in other words, in different terms.

If you took what happened here today, what this Congress did today, 77 percent of American families, families now, had their taxes reduced by $30. That is 77 percent of American families had their tax bill reduced by $30 at the same time, Mr. RYAN, Mr. MEEK, Mr. Speaker, 0.02 percent of American families got a tax break of $42,000.

So what is happening? What we are doing is we are creating an America that is beginning to look like a banana republic. It would appear that those that have and really have, not just have a lot but have a stupendous amount of wealth, are receiving a totally disproportionate share of the prosperity that the country seems to be enjoying. But 77 percent are getting $30.

And to stop and think today, that tax cut, Mr. Speaker, amounted to $70 billion. And you know what, Mr. Speaker, to give that 0.02 percent $42,000, we are going to borrow, we are going to borrow that $70 billion and we are going to borrow it from China, from OPEC, from Japan, from Korea, and from Canada.

We are going to borrow, and you know what, Mr. Speaker? We are going to add to that deficit, and that is why people who are Republicans and conservative Republicans, like our former colleague Pat Toomey, who is the President of the Club for Growth, is saying things like this in the Philadelphia Inquirer, ''There is a very high level of frustration and disappointment among rank-and-file Republicans when they see a Republican-controlled Congress engaging in an obscene level of wasteful spending, and it is really coming home to roost.''

Mr. MEEK of Florida. He says more, right?

Mr. DELAHUNT. Yes. That is not all he said, Mr. Speaker.

Again, this is Mr. Toomey, President of Club for Growth, a conservative advocacy group, who served in this Congress, Mr. Speaker, and this is what he is saying about the Republican Congress: ''Republicans have abandoned the principles of limited government and fiscal discipline that historically have united Republicans and energized the Republican base. Too many Republicans have gotten too comfortable in office.''

That is what Pat Toomey, a former colleague, a member of this Congress a short time ago, is now saying about the Bush Congress.

Mr. RYAN of Ohio. Mr. Speaker, I agree with the gentleman and I agree with former Congressman Toomey. As you made the point about the wealthiest, the millionaires getting $42,000 back and the missed priorities and the schoolteacher in Ohio who is making $35,000 or $40,000 and getting just a few dollars back, we are not saying that the wealthy person does not make a certain contribution to society because they do. Make profits and make money, we want you to. But there is just as much value to our society by the teacher.

Mr. DELAHUNT. We are saying let us be fair. Fairness here.

Mr. RYAN of Ohio. And who actually needs the tax cut is that person who is a home health care aide, driving around, and the gas prices are high and everything else.

Mr. DELAHUNT talked about borrowing the money to do this and who we are borrowing it from. This is from 2001 to 2005, of the $1.18 trillion in debt that the Bush presidency, the Bush House and Bush Senate racked up, $1.16 trillion of the $1.18 trillion came from foreign nations. We are not even borrowing the money from National Citibank or some bank in our own country, we are borrowing this money from the Chinese government or the Japanese government. That at the end of the day makes us weak.

I want to show one more chart here. This is the public debt held by China. It has quadrupled under Bush. It was $62 billion in 2000, and it is $257 billion in 2005.

Mr. DELAHUNT. Mr. Speaker, if the gentleman would yield, I asked this today in a hearing in the International Relations Committee of Secretary Zoellick, and he indicated that now the debt is $262 billion that is owed by the United States Government to the Chinese.

Mr. RYAN of Ohio. And so if you are sitting in a community in Ohio or in the industrial Midwest or in New England or somewhere across this country where the jobs you have are being lost to China, and then you know that your government at the same time is borrowing money from China, and the Chinese government is using that money to undermine American business in the United States of America and we continue to borrow it, and that is just in the past year or so, another $5 billion has been borrowed from the Chinese. This is going on again and again.

The reason I bring this up is today we expanded this. We increased this even more. The $42,000 that we are going to give a millionaire, we do not have it.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I think we are going to need to do these charts on dry erase boards from now on because it changes so rapidly and in the wrong direction that we are wasting public resources by printing them on unchangeable paper.

Mr. RYAN of Ohio. Right. The money we pay in interest every year, $230 billion a year, we pay in interest on the debt. That is interest on the debt. Compared to education and homeland security and veterans, this is the number we are paying on interest. This is reckless spending. This is a Congress that has run away with the checkbook. They are taking the country off a cliff financially without any regard for what this is costing future generations.

This group started to talk about optimism and what the future was going to look like.

Mr. MEEK of Florida. Mr. Speaker, I cannot help but take this rubber stamp out. How did we get to where we are right now? It is not because of good policy making. It was not good policy making. It was because the Republican Congress, Mr. Speaker, has said, Mr. President, whatever you want, regardless of how bad it may make our fiscal situation in this country, we are willing to endorse it.

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Today, in the Washington Post, folks want to talk about, if they think Mr. DELAHUNT just came up with these numbers, go on to Washingtonpost.com and they are right here, as it relates to what you will get if this budget passes the way the Republican administration wants it to pass.

And I think it is important that people realize that it is not the people that you send here to Washington, D.C., to represent you; it is the White House. Still, the Republican Congress is saying, even at low approval ratings, Mr. President, we are with you all the way. Whatever you want, we are willing to rubber-stamp it and we are willing to follow your lead, even if it is in the wrong direction, even if gas prices are higher now, even if we are borrowing record breaking, we are making history in borrowing $1.05 trillion and counting from foreign nations, that is okay.

Even if it comes down to us defending a special oil deal, and then we had it turn around on you, but even at the beginning, allowing it to happen, we are with you all the way. Mr. President, whatever you say, we are going to rubber-stamp it.

So I think it is important, when you think of this Republican majority, Mr. Speaker, and I think when a number of our Members look in the mirror, especially on the other side of the aisle, a rubber stamp has to be somewhere in the background because that is what has happened, and that is what has got us in the situation that we are in now, and the American people see it, crystal clear.

This is not a Democratic issue. I am going to yield to you in one second.

This is not a Democratic issue. You can't blame the Democrats on what the present situation is.

Mr. Speaker, I always say that bipartisanship is based on the leadership of the institution. The leadership of the institution has not allowed bipartisanship in policy-making, in the financial situation, or even making sure that we just work in harmony here on the major issues.

That has not happened, and that is the reason why, Mr. DELAHUNT, Mr. RYAN, and Ms. WASSERMAN SCHULTZ, the American people are hanging the failures of fiscal responsibility around the neck of the Republican majority and the White House, because they are in the same boat and they are rubber-stamping one another as they carry this country into further debt.

I yield.

Ms. WASSERMAN SCHULTZ. You know, Mr. MEEK, I can understand why you would have trouble seeing past that giant rubber stamp. That is simply because this Chamber, through the Republican caucus and their Republican leadership, have been engulfed by the rubber stamp.

You know, had our bobble-head Republican not turned up missing, we would be able to use that as yet another example of why you continually have these policies that are put forward by the Republican leadership, as rubber-stamped by the Republican majority, because their heads only move in one direction. I guess there is no hinge in this direction, only, yes, absolutely, we are glad to do whatever you say, anything you want, Mr. Speaker.

I mean, it is just unbelievable. Fourteen months here and, ''No, sorry, my conscience won't allow me to do that'' is just not part of their vocabulary. And like I said, the joints just don't seem to work in this direction as they do for the Democrats.

Now, you know, what makes matters worse about all of the things that we have been talking about, about the debt and the deficit and the bobblehead, rubber-stamp Republican majority that we have here, is that there are consequences. This stuff matters. It matters in real people's lives.

And what the Republican leadership would have you believe, especially in recent days, their new thing now is that the economy is doing great. Now, obviously they are now trying to shift to a new frame and help everybody understand that in spite of an $8 trillion deficit, in spite of the colossal debt that we are in to foreign countries across this globe, in spite of the fact that we have disproportionate trade deficits with many, many countries, Americans are doing great.

Really? Really?

Okay, well, let's examine that. I have here what the consequences actually are. We came up with a top ten list that describes the consequences of Republican economic policies. Since they raised the subject, they have brought it up recently and said, everything is rosy, red rosy, and so let's just take a walk down memory lane here in terms of what is really going on in the United States of America.

Number 10. I am Danielle Letterman this evening. Number 10, we have a projected surplus of $5.6 trillion that has vanished. It was replaced by a deficit in 2004 of $413 billion, which is the largest in our Nation's history, and a deficit of $318 billion in 2005, an almost $3.5 trillion deficit over the next 10 years.

Number 9. The Bush administration is the administration with the greatest average annual decline in household income. We are talking real people here. Since Bush took office, household income has declined by $1,670.

Mr. RYAN of Ohio. Just to make a point. We heard a lot today, and I know I heard on the floor today a lot about how, as you said, the economy was doing great and how incomes were up. I think we have some facts that say otherwise.

Ms. WASSERMAN SCHULTZ. We are talking third-party validators here. This is not stuff we are making up. This is not the Debbie Wasserman Schultz encyclopedia.

Mr. DELAHUNT. I think it is very important. I think that Number 9 explains the reason why the majority whip is perplexed, because what is clear to me is that the economy, if you were a student of economics and took a look at the macro view and saw growth, why the people aren't responding appropriately.

The reality is that the economy, Mr. Speaker, is superb. It is outstanding. It is phenomenal, if you are in the top 1 percent of the American population, Mr. Speaker.

Mr. RYAN of Ohio. And I would suggest that the President's approval rating wouldn't be at 31 or 32 percent if the economy was going great.

Ms. WASSERMAN SCHULTZ. If people thought everything was as rosy as they would describe.

Mr. RYAN of Ohio. Exactly.

I yield for Number 8.

Ms. WASSERMAN SCHULTZ. Number 8, 45.8 million Americans have no health insurance at all, 6 million more than in 2000.

Now, if things were getting better, that number would be, oh, I don't know, smaller, Mr. Speaker, not bigger, smaller. And you have, since then the cost of health insurance has risen nearly 59 percent. Yet workers' wages have only increased by 12 percent.

Now, we all do different things in our lives every day. We go to the supermarket. I am out on the soccer field or at dance class or on airplanes back and forth.

I am sitting next to a couple, a middle-aged couple, on the plane the other day from Tennessee. Not exactly a bastion of liberalism. They are from Tennessee. And do you know what they wanted to talk to me about when they found out I was a Member of Congress? What were we going to do about the cost of health care?

They owned a small business. They employed quite a number, 75 people. They employed 75 people and he literally said, the husband, the husband and wife team literally told me that within the next couple of years, if health care costs continue to go in this direction as they have since 2000, they would probably have to close their business. I mean, that is how bad it was getting.

So the garbage that the Republican leadership and this administration are trying to feed the American people, you know, that 31 percent, that number, I would expect would continue.

Mr. RYAN of Ohio. And it is a tough argument to make to say, when someone's struggling to say, no, no, you are really doing okay. Wait, no I am not. I have got to tell you it is kind of hard right now. No, I am telling you, you are really doing fine.

Mr. DELAHUNT. The economy grew.

Mr. RYAN of Ohio. I realize you are racking up credit card debt. I realize you can't afford to put gas in your tank.

Mr. DELAHUNT. And by the way, Mr. RYAN, it was interesting tonight on ABC News, for the 16th straight meeting of the Federal Reserve, interest rates were raised.

You know what that means, Mr. Speaker? That means that if you have an adjustable rate mortgage on your home, you are paying more money. You are paying more than that $30 that this Republican Congress refunded to 77 percent of American families today. You are paying a lot more. And the reason is that because of the reckless spending that Pat Toomey refers to here, because of the reckless spending, you are jacking up interest rates, Mr. Speaker.

The majority party in this House, in this Senate, is complicit with the White House in terms of hidden costs like mortgage interest, like credit card interest. A while back it was 11 percent on your credit card. You know what it is today, Mr. Speaker? Today, the average interest rate on your credit card, it is 16 percent. You think that is a savings for the American people? You wonder what's wrong.

And Ms. WASSERMAN SCHULTZ tells us that the median income for a family in this country has actually declined. And you think the economy is good?

Ms. WASSERMAN SCHULTZ. Mr. DELAHUNT, I guess they follow the philosophy and the idea that if you say it enough times, people will believe it. Maybe if you say it enough times, actually our governor, it must be in the genes, also subscribes to that theory in Florida, and really believes that if you say something enough times, then it will come true.

Mr. MEEK of Florida. Number 7?

Ms. WASSERMAN SCHULTZ. Yes, Number 7. Thirty-seven million Americans are living in poverty. We have a 12.7 percent poverty rate, which is on the rise, and 5.4 million people have fallen into poverty since the beginning

of the Bush administration, 5.4 million people.

You know, if they are going to talk about who is doing better, it is the wealthiest that are doing better. Their income is on the rise. Their life is getting better. Their lives are improving and their outlook is more rosy. The poor are getting poorer.

Number 6.

Mr. DELAHUNT. Ms. WASSERMAN SCHULTZ, please just don't say it is the poor. It is not the poor. It is the middle class.

Ms. WASSERMAN SCHULTZ. You are right.

Mr. DELAHUNT. It is even the relatively affluent. They are not doing anywhere near as well as the top 1 percent.

Ms. WASSERMAN SCHULTZ. Mr. DELAHUNT, when I have to pay $56 to fill up the gas tank in my minivan, believe me, you are right. It is not just the poor.

Mr. DELAHUNT. It is hurting the middle class.

Mr. RYAN of Ohio. And I would like to make a comment here, because that is, and I think that is the epitome of what this outfit is all about. It is always that, well, there is going to be a certain segment of our society that is poor. And you know what, it is tough to be in the middle class. And you know what, we can't come up with an alternative energy source. You know, well, conservation is a good personal virtue, but it is not a good, you know, public policy.

You know, this is not leadership. We should be trying to fix these problems, not just say, okay, we accept them. We accept 5.4 million people going into poverty in the last 5 years under the Bush administration. And when you look at who, you know, what? Mr. MEEK, I want you to look at this. This picture epitomizes, Mr. DELAHUNT, because the President is holding the hand of one of the most powerful Saudi leaders in the world.

Mr. MEEK of Florida. The Saudi king.

Mr. RYAN of Ohio. The king. And I want this President to come hold the hand of somebody in my district. Go hold the hand of one of the 5.4 million people that just slipped into poverty.

This man doesn't need his hand held. But we have got a lot of people in the country that need a little help, and not a handout, a hand up, an opportunity to succeed.

I yield for Number 6.

Mr. MEEK of Florida. Mr. RYAN, Ms. WASSERMAN SCHULTZ, it takes $53 to fill up an F–10 pickup truck. I mean, we have folks that are doing this on the credit card, Mr. Speaker, and guess what, after a couple of months of that, $50-some-odd, some folks' average balance that they have is $1,200 on a credit card. Soon they are not going to be able to do that, and they are going to be in the same situation this country is in, in debt.

Mr. DELAHUNT. And they are paying 16 percent on that credit card bill.

Mr. RYAN of Ohio. And not be able to go on a hunting trip, not be able to go on a fishing trip, not be able to go on some kind of family vacation.

Ms. WASSERMAN SCHULTZ. Not be able to get to work. How do people who are living paycheck to paycheck factor in $53, $56 into their weekly budget? And we have shown those charts, before too, and we can again. When your bottom line gas tank, filling-the-gas-tank cost goes from $20-something to $50-something every time you fill up, and people who have to drive any distance, I mean, we are from an urban community, a suburban community, as are both of you.

□ 2100

You just cannot zip around these communities in 2 seconds. You have to drive to get to most places. We are going to get to a point where people will lose their jobs because they will not be able to get to their jobs.

Mr. RYAN, let us just digress for a second and show what is going on.

Mr. RYAN of Ohio. I think this is very important when you ask why people are slipping into poverty.

Ms. WASSERMAN SCHULTZ. These are the consequences.

Mr. RYAN of Ohio. This is exactly right. This is a consequence of some faulty leadership in the Nation's capital. Oil companies profits in 2002, $34 billion. This is BP, Shell, Chevron, the whole bit. It gradually went up, in 2005, $113 billion in profits.

Now, something is wrong with the structure of our society when the oil companies are reaping $113 billion in profits and we have 5.4 million people slipping into poverty. We have college tuition costs doubling all over the country, Mr. DELAHUNT. We have a structure here that is just not working for the people any more.

Mr. DELAHUNT. You forgot one thing, Mr. RYAN.

Mr. RYAN of Ohio. Is that in addition to the $113 billion in profit, and three times, triple what it was 4 years ago? The American taxpayers, those that would be overhearing our conversation tonight, are subsidizing those same oil companies to the tune of about $16.3 billion.

So let us be clear. Out of the 100, not only is this outfit here, these oil companies getting $113 billion, our friend is saying, corporate welfare from this Republican-led institution, gave these guys $16.3 billion of taxpayer money.

Mr. DELAHUNT. What do we get? Do you know what we get? We get a price of gasoline per gallon that cost $1.45 4 years ago. We now can buy it for $3.25. That is what we get.

Mr. MEEK of Florida. Mr. DELAHUNT, that is the reason why we know it made number 6 on this chart. We want to make sure that we know it went to number 5. I want to make sure we believe in third-party validators here.

I just pulled this out of my notebook here because I want to make sure while we are talking about this, Mr. Speaker, Washington Post, November 16, 2005, page 1, White House documents showed that executives from big oil companies met with Vice President DICK CHENEY, Energy Task Force 2001, something long suspected by environmentalists but denied recently as of November, 2005.

Last week, industry officials testified before Congress. The document obtained this week by the Washington Post shows that officials from Exxon Mobil Corporation, Conoco, before the merger with Phillips, Shell Oil Company, and BP of America met in a White House complex with Cheney aides who were developing a national energy policy, parts of which became law, and parts which are still being debated.

Ms. WASSERMAN SCHULTZ. There is no end in sight. No end in sight to the rising gas prices. What will happen with number 7, where we have a 12.7 percent poverty rate that is on the rise and 5.4 million more people who have fallen into poverty. That number is going to get bigger. It is costs like these that send people into poverty.

You have number 6 here that talks about the Consumer Confidence Board's index. Its expectation index is the lowest it has been in 3 years.

Number 5, Congressional Republicans defeated a Democratic amendment recently to increase the minimum wage from $5.15 to $7.25. If the minimum wage kept pace with inflation, it would be $8.88 right now. It hasn't been increased since 1997. That is 9 years ago. 9 years?

I mean, if you are a person who is living on the minimum wage, struggling to pay, to fill your gas tank, struggling to put food on the table, you have no health insurance, do you really want the Bush administration and the Republican leadership to tell you how great the economy is? Do you believe them?

Mr. RYAN of Ohio. That is an insult. The more I think about it, that is a real insult.

Ms. WASSERMAN SCHULTZ. It is a slap in the face, and, really, a bigger and bigger percentage of the population is being engulfed by the struggle just to make ends meet.

Let us go to number 4.

Mr. RYAN of Ohio. You know what, it would be nice to represent a district where the economy is going great, would it not? Yes, it is going great. Look around, everybody is having a nice time. That will be great. Fortunately, I think in most districts that is not the case.

Ms. WASSERMAN SCHULTZ. Maybe they live in an alternative universe, bizarre world.

Mr. RYAN of Ohio. Maybe this is a supernatural thing.

Ms. WASSERMAN SCHULTZ. I know, maybe they watch Star Trek.

Mr. RYAN of Ohio. Maybe it is supernatural. That is what we all know.

Ms. WASSERMAN SCHULTZ. Maybe it is.

Mr. DELAHUNT. I think this is fascinating, as you go through this litany

of consequences of, you know, Bush, Republican, neoconservative economic policies.

I think what we see here, the cumulative effect in the aggregate of all of these policies is the erosion of the middle class in this country. Debbie, you are correct. More and more people are getting closer to falling into that poverty.

The middle class, if this reckless spending, policies that advantage only the extremely wealthy continue in this country, we won't have a middle class. We will look like some banana republic in Central America.

This is the reality that we face. I think we can all agree that without a healthy vibrant middle class our very democracy is at risk.

Mr. RYAN of Ohio. How about the common good?

Ms. WASSERMAN SCHULTZ. Oh, please.

Mr. RYAN of Ohio. How about the common good? How about the good of everybody where everybody contributes and everybody benefits. The common good. Rising tide lifts all boats, Mr. DELAHUNT. Everybody benefits from our economic policy, not this stuff.

How is this good for society? The guy in the pickup truck is paying $57 to fill up gas tanks and the oil companies are making $113 billion in profits, 5.4 million are following into poverty, tuition costs triple. Health care is up how many percent above the rate of increase in wages?

All of these things say that this Republican Congress and Republican administration is about a very small group of people. All we are making the argument more here is we are America. We are a family.

Where is the American family, Ms. WASSERMAN SCHULTZ? Let us start worrying about all of us. Because if we lose a couple, it is bad for everybody.

I yield to my friend.

Ms. WASSERMAN SCHULTZ. Mr. RYAN, I think I have figured it out. You have broken the code. The Republicans are the party of the cavernous abyss. They don't mind sending people right off the cliff into it, whether it is expanding poverty, sinking job growth, increasing the number of uninsured by millions each year.

The party of the cavernous abyss is the party that created this Medicare prescription drug program with another cavernous abyss that senior citizens fall into just after they spend a little amount of money on their prescription drugs. So you have to ask where the American family is. They are engulfed by the Republican cavernous abyss.

Number 4, I think we are on now. Yes, number 4. There are now 1.3 million more unemployed private sector workers than there were in January of 2001, the beginning of the party of the cavernous abyss. The long-term unemployment rate, which is people who are unemployed for more than 26 weeks, has nearly doubled since that time.

This is the rosy economy that we are living in, Mr. MEEK. This is how great we are doing.

Mr. DELAHUNT. But the economy is growing, Ms. WASSERMAN SCHULTZ, the economy is growing.

Ms. WASSERMAN SCHULTZ. The economy is growing so well that we have number 3, in which the Bush administration, it has become clear, has the slowest job growth of any administration in over 70 years. Since January of 2001, 2.9 million manufacturing jobs have been lost. That is entire towns in Mr. RYAN's district.

Mr. DELAHUNT. But the economy is growing. But the economy has grown.

Ms. WASSERMAN SCHULTZ. Rosy, rosy. Things are rosy, rosy. Number 2, since President Bush took office the economy that is rosy, rosy has posted only 15 months of job gains of 150,000 or more. That is since he took office, that is in 6 years. That is the number of jobs needed to keep up with the population growth. So we are not talking about anything to write home to talk about.

Finally, number 1 of the top 10 worst consequences of Republican economic policies, 7.2 million Americans remain unemployed today with an additional 4.2 million who want a job, but are not counted among the unemployed because they have been looking so long they get taken off the rolls. The economy is rosy.

Mr. RYAN of Ohio. Let us do better.

Mr. DELAHUNT. But the economy is growing.

Mr. RYAN of Ohio. Let us do better. Let us implement some of these ideas that we have. Let us implement some of this innovation agenda where we are going to have broadband in every household, Mr. DELAHUNT. That will create a whole new class of people that will understand how to benefit from the Internet.

Let's have the research and development tax credit that the Democrats have in our innovation agenda. Let's make sure we get the real security going so we can make sure that we have the proper energy process, the proper energy plan for the United States of America.

Why is it still going to be energy independent and the United States of America still gambling in this game that we have in the Middle East? It's a big game that we are losing. Everybody is losing. It leads to the war on terrorism. It leads to these tremendous profits at the cost of average people, Mr. DELAHUNT. It is polluting the environment.

We have all kinds of problems because we refuse to say, we want to be a leader in alternative energies in the world. Brazil is doing it, why can't we? Why is there a magnetic levitation train in Shanghai that goes 270 miles an hour and not in the United States, Mr. DELAHUNT?

Quite frankly, I think this President and this Congress has given our generation, the 30-something generation, a pretty raw deal. You know, you think about it, we are going to have more debt. We are going to have a dirtier environment. We have got higher tuition costs. We have got more debt, higher credit card rates, higher interest rates, less control, because we borrowed so much money from all of these foreign countries. What legacy are you leaving to the next generation, which is what we originally started coming to this floor for?

It is terrible. That is poor leadership. I don't care if you are a Democrat or you are a Republican. That is poor leadership. You left the country worse off than you found it. That is not the American way. That is not the American dream. Give us a chance, Mr. Speaker. Put us in coach. I mean, God, we couldn't do any worse. We have ideas to unleash the potential of this country and move the country forward.

Mr. MEEK.

Mr. MEEK of Florida. I just have something to share, but I am willing to yield to my colleagues. Mr. DELAHUNT, I know that you had, you had your glasses out, I know that you wanted to share something with us.

Mr. DELAHUNT. I think just to underscore, Mr. Speaker, what we are talking about here tonight is the overall Republican economic policy that favors the top 1 percent of the American people.

Mr. RYAN of Ohio. It doesn't work.

Mr. DELAHUNT. I think we have made our case. Can I just give you one more statistic?

Mr. RYAN of Ohio. You can do whatever you want.

Mr. DELAHUNT. Back in 1991.

Mr. RYAN of Ohio. 1991?

Mr. DELAHUNT. Give me just a minute. Back in 1991, the top 1 percent of the American people, the population, top 1 percent, owned 38 percent of the corporate wealth in this country. One percent in 1991 owned 38 percent of the corporate wealth in this country.

□ 2115

Today, today, the top 1 percent of the American population in terms of wealth owns 58 percent of the corporate wealth.

Let me suggest it is more than just an economic policy that is creating this economic divide in this country that is truly making us a class society that is dangerous for democracy. It is more than that. It has, I would submit, no moral underpinning.

There is no basis in morality for this level of disparity of wealth and income among Americans. This is economic Darwinism. This is, as you said so eloquently, Mr. RYAN, not what America is about. This doesn't reflect the social compact that we all adhere to as Americans, where we encourage individual initiative, but at the same time, recognize mutual responsibilities and a willingness to share.

This is not sharing. This is just, I don't want to use the word ''immoral,'' but it doesn't have, I would suggest, the kind of moral underpinning that reflects American values.

Mr. RYAN of Ohio. And I would like to make a point, because as the oil companies reap these profits, and again I am not saying for you not to make profits, but not at the expense of everyone else in society.

So I want to make this point: The oil companies benefit a great deal from the public, from what the taxpayers support, A, point number one, the $16.3 billion in corporate welfare that they are getting from the public tax dollars that is going to them. So they can't say they don't benefit from the public.

But their product is sold on roads that are funded by the taxpayer. Those roads are protected by the taxpayer, paved by the taxpayer, secured by the taxpayer. The ports in which the oil comes in and out of our country, all funded by the taxpayers. The Coast Guard, by the taxpayers. The military, the over $400 billion budget that we have here that we spend on our military that goes to protect the transportation lines and the oceans, and as the ships start distributing this all over the world, that is protected by the taxpayer.

So all we are arguing here, Mr. Speaker, is that the taxpayer has an interest; and when this company and this certain industry benefits so much from the public tax dollars, they should be responsive to the public in these instances.

I would be happy to yield to any one of you to wrap up this brilliant discussion. I am going to yield to Debbie.

Ms. WASSERMAN SCHULTZ. Thank you.

The only thing I want to add to tie a ribbon on this whole discussion is that what we have all noticed, whether we are in our districts with our constituents or talking to people across the country, when we interact with them, is that people have reached the breaking point. They don't buy it. They don't buy the garbage that is being fed to them by this administration that the economy is rosy, that everything is going well, that everything is hunky-dory.

They are falling off the cliff into the Republican cavernous abyss, and they are tired of it, and they want to have the Democrats or someone other than the people who are taking them in this direction that they no longer are willing to go, to fix it. Even their former House Speaker Newt Gingrich said that they are seen by the country as being in charge of a government that can't function.

Mr. DELAHUNT. Newt Gingrich, former Republican Speaker of this House.

Ms. WASSERMAN SCHULTZ. It is time to move this country in a new direction and restore America's confidence in their government. We know we have a plan that we can do that.

Mr. RYAN of Ohio. Mr. Speaker, as we go through this tonight, the 30 Something's two key third-party validators are the former Speaker of the House Newt Gingrich and former Congressman Pat Toomey, now president of the Club for Growth, both saying that there is out-of-control spending, out-of-control government, dysfunctional, and the American people know that.

Any Members who would like to come to our Web site, www.housedemocrats.gov/30Something, www.housedemocrats.gov/30Something.

Mr. MEEK of Florida. Also, Mr. RYAN, I want to share with the Members, Mr. Speaker, that all of the charts tonight will be on that Web site, on the 30 Something front page.

Also, I would like to share with the Members that Ranking Member GEORGE MILLER and also U.S. Senator DICK DURBIN put forth a proposal to reverse the raid on student loans. Earlier this year, as you know, $12 billion was cut out of the Federal student loan program in order to help finance tax breaks for the wealthiest Americans.

This proposal will roll that back and cut in half interest rates from 6.8 percent to 3.4 percent. And it has to be done sooner rather than later. If not, it will be a financial burden after July 1 for so many kids that want to go to college. They will actually qualify, but kids will be priced out and not be able to make it to college.

Of course, this wouldn't be a discussion if the Democrats were in control, but we hope that we can work in a bipartisan way to change that.

Mr. Speaker, I would like to thank all of my colleagues who joined us here tonight on the floor and thank the Democratic leadership for the hour.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair has shown lenience toward the rather informal pattern by which Members have been claiming and yielding and reclaiming the time controlled by the gentleman from Florida. But Members should bear in mind that the Official Reports of Debate cannot be expected to transcribe two Members simultaneously.

Members should not participate in debate by interjection and should not expect to have the reporter transcribe remarks that are uttered when not properly under recognition.

THE CONTINUED MISDIRECTION OF THE COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Missouri (Mr. CARNAHAN) is recognized for 60 minutes.

Mr. CARNAHAN. Mr. Speaker, I am glad to be here in the House tonight and be joined by some of our colleagues in the freshman Democratic class that was elected in 2004.

I believe my colleague, Congresswoman DEBBIE WASSERMAN SCHULTZ from Florida, is going to stay on and talk with us a little bit tonight, and we expect to be joined by some other of our colleagues to talk about the continued direction of our country and, in particular, this budget and tax plan that has been put before this Congress by President Bush and congressional Republicans.

I really want to rise and express my deep, deep concern about this budget. The cuts in programs across the board, no other word can be given, but they are staggering. This budget does not provide for the average American. It continues to line the pockets of the wealthiest Americans.

Like so many of the President's priorities, this budget is a misplaced opportunity to actually effect positive change for our citizens. I would like to draw particular attention to the energy provisions in this budget.

Last week, the AP reported that the average cost of a gallon of regular, unleaded gasoline was $2.92, up 35 cents from just a month ago. Moreover, U.S. drivers are now paying about 14 percent more to fill their tanks than just 1 year ago. Recent polls show that over 65 percent of Americans are suffering from financial hardship due to rising gas prices. But we don't need a poll to tell us that when we fill our tanks.

DEBBIE, you told us earlier, like many of us, we go to fill up our tank of gas, and it is nothing to pay $50 or more to fill our tank of gas, just to do our routine chores and drive around town where we live.

Ms. WASSERMAN SCHULTZ. And the astronomical increase we have had in gas prices, which affects everyday Americans every single day, has just been unbelievable.

Actually, Mr. CARNAHAN, we have a chart that illustrates those drastic increases, that is being brought over right now, that I think would be helpful; because I am a visual person, and graphically depicting some of these significant problems is really helpful.

Mr. CARNAHAN. I have to add, by the way, you have great graphs.

Ms. WASSERMAN SCHULTZ. Thank you.

Mr. CARNAHAN. And I loved your top ten.

Ms. WASSERMAN SCHULTZ. We have good graph-makers among our staff.

You talk about summer gas prices. Just look at the difference over the years since the Republicans have been in charge.

In 2002, Mr. CARNAHAN, the average price of a gallon of gas was $1.39; that was the summer of 2002. Then you go to the summer of 2003, it was $1.57. 2004, $1.90. Move over to the summer of just last year, $2.37. And then this April, just last month, we hit $2.91. Now, most of us in the last several weeks have all paid over $3 in most communities across America.

So this is the reality of the rosy Republican economy that they have been describing and painting for us over the last several days.

Mr. CARNAHAN. It certainly is. And we have all had the stark awakening as we fill our tanks each week.

I am reminded, as you were talking about President Bush, in his State of the Union Address in this very Chamber, he told the Nation that our country was addicted to oil. He also said that this administration was committed to reducing our dependence on foreign oil. But then the very next day, the President's own Energy Secretary was back-pedaling on the President's promises.

The President's solution in his budget was to end our dependence on foreign oil with just paltry, really crumbs, from our budget. Our budget is a document that sets our national priorities, and a mere $130 million was set aside for all, for all renewable energy programs.

Not only is this increase in renewable energy programs insufficient, the President proposed to eliminate research on other renewables, including geothermal and hydropower.

As reported in the Atlanta Journal Constitution in February, the total proposed increase in clean energy research is equal to just 7 percent of ExxonMobil's profit for the fourth quarter of 2005. So while big oil companies are recording record profits, the Bush administration is showing limited increases in funding for renewable energy. In fact, his budget would not get renewable energy efficiency back even to where it was at the end of the Clinton administration, this at a time when gas prices are squeezing the American families.

President Bush's budget should reflect the needs of all Americans. It should be a budget that supports programs to end independence from oil and not one that encourages it. The energy provisions in this budget do not meet the needs of our country, and this budget should be defeated.

I am pleased to be joined here tonight by my good friend and colleague and fellow Missourian, EMANUEL CLEAVER.

Mr. CLEAVER. It is good to be here. We were sworn in together to this Congress, and I have often been asked, what has surprised you the most?

In fact, today, a group of students from the Bloch School of Business at the University of Missouri in Kansas City was here, the Bloch School named after Henry Bloch, the founder H&R Block, who is a Kansas Citian; and the question they asked was, what has surprised you the most?

Having served as mayor of Kansas City for two terms, I have seen a lot in the political environment. So they were obviously wanting me to describe what I saw here as opposed to and what was different from what I saw as mayor.

The number one issue I always report is the incivility. I don't think any of us who were sworn into the 109th Congress expected the incivility to be at the level that we have witnessed.

I have gone to some of the long-time Members of Congress from the Democrat side and asked, for example, when we were in the majority, did we do mean-spirited things? Did we leave the vote open for 3 hours? Did we lock the door to keep people out from the other side?

□ 2130

And they said, we did shamefully some things. We never left the vote open for 3 hours. We never locked out people from a markup. And I cannot tell you how upset I became to find out last year, that just before Christmas, many of us sat here all night for a vote on the defense bill, and the American public probably does not know that there is not a single human being on planet Earth who read the bill, because the bill actually was a compilation from a number of committees. And so while there may have been one group familiar with one part of the budget, there was nobody, no group familiar with the entire budget. And I sat on the front row, and I actually fell asleep about 6 a.m. and I got up and I said, I am not going to vote for this.

And then a number of my colleagues came over and said, yeah, this is wrong, they should not have done it. But you have to vote for it because if you do not vote for it, they will send e-mails throughout your district saying that you were opposed to the troops, you were against supporting the troops in Afghanistan and Iraq.

And I said, will they do things like that? And so I wondered if they were overstating it. I voted for it like most Members of Congress. And then 1 week later, e-mails were sent all over the State of Missouri, in fact I received a phone call from a constituent in Congressman CARNAHAN's district because I voted against a bill to protect the symbols of Christmas.

I could not believe that the Congress of the United States, the 109th Congress, with $4 billion being spent every month in Iraq, with No Child Left Behind not receiving full funding within my State, and in Congressman CARNAHAN's State there have been 97,000 people kicked off Medicaid. When you consider the fact that we do not have an energy policy in this country, at least not one that makes sense, I could not understand why the Congress of the United States needed to protect Christmas. As if, you know Christmas was in danger, and if we did not vote, if the people in here did not vote, Christmas was not going to occur.

And so I voted against it, because I thought it was ridiculous then, I think it is ridiculous now. I have a master's degree in theology and never read anything which would suggest that God needed the help of the 109th Congress.

But it gives you an idea about the civility or lack thereof. And so it causes me a great deal of pain to see many of the things that are occurring. I do not want to suggest that we do not have some people on our side who may also from time to time contribute to the vitriol that I see. The difference, of course, is our vitriol means very little because we do not have the power and the ability to bring legislation up.

And so when I go home and tell people, they say, well, why do you not introduce a bill to do such and such? And I said, you do not understand. I can introduce 1,000 bills. If I introduced a bill that would cure cancer, it would never get a hearing. And it is always a surprise for the public to hear that because they do not understand that you cannot introduce legislation no matter how great the merit, if you are not with the majority party.

Mr. CARNAHAN. We have also been joined by our colleague, Congresswoman SCHWARTZ from Pennsylvania. And welcome. It is great for you to be with us tonight.

Ms. SCHWARTZ of Pennsylvania. Thank you. I appreciate the opportunity. As my colleagues know, I am a Member of the Budget Committee. I serve on that committee in an effort to, both of course, understand the budget and the decisions that we make in this Congress on behalf of the country, on behalf of American families, and hoping to speak up on behalf of American families and their priorities.

I was particularly interested in coming out this evening to talk on the perspective as a new Member of Congress. I came from the State Senate. As for most State Senates in this country, the States have to balance their budget. We have to make decisions, and we have to decide the priorities. We cannot spend money we do not have.

And so as a State Senator, those were difficult choices we often made, in how to do that. And certainly as a Member of this freshman class, I recognize that many of us come with broad perspectives and experiences that we bring. Some of us come from State legislatures, many of us do, so we have that experience in how to make those decisions in our priorities.

Some came from running small businesses and being mayors, being on city councils, being in county government, again tough choices that we have to make. And I think on the eve of what we expect tomorrow, the Republicans to bring their proposal before us and ask for a vote on it, I think it is a time for us to use our perspective as new Members of Congress coming maybe even closer than some of our other colleagues from hearing the concerns of our constituents, of the families, of the seniors, of even the kids in our districts, certainly of our local governments.

And to be able to really ask some of the tough questions of this budget, to be able to say, and I think we should all be thinking about, if I could just lay out a few, and then maybe you want to add some of your comments and thoughts about this.

I think we do have to think about the budget at the time when we do decide on our priorities, when we do think about what is important to us as Americans, and how we should best use our taxpayer dollars. And so as we face this

decision tomorrow, certainly I think we have to talk about and think about does this Republican budget value fiscal discipline? Is it honest budgeting?

Did the Republican leadership make those tough choices needed to balance the budget to pay down the debt, to be able to use those resources really well? The answer I would say on that score is no.

This Republican budget continues the borrow and spend policies that we have seen certainly in the 2 years that we have been here. It certainly does not balance the Federal Government's checkbook. And it does, in fact, run a new deficit to this coming year of $348 billion of new deficit to add to the debt that of course is already at $8 trillion and that we know we will pass along to our children and grandchildren.

Second, does this Republican budget value our shared economic future? Does it do some of the things that I think we have heard about already this evening? Are we making the wise investments in education, in workforce development, in some of the energy discussions that you were having already, and whether we, in fact, are investing in alternative fuels and renewable fuels and really reducing our reliance on foreign oil so we can be competitive in a global marketplace?

Again, the Republican budget does not do this. It cuts funding in education and renewable energy initiatives and in fact impedes some of the concerns that we have on health care and education.

Third, I would just say two more, then I am going to yield to my colleagues. But to say that this Republican budget, we have to ask does this Republican budget value enhanced security and a strong defense? In fact, does it provide for the men and women who have served this country in Iraq and Afghanistan and in previous wars? And the answer is no, it does not.

It cuts veterans health care, and it does not, we are concerned, does not provide for the troops in the field the way it should. So we are looking at a cut of $6 billion in veterans health care.

And our ability to make sure that our current homeland security is as strong as it needs to be? Again, we have had numerous debates on the floor of Congress. But this budget does not meet all that we know that we should be doing so that we can assure our constituents and our families that in fact they are secure at home.

And finally I would say, does this Republican budget, is it based on, in fact, sound and fair tax policies? Does it recognize the priorities of everyday Americans? And the fact that again this Republican budget is relying on what is the major goal, it seems to me, of the other side of the aisle, and that is to provide tax cuts to the wealthiest Americans.

That seems to be their singular purpose, and all else flows from that. When in fact, there are so many, as I point out, issues and concerns. We, in fact, need to make sure, because the tax cuts that they are looking at really benefit, and 90 percent of the tax cuts go to the wealthiest Americans.

Is that really what we want to be doing in this country at this particular time with this kind of debt in this country and with this kind of growing deficit? So I would say this budget fails on so many levels to meet fiscal discipline, to meet the priorities of American families, for us to be able to go home and say, we came here to fight for our constituents, for everyday Americans, and does this budget do it?

And I think the answer has to be that it does not, that we can do better, that we must do better, and we must put forward the needs of American families. I would be happy to add on what I think we ought to be doing, because you should know, and of course as you know the Democrats put forward a Democratic alternative on the Budget Committee.

I was part of crafting that. I am proud to say that I have done it. And what we have done is to be able to say that we can live within our means, we can, in fact, meet our obligations, and we can, in fact, build a budget that begins to pay down the debt, the enormous debt that this country is in, at the same time making the important investments that we need for the future in this country.

So that is our obligation to me as a Member of Congress of what we bring as freshmen. It seems funny to call ourselves freshmen. You are experienced people who have brought a lot to our first tenure here.

But the fact is that we should draw on these experiences that we have had in the private sector and in other areas of the public sector to say that we know that we have to make these tough choices, and we should, and we should do so in a way that is fiscally responsible, that in fact we can say proudly to our constituents, to our children, to our grandchildren that in fact we have done right in making the right investments, and, in fact, we have done so in a fiscally disciplined way.

It would be wonderful to be voting on that kind of budget tomorrow. But, unfortunately, it is unlikely that we will have that opportunity, at least for the majority budget that is going to be presented to us.

Mr. CARNAHAN. Thank you. I just want to say I am so proud to be one of the new Democrats in the House and be here with you all tonight.

I was listening to you and thinking about our freshman class, and particularly the Democrats involved. Almost all of them came from prior experience in the State government, in the State legislatures, like Congresswoman SCHWARTZ, and I know Congresswoman WASSERMAN SCHULTZ was also in the State legislature, and Congressman CLEAVER was Mayor in Kansas City, a lot of experience.

And we all had to work with our State and local budgets and be fiscally responsible, the same way that many of our American families have to be with their household budgets. And the way that priorities have been set in this budget are so skewed from what the average people in this country need.

And probably one of the best examples of that is the energy bill that we passed. And I know all of us voted against it here on the floor tonight. At a time when we provided $14 billion in tax breaks to the big oil companies, and weeks later, just weeks later, they announced the biggest profits in the history of the world. And now we see the prices at the pump, we continue to pay. Again, very, very misplaced priorities.

Ms. SCHWARTZ of Pennsylvania. In fact, we are often asked, how would we find additional resources in a budget? And you make a good point, that there are, in fact, expenditures that we would not make, that we would choose to use in different ways.

And certainly, the subsidies that we offered, that the Republicans pushed through for the oil industry at a time when there were record profits, we are talking about $113 billion profits for the oil industry last year, and that is not revenue, that is profits.

$36 billion just for Exxon Mobil. It is really sort of an extraordinary sum. But there are other ways that we would also cut. We would not spend some of the dollars that they have. There are enormous subsidies given to the HMOs for the Medicare prescription drug benefit.

That has been talked about a good bit, too. Should we continue those subsidies for the HMOs rather than making sure that more of our seniors have access to prescription drugs and in fact reduce the cost of that program to Government? Is that the choice we make?

We are looking at tax loopholes that still incentivize companies to ship their jobs overseas. What about closing those loopholes, bringing those dollars home, investing that in workforce development, for example?

Or a favorite of ours on the Budget Committee is the fact that there are in fact billions of dollars of tax revenue that is not collected in this country. And there is an interesting report recently that suggests as much as $350 billion is not collected from people who owe taxes to this government.

If we went out and just got 10 or 20 percent of that, you are talking about $35 or $70 billion that we then could use, that would go to some of the priorities that we are talking about. That is the kind of way we would be more fiscally responsible in drawing on money that is being spent now, that could be spent in a better way for everyday Americans to be able to meet their responsibilities and their goals for themselves, their families and for our country.

Ms. WASSERMAN SCHULTZ. You are absolutely right. One of the other elements of our alternative budget plan would embrace once again, as was the policy during the Clinton administration and when Democrats controlled the United States Congress, was the concept of PAYGO.

□ 2145

That is, I know, with you as a member of the Budget Committee and Mr. SPRATT as the ranking member, is an idea that our Democratic Members have championed as a part of our alternative. And we have done that on a number of occasions and attempted to get the Republicans to go along with us and the concept of PAYGO.

PAYGO is very simple. We came from States, and in our State legislatures you have to operate in the black. Just like people who are members of their families, they struggle not to have to go into debt, not to have to live paycheck to paycheck and not to have to go into massive credit card debt.

Unfortunately, the Republican leadership here does not subscribe to that philosophy, and that is evidenced by their rejection of pay-as-you-go rules whereby we would not spend more than we have.

On March 17 of last year, Mr. SPRATT, our ranking member on the Budget Committee, offered a substitute amendment to the 2006 budget resolution that failed 165 to 264, no Republicans supporting pay-as-you-go legislation. And we have the rollcall indicating that we were supportive.

Again, Mr. SPRATT offered another amendment dealing with PAYGO that would have reestablished PAYGO, 224 Republicans voting ''no,'' none voting ''yes,'' and it failed, to 232. So we have certainly tried. It is not for our lack of trying to make sure that we restore some fiscal discipline here.

The thing that has been the most frustrating for me as a new Member of Congress, and I am sure it is a frustration you have faced, is that the Republicans try to lead people to believe that they are the party of fiscal responsibility. Yet, I am someone who believes that actions have to back up words and talk is cheap, and that seems to be all that they have been about since I have gotten here.

Ms. SCHWARTZ of Pennsylvania. It was interesting in the Budget Committee when we talked about the principle that you are talking about, that we should know where the revenues are coming from if we are going to spend money. That is really what we are talking about.

It is basically being unable to meet their obligations. It is knowing where that money is coming from. Of course, we do budget not just for next year, but we budget out 5 years. We used to budget to 10 years. But we do see those kinds of numbers so we can anticipate what we think might be happening.

And what was interesting about that discussion in the Budget Committee is that there, in fact, is some interest, I think, on the other side of the aisle in doing this. They understand as well that, I think some of them do know, of course, they would not let that pass, but in fact I think if we really, truly could sit down in a bipartisan way and say, look, we have a responsibility to do this in a way that does not create a debt we do not even have any way of repaying at this point.

The Republicans have, of course, taken certain things off budget. That means, of course, that let's not really consider what the cost to Katrina is, for example; the real cost of the war in Iraq and Afghanistan in which some estimates in the budget this year have been $50 billion when we know that it could well get up to $400 billion.

Well, if you know that, we have to be straight with the American people. We have to be able to say, this is what we know it is going to cost us. How are we going to have the revenues to support that? Where is it going to come from? Let's have that as a serious discussion and let's make the hard choices we have to make.

We know we want to support our troops. We want to make sure that they have all the equipment they need. That has been a discussion. Of course, we will support the troops in that. But let's be real about what it will cost us and let's be honest with the American people about how we will do that.

I think there is some interest on the other side of the aisle, but in fact if we do that, there is no way they could go ahead with the kind of budget that we will be faced with tomorrow because it does not reveal all that we need to know about what our obligations are.

And as you point out, for American families who struggle every day to figure out how do they pay, we talk about gasoline prices. That throws budgets into a real problem when you have budgeted really tight.

It is not a problem to budget really tight if you do not have any contingency, if you are not really honest with yourself that there will be an expense next month. But in fact we are making it harder on American families by not being honest with them.

And we are making it harder on them by not bringing down gasoline prices. We are making it harder on them by not helping their kids going to college. We are making it harder on them by not allowing ways for us to be sure that their business can pay for health insurance.

You can almost name any issue and we are making it harder on American families when in fact it does not have to be that way.

Mr. CLEAVER. May I inquire of the gentlewoman from Pennsylvania, Congressman CARNAHAN and I are from Missouri. We are in the middle of the country and we are not prone to extremes, so we believe you are supposed to balance the budget. Congressman CARNAHAN's father was the Governor twice in the State of Missouri; he balanced the budget. I had to do the same as Mayor of Kansas City.

In fact, there is a State law in Missouri that you must balance your budgets. There is no such thing as you did not do it this year. You must balance the budget.

Ms. SCHWARTZ of Pennsylvania. I think that is true in all of our States.

Mr. CLEAVER. Maybe as a member of the Budget Committee you can help me understand why the money for the gulf coast reconstruction and the money for Iraq was not budgeted. I mean, we do not have two of the most costly items in the U.S. budget factored in, and as a new Member that troubles me.

It would trouble the American public if they knew. You mean you do not put in the cost of the war in Iraq? You mean you do not add in the budget the rebuilding of the most devastated region in the history of the United States? Well, how are we going to do it?

So maybe you could address that.

Ms. SCHWARTZ of Pennsylvania. There is an explanation. I cannot necessarily and I do not want to make explanations about why it was done this year. I will talk about that for a minute.

The fact is that it is reasonable for us to say that there is going to be an emergency that happens in this country that we cannot budget for. Katrina is an example. We could not have anticipated that a year ahead of time there would be an emergency as catastrophic as Katrina and the devastation it caused in the gulf States. And I have been there and many of you have been there to see the devastation.

So that is why we allow for a process that we can have a supplemental appropriations. We get an emergency appropriation, as it is called; and that is appropriate because we need to act quickly. We need to act appropriately to help Americans.

We have done it to help people in other countries as well.

That is certainly true in time of war as well. If you go to war, you did not anticipate going to war. Then you have an emergency appropriation, a supplemental is what we call it, and that is appropriate.

What is less understandable and I think that you make clear is what about a year later? What about 2 years later? Why cannot we anticipate at least in a better way what in fact the costs will be to clean up in Katrina? If we are wrong, we might need to do a supplemental.

But now to not say we are in Iraq. There is a cost; we know what it is costing us every week. We know what it is costing us every month to put $50 billion in when all the estimations are that it will be at least $200, probably $300 billion at least. It is really just not being honest about what it is going to cost us in the future.

For Katrina, again let's decide what we can accommodate to pay for and

what we should. And if we have to stretch, then we have an obligation. As you point out, all of us have had to balance budgets. We should have to balance a budget here. We should be able to say, where should that money come from? Where does it come from? Are we asking Americans to all kick in? Are we going to sell Katrina bonds or something?

I am throwing out ideas. Maybe there are ways we can sit down and say, okay, we do not have all the money for this. How can we do it in a way that is fair to the American people, is fair to people of different incomes? Maybe ask them to join in and be helpful as so many Americans did after Katrina, the number of dollars we got from charities, people wanted to help dramatically.

There are ways for us to do this in a way that does not put our country into fiscal difficulties, and in fact respects the kind of budgeting that we should be doing in this country.

Mr. CARNAHAN. If I could interject and amplify on that, I think the process has been very disingenuous when we do know we are going to have ongoing expenses for disaster relief, ongoing expenses for the ongoing efforts in fighting terrorism overseas. And it really, I think, is an effort to separate those questions from really making proper budget choices, and do we want to have more tax cuts for the wealthy and pay for that versus the cost of rebuilding the gulf? Or paying for our military or our education or our Medicare program?

I think that really is kind of an accounting gimmick that we have seen throughout this process, to play down a lot of those serious expenses, but also to water down the quality of the debate.

Ms. SCHWARTZ of Pennsylvania. I appreciate those comments. I think there are some, the term ''gimmick'' is one that I am almost reluctant to use. My staff and I discussed whether we should talk about some of these gimmicks because it is such a serious process we are in.

What we do matters in the lives of American families. I take it seriously. I know we all do. But the fact is, this is at least an accounting gimmick, if nothing else, in not recognizing some of the very serious expenses that we know we have and we have an obligation to meet.

And again, just as in American families, we need to figure out how to do it. And if we cannot do it, we need to say that too. So in some of these situations, we are not going to say ''no.'' So we should in fact meet the obligations.

Again, the example came up about veterans' health care. And I think we all go home. We all want to be respectful of our veterans, but whether in fact we fund veterans' health care or not really matters in each and every one of their lives. It is not so much about the rhetoric we have at home. It is really about what we do in this budget that allows them to get the health care that they need.

I see that our colleague has a chart he may want to talk about in terms of the national debt and the deficit and the national debt that it has led to.

Mr. CLEAVER. As I raised the question earlier, my concern was and I knew we would eventually get to this point, was that the money that we do not budget we borrow. And most Americans are outraged over the U.S. debt which is rising even as we speak here tonight.

When we borrow the money for the rehabilitation of the gulf coast and the ongoing conflict in Afghanistan and Iraq, we are borrowing those dollars. And right now we owe Japan $683 billion. And then next to them we owe China $249 billion.

We even owe OPEC $67 billion. And at a time when we are talking about reducing our dependence on foreign oil, it does not make sense to me, I am from the middle of the country so there are some things maybe I do not understand. It does not make sense to me that we are talking about reducing our dependence on foreign oil while at the same time borrowing more money from OPEC.

There is a scripture, Proverbs 22:7 which says that the borrower is always at the whim of the lender. And when we are talking about owing OPEC $67 billion, I am not sure that we are in any kind of position to be influential with folks to whom we owe billions of dollars.

And the debt continues to rise with even our neighbor to the north, Canada. And most Americans cannot understand that debt because we have to pay our bills each month. And with the gasoline prices reaching $3 a gallon it means that someone who is earning minimum wage, $5.15, works the first hour of their week to buy 1⅞ gallons of gasoline. That is obscene.

And so it means that the first day they work, the first day they work of a 5-day work week, 7 hours of that, of that first day goes to fill up that tank of gas at the minimum wage of $5.15, which means that wages are not keeping up with the cost of living. And so it continues to roll on when you look at the average price per gallon today which is just under $3; and of course in many cities on the East Coast it has already reached $3 a gallon, and people are hemorrhaging with this kind of gasoline cost.

I think it is absolutely obscene that the gasoline cost is rising at this level while, as my colleague, Congressman CARNAHAN mentioned earlier, the oil barons are reaping the largest profits in history. He said of the world; I think it is of the galaxy. No corporate institution has ever earned that kind of profit.

□ 2200

That becomes even more obscene when you add to that the fact that the CEO of one of the major companies has a retirement package that almost equals $400 million.

Ms. WASSERMAN SCHULTZ. What makes that more obscene is that the energy bill that Mr. CARNAHAN referred to at the beginning of our hour highlighted the fact that not only did the oil companies make universal record profits. Let us take it beyond the galaxy, we gave away our rights to collect revenue from them in exchange for the drilling rights.

I mean, what so many people do not realize is that the government owns the land underneath where the drilling takes place, whether it is in the gulf or whether it is on land. The United States Government owns that property, and we give the oil companies the right to drill there in exchange for tax revenue and fees. In that legislation last summer, we forgave all of those fees. We gave it to them for free.

Then a few weeks later they are making universal, history making, record, earth shattering profits and now people are paying more than $3 a gallon for gas, and we gave them our gas rights, our oil rights. It is unbelievable.

Mr. CARNAHAN. Mr. Speaker, the cynicism is layer upon layer, but here is the other cynical part of this. They are also using, the Republicans and the Bush administration, this as an excuse to say, well, now, we need to go drill in Alaska, in wilderness areas, and now we need to drill offshore in many of our reserved areas off our States along our coast.

Those would not be available for years. They are a small fraction of production that we need, and if we would just channel that money back into true, aggressive investing in research and getting transitioned to a new economy with alternative fuel, ethanol, biodiesel fuels that we can grow and produce in the Midwest, instead of depending on the Middle East, our economy would be so much stronger. It would produce jobs. It would be a cleaner environment, and it would truly lessen our dependence on foreign oil.

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, if the gentleman would yield, what is interesting, I think that something I learned more about, oh, the last year is how close we are to really being able to, in terms of scale up, if you will, the use of some of the biofuels and some of the alternative fuels. So I think something one would say, most of us would say how far is that; will it take years and years?

Well, for most of us in my area, we are seeing ethanol being finally introduced as a mixture, probably 5 percent of our gasoline. We know that we can make it 15 percent, 20 percent. There is even an E–85. We can have 85 percent of the gallon be ethanol which we produce in this country by growing corn, and it has been taking longer to get from the middle part of the country to the East Coast. We have to bring some of the ethanol, but in fact it is coming. We need to make it happen much faster.

There needs to be incentives to make that happen. I think it will happen as consumers make more demands to make sure that that happens because in fact we do want more fuel efficiency. We want cleaner fuel, and we want less reliance on foreign oil because there is, as the gentleman from Missouri (Mr. CLEAVER) pointed out, it is also creating a dynamic internationally that is not really very helpful to us as we look towards a more peaceful and stable world.

So that, in fact, we could be doing much more, and this budget cuts, rather than adds, to the initiatives that have actually been making these biofuels and the research and technology and using the innovation in this country to be able to push forward much, much more quickly.

I think that Americans want to see the price of gasoline go down. It works for their pocketbooks, but they also understand that they want to know, well, where is it going? If it is going to just keep going up, how can I make this work?

I am proposing this as Democrats. I introduced a $250 million initiative that we could have put in or maybe even should be more money, but it is much more money than this budget proposes, and really pushing forward on renewables and research and development and more fuel efficient vehicles and more fuel efficient cars.

So there is a lot of things that can go into all of this. In fact, we are there already. We are really close to making it happen. We will be looking at American innovation and moving forward and not just borrowing and spending, which is really what this budget puts forward, and putting an enormous debt on our children and grandchildren.

Mr. CARNAHAN. It is really exciting that we not only have the ability to grow the corn, to produce ethanol, and soybeans, to produce biodiesel, but we also have our auto industry retooling, and I want to yield to my friend Congressman CLEAVER to tell about some exciting things happening in his area in Kansas City.

Mr. CLEAVER. Mr. Speaker, the Ford plant in Kansas City is now in mass production of a hybrid, which they are placing on the market because there is hopefully going to be a great demand, and we think that in the middle of the country it makes perfect sense for us to manufacture hybrids because, after all, we produce the agricultural products that were mentioned earlier that can be used for E–85.

We probably are in a situation now where we need to look at the situation with oil as a security issue. It is an issue that digs deeply into the pocketbooks of most Americans, but in addition, it is a security issue, and it is a security issue because the people of the United States, I am sure, do not want to owe this kind of money to China or OPEC or any of the other countries, for that matter, and so we need to think about this issue.

Gasoline is an international commodity, and I think with the increased use of gasoline by China and India it is going to drive the demand up, and so the price of gasoline, in all probability, is going to rise.

However, the Congress of the United States ought to get serious about trying to address this problem in the long run. I introduced a bill today that would require all Members of Congress when their lease expires on an MRA, the Members Representation Account, the money we get to run our offices, that when the lease expires on their automobiles, that they would have to lease or could lease only automobiles that are energy efficient as defined by the GSA.

Now, the reason I have done this is because people are poking fun at Congress. The numbers in terms of our approval rating is always down, and one of the reasons is they think we are hypocrites. I mean, we talk about energy on the floor. We talk about it when we go home with press conferences, but then they look at us and see us driving big SUVs and it does not click. It is the thing that troubles us.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, if the gentleman will yield, only to clarify who the hypocrites are, because if you separate where the Democrats' voting record is on energy and making sure that we focus on alternative energy like in our Innovation Agenda we rolled out in November, which includes an ironclad commitment that when we take control of this Chamber that we will within 10 years wean ourselves off of foreign oil and become energy independent. So the hypocrisy exists on the other side of the aisle. So I just want to make sure whose hypocrisy we are talking about.

Mr. CLEAVER. Mr. Speaker, I think that the whole energy issue is quite convoluted because we are never able to address the issues that we want the American public to benefit from because there are always little tricks.

For example, LIHEAP was placed in the energy bill last year, which is money for low-income individuals to get assistance in their heating costs, and so that is placed in there. So that, if you vote against it, it means that you are against poor people, and of course I voted against it because at some point I came to the conclusion that I had to be faithful to who I am. I am not voting for any of those things anymore, where they do what we call the ''got you'' legislation, and I am not voting for that anymore because the American public ends up suffering every time we do that.

But the question that I think is going to be raised here is will Congress make the decision to allow legislation to surface that would require that they give up gas guzzlers when they use government money to do the lease. Now, this is not private vehicles, but what the public may not know is many Members of Congress legitimately will lease automobiles. They can only lease them for 2 years because we are only here for 2 years, and then we must go up for reelection. So we are saying that when the lease expires, if you really believe in energy efficiency, then let us make sure that the public can see us as ones who are embracing what we are preaching. It is a horrible, horrible thing to advocate in a commercial that people should drink Coca-Cola and then people visit your home and you have Pepsi.

So I think one of the things Congress must do, it is a moral thing I believe to stand up and say we are going to drive energy efficient cars. It gives us the right then to begin to talk to the public about some legitimate sacrifices that all of us are going to have to make.

Ms. WASSERMAN SCHULTZ. Mr. Speaker, we have been talking about energy supplies and the cost of a tank of gas and how difficult it has been for Americans to deal with those increases, and another equally important issue is how people are going to continue to be able to educate their children from their youngest age all the way through higher education.

One of the things I think it is important for us to highlight tonight is the devastating budget cuts that this Republican budget puts forward in terms of the public education needs that we have.

Literally, the Republican House budget resolution would make the biggest cut, and I think I am right, correct me if I am wrong, the biggest cuts to the Department of Education in 23 years. I guess the only thing that would be worse would be when they proposed to completely eliminate the Department of Education, but they are not doing that. They simply have the biggest cut in 23 years.

The budget resolution cuts next year's Department of Education budget by $2.2 billion, with a B, below this year's funding level. It matches the President's budget cuts in his budget proposal dollar for dollar. Rather than increase education funding, both of the budgets, the Republican leadership's budget and the President's, grossly underfund education, social services and training programs. They cut those programs $4.6 billion below the amount needed to maintain current services. They eliminate completely 42 different education programs, not ones that people would think are not necessary anymore, but things like vocational education, safe and drug free school State grants, a college readiness program for low income students and both parts of the Federal Perkins loan program. It is just really unbelievable. You talked about priorities. This is where the Republicans priorities are compared to where we are as Democrats.

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, the gentlewoman makes an important point, and I think one of the ways to help Americans understand what this really means to them because these numbers are very big, it is sort of hard to say, well, you cut $1 billion here, $1 billion there, how does

that matter in the lives of our constituents?

The other day I met with some of the school superintendents in my district, and they told me, I will say all things are really new, but they were pleading with me because they said we want to be held accountable. We want our teachers, our schools to perform at the highest levels possible. So the concept of No Child Left Behind, in fact, we support it, as do I, but the fact that they are not getting the funding for that that the government promised to them, again it is about meeting our promises, about meeting our obligations to our children.

If we said we will not leave any child behind, but then walk away, then we have, in fact, left them behind, and this is what is happening. For Americans who have children in schools, they know what that means. They are being challenged without additional resources, and it also means to all of us that our local and State taxes are likely to go up to make up for the difference.

What we have done is pass along the burden to our State and local governments, and in fact Americans are going to have to pay for it one way or the other.

I will just mention two other areas because I know I hear this a lot, and I am sure you do as well in education, and that is special education. I know when I served in the State Senate, I was the Democratic Chair of the Education Committee for a number of years. I served on the State Board of Education. We heard over and over again that there were remarkable new ways to educate children with many different needs.

□ 2215

More children are being identified with early childhood learning disabilities. In fact, early intervention is making an enormous difference in their being successful in school. Then, of course, there are some of the very seriously challenged students. When we passed the original legislation, not we, we weren't there then, we freshmen, but when the original legislation was passed, it was called IDEA, but when the special education legislation was passed, the Federal Government said, You know what, we want you to educate every child regardless of what their needs are and to challenge them to be the best they can be. And we are going to pick up 40 percent of the cost. Regardless of what it costs, we will pick up 40 percent. Well, they never have.

So what does that mean? Right now the Federal Government is paying about 17 percent of that cost, not even half of what was promised years ago. So what that means is that local school districts are picking up the tab. States are picking up the tab. What we ought to be doing is meeting our commitments, meeting our obligations and being honest and straightforward with the American people, that this is what we promised to do, it is what you want us to do, it is what we should be doing.

Last, you point out a college education. We talked about families already being stretched, but we are at a time when we know our young people and increasingly older people who also are being retrained or reeducated need to go to college. Sometimes it is a community college, sometimes it is a postsecondary technical college, sometimes it is a 4-year university. But the fact is that we need to be sure that the best and brightest in this country have access to higher education. And we know we are competing not just with our neighboring States or our neighboring communities or even countries who used to be our trading partners, we are just a global economy, a global marketplace, and our young people have to be prepared.

Yet what this budget does is, in fact, cut the Federal grants that so many people relied on to do their college education. So we are saying it is going to even be harder at a time when our young people should be going to college, for you to be able to go to college, be successful and to be able to not be in so much debt when you come out of college.

So, yes, could we do these things? That is what I get asked. Could we do these? The answer is, of course we could, if in fact we recognize that it is our priority, that we were honest about what kind of dollars we needed and we made it a priority in our budget instead of something else. Again, the Democratic alternative that will be available tomorrow does that.

So, again, I hope that my constituents, your constituents understand that we come again as first-term Members with a real interest, maybe that is not strong enough, but a demand for us to do it better, to do it right, to meet these obligations and to do it this year as a beginning because we can't wait any longer. Whether it is on education, on higher education, whether it is on energy, whether it is on paying down the debt. These are things we have to start working on, on security, health care. We could go on for hours. Fortunately we are limited, from our viewers' point of view, to an hour. But the fact is that we have so many opportunities for us to be building that future for Americans, American children, American families. This budget simply doesn't do it. It is why we should reject it.

Mr. CLEAVER. If the gentlewoman would yield, I found some money and I want to announce it right now to the world. If we rescind the tax cuts for individuals with an adjusted gross income in excess of $200,000, the revenue effect of that would be $24.5 billion in fiscal year 2007 and over 5 years it would be $137 billion. The tax cuts that this Congress gave in 2001 and 2003 disproportionately benefited the wealthiest people of the Nation. At the same time we have been unable to increase the minimum wage from $5.15. And we are giving tax cuts to the wealthiest people in the country. The tax cuts that were given would allow the wealthiest Americans with 46.8 percent of the tax benefits proposed in the President's fiscal 2007 budget and extended from 2001 and 2003, it would benefit 4.1 percent of the taxpayers of this country. People who are going to get up early in the morning to drive to their job and most of the money they earn that day is to buy gasoline are not going to be thinking kindly of what is happening to them.

There is a tsunami of frustration rolling across America. People are frustrated with what they see going on here. It is revealed in the polling data that is coming in from every polling source. It is bipartisan. Newspapers, whether they are the conservative Washington Post or the progressive New York Times are coming up with the same numbers, and that is the people of this country are frustrated. Incivility continues. We don't attack issues. We attack people. We don't try to come together and sit down and try to figure out ways in which we can help this country. We lock the doors. We lock people out of meetings. We won't allow a discussion or a debate on issues that are critically important to this Nation.

Ms. WASSERMAN SCHULTZ. Mr. CLEAVER, they do those things. It is the Republicans that do those things. I just want to point that out. When you are using ''we,'' that includes us and we don't do that.

Mr. CLEAVER. That is absolutely correct. The reason that I used ''we'' and it is a dangerous use of the word ''we,'' is that what many people see coming out of this body, they attribute to all of us when the truth of the matter is we don't have, we, those of us on this side, don't have the capacity because we are the minority, to effect the kinds of changes that I think we need to effect.

And so the tsunami of frustration continues to roll across America. Something needs to be done. If not, I think that we are headed dangerously toward a number of crises, some of which this Nation has never ever experienced before.

Ms. SCHWARTZ of Pennsylvania. Your comments, I think, do speak to the frustrations we hear from Americans. But I hope that as we end this evening's discussion, we can also leave with the understanding that Americans, I hope, will feel hopeful. Because, in fact, you point out that if we use common sense, if we use our political will, if we sit down to work out these issues, we could do that. I think that is what the American people expect of us and it is also something that I think as freshmen we are offering back, that we want to be able to say we can do this, we want to do it, we want to be able to tackle these problems and we want all of the best ideas, and there are so many out there, to be able to offer the

American people the secure Nation that they want, the opportunities for their children economically and educationally and the kind of hope for the future that they all want.

MEDICARE PART D

The SPEAKER pro tempore (Mr. FITZPATRICK of Pennsylvania). Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. GINGREY) is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGREY. Mr. Speaker, it is a pleasure to take this hour designated by the Speaker, by the leadership, we refer to it as the leadership hour, and to take an opportunity to talk about things that are important to this majority, are important, indeed, to the American people and that is what we are going to do during this hour.

We are going to talk about the Medicare part D prescription drug benefit. But I want to digress for just a minute, Mr. Speaker. Our colleagues on the other side of the aisle just spent the better part of an hour talking about the budget. During the course of that colloquy, we heard the word ''hypocrisy'' used a number of times. I want to address this just for a moment, because the hypocrisy, of course, is to suggest that the tax cuts that this administration and this Republican majority have enacted and just today continued those tax cuts, refused to let the other side of the aisle in this body raise taxes on the American people.

They spent a good deal of time talking about the fact that the rich get the biggest tax break. Well, the hypocrisy of that argument, Mr. Speaker, is that the rich, if you call someone with an adjusted gross income of $75,000 a year rich, then so be it. But these are the people that are paying most of the taxes. These are the people that are paying at the 39.6 marginal rate, the highest rate. So for them in any across-the-board tax cut, and indeed that is exactly what this is, every taxpayer saves money. But those that are paying the most in taxes with an across-the-board cut, Mr. Speaker, are quite naturally on a dollar amount, not a percentage amount but on a dollar amount, are going to get the biggest tax break. Of course they are.

But what is that enabling them to do, the small business men and women in this country who create probably 75 percent of the jobs? It is to grow their businesses, because of the opportunity to rapidly depreciate for capital improvements and bricks and mortar and putting in a new product line in their business, to hire some of these people who today because of their unemployment are not paying any taxes.

It is really hard, I think, and I think my colleagues understand this, the American people understand it, it is really pretty hard to get a tax refund when you are not paying any taxes. But indeed we do that, too. The child tax credit, increasing them from $600 to $1,000. Those are refundable tax credits that are going to people who indeed are not paying any taxes.

Mr. Speaker, again, as I said at the outset, what we are talking about tonight has got to be one of the most important things that we have done for the American people since Medicare was first passed when I was a freshman medical student in 1965, where there was a part A, the hospital part; a part B, the doctor part; but no part D, the drug part. For many years, I am going to say probably within 5 years of the passage of that bill, people were starting to wonder why we didn't have that benefit of prescription drugs when more and more of these wonder drugs, whether we are talking about pharmaceuticals or antibiotics or whether we are talking about beta blockers for heart disease and high blood pressure and irregular heart rhythms, whether we are talking about oral, by-mouth chemotherapy. And we realized, of course, it wasn't just surgery, cutting something out, a diseased organ, that we really need to put our emphasis on, it is preventive health care and allowing people to be able to afford to get prescription drugs to lower the blood sugar, to prevent the ravages of diabetes, such as losing your limb or having your kidneys fail and going on renal dialysis and maybe eventually needing a kidney transplant. Or to treat high blood pressure, a condition which for a long time has no symptoms, absolutely no symptoms. It is incipient. We use that word. A person could end up in the emergency room having already had a stroke before anybody knew that they had high blood pressure. Or talk about coronary artery disease which most people have in adult life. And until we realized that elevated cholesterol and certain type lipids in the blood stream is what caused those plaques to form in those coronary arteries that supply blood, and oxygen, of course, to the heart muscle, when we finally realized that if we could lower cholesterol and lipids in the body, that we could prevent heart disease, coronary artery disease, heart attacks, and not have to resort to what we know, of course, today as bypass surgery. It is such a compassionate thing to prevent these diseases rather than to treat them when people are really, really in danger of sudden death or a stroke.

That is what this is all about. That is what this Republican leadership, President Bush, has delivered to the American people, a promise that other Congresses have made.

□ 2230

I can assure you that work was done on this in the past, but former Presidents, former administrations, former Congresses just failed to deliver.

And so we are very proud to stand here tonight and talk about this wonderful addition to Medicare, the part D prescription drug part. It is optional. It is just like part B, Mr. Speaker; a person doesn't have to sign up for it.

Yes, it is premium based. There is a monthly premium often deducted from the Social Security check of those who can afford it. And those who cannot afford it, it is not going to cost them anything.

The low-income seniors who qualify for the Medicare supplement on this wonderful program, for them, they pay no deductible, they pay no monthly premium. There is no gap in the coverage. They have catastrophic coverage, and the only cost may be $1 for a month's supply of a generic drug, or up to $5 for a month's supply of a brand name drug.

There are approximately 42.7 current Medicare beneficiaries in this country today. And, Mr. Speaker and my colleagues, I want to draw your attention to my first slide because this really shows you the success that we have had in this 6-month opportunity, starting November 15 through upcoming, in 6 days, May 15. Of those almost 43 million Medicare beneficiaries, most of them, because of age 65, possibly 5 or 6 million because of a disability at a younger age—look at this, Mr. Speaker—37 million seniors now have prescription drug coverage under Medicare part D, 37 million.

Now, we want to get this up to 40 million in the next 6 days. And that is really why I am here tonight, to get this message out to let those few stragglers, if you will, in regard to signing up, to do everything we can. And we will do that back in our districts. We have been doing it. In fact, I have been working on that, talking about trying to get that message out for over 2 years, when we first passed this Medicare Modernization Prescription Drug Act in November of 2003, a very proud moment for this physician-Member, by the way, to support such a wonderful program.

But now we have got the latest count, 37 million, and that is, I think, a fantastic achievement in this first sign -p period.

Why is it so important? Well, seniors, if you can see on this next slide, Mr. Speaker, my colleagues, seniors are saving an average of $1,100 a year with Medicare prescription drug coverage. Maybe more importantly, though, that is average for the 37 million that are signed up. But maybe more importantly, the low-income seniors are saving an average of $3,700 a year. $3,700 a year, that is a lot of money.

Mr. Speaker, in regard to that number that I just shared with my colleagues, $3,700 a year for those low-income seniors, and that is why we are pushing so hard in these next 6 days.

Of the 6 million, I said 37 million have signed up out of almost 43 million. Of those 6 million that haven't, we are estimating, pretty accurately, that close to 3 million of those are low income. They qualify for this subsidy, and some of them, as I say, their only cost of these lifesaving prescriptions would be a $1 copay. And so it is very important, most important that we get

the word out to them in these next few days, and to get them signed up, because this is literally a Godsend.

It is a no-brainer. And for whatever reason, maybe they have heard some of the disingenuous, well, downright, you know, they talked about the H word in their hour just a few minutes ago, hypocrisy from the other side. Regrettably, I feel that that is part of the reason why the most needy, 3 million of them, have missed the opportunity thus far, but we are determined to get the word out to them. That is the compassionate thing to do and we are doing it.

Proof of the pudding, Mr. Speaker. More than a million seniors have enrolled in Medicare part D just since April. I am talking about a 2-week period. So we are talking about almost 500,000 people have signed up just in the last 2½ weeks. So we are getting the word out, and thank God, our seniors are responding.

Well, how is the program working for those that may have signed up on November 15, 2005, and immediately, January 1, 2006, started getting their prescriptions with a prescription drug benefit? Before that, of course, we know that the seniors, probably the only group of patients that go to the drug store, went to the drug store and had to pay sticker price. They weren't getting any deals, and nobody negotiated any discount for them because of volume buying.

It was just like going to buy a new automobile and paying that price on the windshield that we refer to as sticker price. Most people don't have to do that. But that is what the seniors were doing. Well, really, that is what some were doing. A lot were just too embarrassed to even go into the drug store knowing that they couldn't afford to pay even half that amount.

But what has happened since January 1 over this 5-month period? Well, 90, and I want to call my colleagues' attention to this next slide. I know the printing is a little small, but look closely because these numbers are very telling. Ninety-one percent of seniors say their plan is convenient to use at their pharmacy.

And I want to thank our pharmacists, too, by the way, especially our independent pharmacists because a lot of times it is just them and maybe a clerk up front, and yet they are spending the time to explain; and I know it is at significant cost to their bottom line. And I think that they are to be commended because they have helped make this program a success, and we are committed to continuing to work with them.

I know, Mr. Speaker, in my district, I have met just within the last 10 days with some good personal friends who are independent pharmacists, and they are bringing some concerns to us. There is still some heartburn on their part, and I understand that, and we are going to continue to work with them because of the great work that they have done for us.

Going back to the slide, 90 percent say that they know how their plan works and they know how to use it. Eighty-five percent say their plan covers all the medicines they need. And nearly 80 percent are happy with the amount of coverage they have, and this is so important, they would recommend their plan to others.

I don't want to miss this opportunity to say, my colleagues, and I am sure on both sides of the aisle, you have had similar experiences. My mom, God bless my mom. I am thinking about her of course a lot this week because of Mother's Day coming up on Sunday. But the greatest Mother's Day gift that I gave to her, Mom is 88 years old, I don't think she would mind me telling that because she looks like she is 68, and if it wasn't for a couple of gimpy knees, she would still be out on the golf course.

But I sat down with Mom a couple of months ago and we went through this. It was a little bit time consuming, maybe a little bit more confusing than I thought or she thought it would be. But she is saving about $1,200 a year now. And this is what we are talking about, real, real savings.

Mom's very happy with the program. She picked her own drug store, very close by her home in Aiken, South Carolina, and she didn't have to change a thing and is very pleased with the program.

Listen to what some of the senior organizations are saying about this program today. And, Mr. Speaker, I remember during the debate, and of course we got accused of passing this bill in the dark of night; I would say to my colleagues in regard to that, we started the debate late in the afternoon and we were determined to get our work done, so we ended up on final passage, yes, in the dark of night. But had we started our debate in the dark of night, we would have passed this bill in the bright sunshine of the afternoon. That is just the way the clock works.

I look at my job, Mr. Speaker, as a 24/7 job, and I am not a clock-watcher, just like I wasn't when I practiced medicine and delivered babies before coming to this body. People were always coming to me saying, don't all babies come in the middle of the night? And I said, well, no. But it seems that way because the patient either comes in in the middle of the night and ends up delivering in the daytime or comes in in the daytime and ends up delivering in the middle of the night.

We delivered this baby in the middle of the night, but a beautiful, beautiful baby it was and is.

And the other side criticized that great senior organization known as the AARP, of which I have been a member for, started at age 50, I won't tell you how many years. I don't want to tell my age because my wife says that will tell her age.

But they were so mad, so mad that this organization, AARP, with 37 million seniors as part of that group, had the audacity to support a Republican bill.

Look what the AARP says today, Mr. Speaker. With the Medicare drug program, more older Americans than ever before have access to affordable prescription drugs.

The focus right now needs to be on helping people, not playing politics. Discouraging enrollment is a disservice to the millions who could be saving money on prescription drug bills. That's a quote from the president and CEO of the AARP, Bill Novelli. And I know Mr. Novelli, and my colleagues on both sides of the aisle know him and know that he doesn't play politics. He is just stating the facts. No hypocrisy here, Mr. Speaker.

Well, I am not a regular reader of the New York Times, maybe the Washington Times. The New York Times is not known as a bastion of conservatism. But listen to what they say: ''The Medicare drug benefit's success depends heavily on getting lots of healthy people to sign up so that their premiums can help subsidize medicine for the chronically ill. The May 15 deadline should serve as a useful product to force fence-sitters to make a decision.'' Now, that is a New York Times editorial, April 3, 2006.

Mr. Speaker, when we were debating, we had this resolution, Nancy Johnson, the distinguished chairwoman of the Health Subcommittee of Ways and Means, put forward a resolution this evening encouraging all Members of this body to work hard over this next week to get people signed up. But the other side continues to try to put up a fence to be obstructionist to say, you know, don't sign up, and criticizing us for encouraging them to sign up, saying that we are cruel, that we are going to enact a penalty if they don't.

Well, Mr. Speaker, the fact is, a lot of people, good people, good seniors are just like this senior. They have a tendency to procrastinate.

□ 2245

If it was not for the April 15 deadline, I would never get my tax return in. Even with that, if there is an opportunity to extend it without significant penalty, I am going to take that opportunity. I have done that probably every year for the last 10 or so, waiting until absolutely until the last minute when really I had the facts, I had the information, and I needed to go ahead and get that done. But I just kind of put it off until the last minute. That is why we have a deadline. It is not to be cruel or to be coercing or forcing anybody to do anything.

But, clearly, we anticipate that because of that deadline, and kind of a wake-up call to people, that 1.6 million more will sign up between now and next Monday. That is what that is all about. The New York Times certainly understands that. I can't understand why our colleagues on the other side of the aisle who probably, most of whom read that newspaper every day, it is

kind of maybe sort of biblical for them. They can't understand that, or maybe they missed that particular article.

Listen to what the St. Petersburg Times said. Here is good news. Without exception, every senior I saw on the way out of the Gulfport Senior Center, that is in St. Petersburg, was happy or relieved.

Carolyn Toliver, Dallas Texas Area on Aging. Carolyn Toliver, the benefits counseling coordinator at the Dallas Area Agency on Aging says she is not phased by the prospect of a last-minute surge. She even admits to wishing for one. I hope we are overrun, she said. This is a generous benefit. I don't want anyone to miss out on it.

Here, again, from the New York Times editorial pages, it says many seniors are clearly saving money on drugs purchases. I quote, complaints and call waiting times are diminishing and many previously uninsured patients are clearly saving money on drug purchases. That was in The New York Times, an article entitled Medicare Drug Challenges. It was an editorial, actually, on April 3rd of this year.

Mr. Speaker, the news indeed, is good despite, again, a lot of negativism on the other side. There were a number of things that were suggested when the opposition for this program was so strong. But today, as I pointed out at the outset, 37 million have signed up.

Listen to this breakdown, because this is important too; 8.9 million enrolled in the stand-alone prescription drug plan, almost 9 million, 5.9 million are enrolled some Medicare Advantage. That is the program that used to be Medicare+Choice, but because of Medicare modernization, Mr. Speaker, it is much, much improved. Almost 6 million of the so-called dual eligibles, those people that because of their low-income and age were eligible not only for Medicare but Medicaid.

Almost 7 million retirees are enrolled in a Medicare retiree subsidy. That is a supplemental plan that includes prescription drug coverage. There are still people that had the option, and I think is real important for us to remember that nobody is forced into Medicare part D. If they have got something that is just as good if not better, then we have encouraged them to stay in those programs. They are.

Then, of course, there are 3.5 million that are covered under Federal retiree coverage, 1.9 million are could have had under TRICARE, 1.6 million are covered through the Federal employee health benefit plan, and then 5.8 million Medicare beneficiaries have some alternative source of what we referred to as credible prescription drug coverage.

Some examples of that, Mr. Speaker, would be like Veterans Affairs, people are getting their medication. They are 65, they are on Medicare, they are eligible, part A and part B. But as far as the prescription drug part, they are utilizing the Veterans Administration. There are about 3.2 million that are using the VA. There are probably at least 100,000 that are getting their prescriptions through the Indian Health Service.

There are maybe another half a million who are still working at age 65 and older, and they have a health insurance program that includes prescription drugs. Even though they are eligible for Medicare, they opt for those programs.

If those programs, we call them credible programs, if they are just as good or better than the part D, and then something happens to one of those plans, maybe the premium is raised, maybe the copay is raised. Maybe the things that are covered are lessened. The coverage is not as good. Then a senior, and this is important information, this question is asked almost every time I have a town hall meeting, then if they want to switch into Medicare part D, that can be done, Mr. Speaker, without any penalty, without any penalty whatsoever. That kind of brings me to a point that I think is very important to make.

Our friends on the other side keep saying that we are going to enact a 7 percent Medicare tax. That is the 1 percent per month additional premium that seniors have to pay if they miss the deadline. They say that we are imposing that tax, that Medicare tax, on those who can least afford it.

Now, here again, the H word that I referred to earlier, this time is not hypocrisy, this time it is honesty and lack of. Because the fact is that there will be no penalty for anyone, those almost 3 million that we think are low income and have not signed up yet, we are going to continue to look for them. We are going to continue to talk to them in every way we can, print out, print media, television spots, town hall meetings by Members, hopefully on both sides of the aisle, to get them signed up beyond May 15, if they miss a deadline with absolutely no penalty.

There will be a penalty for those others who are blessed with more assets, more resources, more income, who failed to sign up for whatever reason. But I guess the majority of those just would be simple procrastination. They will have to pay that penalty.

So we are doing, I think, and that 37 million represents 87 percent of Medicare beneficiaries we think will get to 90 percent by Monday. For the first year of a program, and, indeed, the first of 6-month opportunity to sign up, that ain't too shabby.

I think that as these that don't sign up that miss the deadline, realize, and, of course, they are not going to be able to get into the program until the next sign up period, which is November 15 of this year through December 31. Even though they are going to be faced with a 7 percent additional premium, they are going to come in.

I think we are going to be approaching the high 90s, just like the optional program part B that covers doctor care and outpatient surgery and outpatient testing. That is such a good program that, of course, was enacted in 1965. A lot of people back then said, oh, that is too confusing. I am not sure I want to do that.

Well, you look, Mr. Speaker, my colleagues today, when people turn 65, there is no question because they have the history of the success of part B. The same thing is going to happen with part D.

We are making great progress, and my own State of Georgia, I would be remiss if I didn't give a little statistic on that. But we, in the State of Georgia, overall, are approaching a 90 percent signup rate. We have total people in Georgia now with prescription drug coverage on the Medicaid, 785,000 and growing.

Mr. Speaker, I wanted to take a few minutes and talk about some of the things that we have heard during the debate on this program. One of the things that keeps coming up is this issue of drug reimportation, of being able to buy medications either over the Internet, mail order from another country, particularly Canada, or to actually, if you live on the northern border to actually go across the border and buy prescription drugs and get them a lot cheaper than they were in this country.

Before we came forward in November of 2003 with this program, that is what people were having to do. The seniors literally were being forced to do something that was not approved by the secretary of HHS, the Secretary under President Clinton, the Secretary under George H. W. Bush, because there was some concern about safety, about packaging and contamination and bioterrorism.

But, nevertheless, people were doing that, taking a chance and buying those medications because they were saving. But listen to what's happened since this program started January 1st of this year. This is from an article in a newspaper in Minnesota, which is one of those border States by the way.

While enrollment in the Medicare drug benefit rose by 9 percent, sales of low-cost Canadian drugs last month fell by 52 percent.

Why do you think that happened, my fellow colleagues? It happened because all of a sudden seniors were realizing now they were able to get their medication from their corner druggist right down the street at almost as low, maybe even as low or lower than what they were paying in going across the border and buying prescription drugs and taking a risk with their health.

So while I was concerned, and I think that if this program was not working, that I would tend to agree with some of my colleagues who want to say, well, it ought to be legal to buy drugs from Canada. I think that we have negated the need for that with this program. That is what I hope we would accomplish. Indeed we have.

There was just another thing, Mr. Speaker, that I want to talk about too,

that is the pharmaceutical drug discount program. Our pharmaceutical industry is a profitable industry. They get lambasted a lot by the other side of the aisle, about making too much profits and that sort of thing.

But I don't ever hear them commending the pharmaceutical industry because of the compassion that they have shown with their prescription drug discount program, not just for low-income seniors, but for low-income everybody. They literally are giving away prescription drugs to people who meet certain criteria. Maybe they are not eligible for Medicaid in the State in which they live because they make a little bit too much, or maybe they have a few too many assets.

But the pharmaceutical companies, and each one's programs, is a little bit different. But, you know, let's say somebody is on Lipitor or on Pravachol or on Prevocet or on one of these expensive medications. They are literally getting those drugs for free.

□ 2300

Some people that signed up for the Medicare part D have been concerned because if they reach the donut hole and have to pay a lot out of their pocket, they feel like maybe they are in a program that is costing them more money because they had to come off of those pharmaceutical prescription drug discount programs.

Well, the Inspector General had confused the pharmaceutical companies a little bit, and there was some concern about these programs and if they could legally continue. I want to tell you that Members of this body, I think really on both sides of the aisle, went to CMS, talked with the Inspector General and said, you know, that is not right. We need to let these companies continue to do that.

Listen to what the result of that effort was, Mr. Speaker: Drug makers can continue assistance programs for seniors. HHS secretary Mike Leavitt: ''This is excellent news. In a legal opinion that could help many thousands of Medicare beneficiaries, drug manufacturers were told Tuesday,'' that was a couple of week ago, Mr. Speaker, ''that they can continue giving free medicine to poor people even if they are enrolled for the new drug benefit.''

Each year, large drug companies routinely give millions of free prescriptions to the poor. However, most of the drug companies had said that they would discontinue this practice for senior citizens now that they could get coverage through Medicare.

We have reversed that. As Secretary Leavitt said, and I will give a quote here, ''this is excellent news for the many people with Medicare who have relied on these valuable patient assistance programs.''

The bottom line is a senior now can enjoy both the advantage of being on a Medicare part D prescription drug program and also the benefit when they get to the point where they otherwise would have to pay the full price at somewhat of a discount out of their own pocket, then the pharmaceutical companies can come in and fill that gap. A great program.

Mr. Speaker, I wanted to take some time to talk about individual cases. I think a lot of times my colleagues, we talk and tell facts and try to make our points, but I don't think anything does that better than what we refer to as anecdotal evidence. In other words, real live situations, people that give their testimonial.

Listen to some of these. Mae Thacker of Kingston, Georgia, that is in the Eleventh District, my district in Bartow County, northwest of Atlanta, May was paying $781 a month for her medications. That is a lot of money. She had heard Medicare part D wouldn't save her any money and wasn't worth her time.

That is sad, because that is the kind of rhetoric that far too many seniors have been hearing over the last couple of years.

But its detractors were wrong. Mae learned about the program and she enrolled. She enrolled. And, guess what? With Medicare part D, Mae Thacker now pays only $178 a month. $781 a month with no Medicare part D; $178 a month with it. Total savings, my colleagues, $600 a month. That means I think that Mae Thacker can now pay her utility bill, buy her groceries, have a roof over her head and afford to get those prescription drugs that can save her life.

Here is another. This is an e-mail that I received again from the Eleventh District of Georgia. Jerry O'Brien, Cobb County, my home county for the last 30 years. Here is what Jerry says. ''I went to Medicare.gov, www.medicare.gov, and I found a comparison of various programs. I chose one for my wife at a premium of $70 a month, but no deductible.

The deductible, I think everybody knows, cannot be more than $250 a month for Medicare to approve that as a prescription drug plan. It can't be more than $250 a month, but it can be less. Jerry found one by going to the website that had no deductible and a $70 a month premium.

Jerry goes on to say, ''We had no prescription insurance before and find Medicare part D to be very effective. We saved enough on the first prescriptions to pay for two months of the premiums.'' So the first prescriptions they saved $140.

''I realize the program got off to a shaky start, but as far as I am concerned, it is now working well.'' Jerry O'Brien, Cobb County, Georgia.

Let's go out to Colorado, about as far as you can get in this country from Georgia, heading out west. Lyda, Lyda B lives in Colorado Springs, Colorado. Lyda had no prescription drug coverage and she was paying $1,200 a year for her medications. She found out she was eligible for extra help as a low income senior.

Remember we talked about those, and really that has been the major emphasis of my discussion tonight, about how important it is to get to those 3 million here in the next 6 days. We are going to get close. We are going to get close.

She found out she was eligible for the extra help, and, thank goodness, Lyda enrolled in a plan for her, not only no deductible, but no monthly premium. There is a premium, but Medicare pays for that because she qualifies because of low income and low assets.

With Medicare Part D, Lyda now pays only $3 per prescription, saving her hundreds of dollars a month. Just think about that. $3 a prescription. A prescription would be a month's supply. If she were on one drug, then she is paying $36 a year. If she were on two, it would be $72 a year. If it were three, it would be just over $100. Compared to $1,200? A great deal for Lyda. Thank God she has taken advantage of it.

Mr. Speaker, here is another. I don't have but about 15 minutes left, but I probably could spend 2 hours sharing these testimonials. Fern from Peabody, Massachusetts, she was paying $2,100 a year for medications. With Medicare Part D, Fern now pays only $660 a year. She says the savings are worth the time, and the enrollment process was not confusing or complicated.

There is lots of help. The health insurance assistance programs in all 50 States, they are called different things, I think it is Georgia Cares in the State of Georgia, but this organization, plus all these senior organizations that volunteer their time at senior centers, maybe at your local library, the pharmacist in the drugstores, particularly the chain drugstores, CVS, Walgreens, Eckards, they have something called Medicare Tuesdays, Medicare Part D Tuesdays, where a pharmacist, instead of being behind a counter, there is one behind the counter filling prescriptions, but there is another one dedicated all day long to just sitting there and welcoming seniors to come in and let them explain the program to them and give them some options and help them get through the little confusion to get signed up.

These are just a few of the stories. I particularly wanted to, Mr. Speaker, talk about a lady in Polk County, one of my favorite counties in my district. Lola Squires of Polk County was paying $1,016 a month for her medications. As a widow on a fixed income, she often had to choose between buying food and buying medicine. With Medicare Part D, Lola now pays only $27 a month and her savings are almost $1,000 a month, $989.

Well, the whole point is the initial enrollment period ends May 15, Monday. Again, we want to say to those 5½, 6 million not signed up, sign up now to avoid the premium increase penalties. There will be no, and I repeat, no premium increase penalties on the low income. It is important that I say that over and over again, because the other

side is suggesting just the opposite, and it is flat out not true.

The way to do it, www.medicare.gov, or just pick up the telephone and dial 1–800–Medicare. Log on or call 24 hours a day, 7 days a week, for personalized assistance with Medicare Part D. The amount of personnel has been beefed up tremendously in this last 6 weeks so when you dial that number the wait time probably is not going to be more than 45 seconds.

We are making the effort, and we will continue to make the effort, because it is the right and compassionate thing to do, Mr. Speaker.

I would just like to say in conclusion, we fuss and fight a lot around here, my colleagues. We all know that. Sometimes we embellish a little bit the arguments we make. And sometimes, very usually in a very honest way, we have differences of opinion on legislation and amendments and how you can make a bill a little bit better. We try to always not let the perfect get in the way and destroy the good. And that is the typical process.

But in something like this, I think that even though when we passed this bill, so-called in the wee hours of the night in November of 2003, there was bipartisan support. There was a lot of rhetoric back and forth, but in the final analysis there was bipartisan support.

It is time for the losing side, if you will, to get over that, to put that behind them, and not to continue to be obstructionists in a program that is a God-send for so many of our seniors and an absolute no-brainer as to whether or not they should sign up.

Back then, 2 years ago, you saw Members come to the well and symbolically tear up their AARP card because that organization had the nerve to support a Republican program, or to take that prescription drug discount card, that transitional program, remember my colleagues, where low income seniors got a $600 credit towards the purchase of each of those drugs, for 2 years, $1,200 real money before we got this program up and running January 6? Our colleagues on the other side of the aisle were saying, tear up those cards.

Well, that is all history. That is all water over the dam, regrettable. But it is definitely time for us to say to our colleagues, put that behind you. It is an election year. We know that. We can fight and fuss over other things. We can try to create wedge issues and play ''gotcha'' and make the other side look bad, and hope we can on our side keep the majority and on your side gain it. That is fine. That is fair. That is what this process is all about.

But in a program like this, where we are talking about needy seniors, let's don't play politics with it at all. Let's do the right thing, and the right thing is to get out there, Members, on both sides of the aisle. When you come home late tomorrow night or early Friday morning, have a town hall meeting on Friday, maybe one on Saturday and one on Monday, and tell the seniors, even if you don't think this program is what it should have been and you could have presented a better program, let them know that there is a good benefit here and they need to sign up for it.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. COLE of Oklahoma (during the Special Order of Mr. GINGREY), from the Committee on Rules, submitted a privileged report (Rept. No. 109–460) on the resolution (H. Res. 810) 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 FURTHER CONSIDERATION OF H.R. 5122, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Mr. COLE of Oklahoma (during the Special Order of Mr. GINGREY), from the Committee on Rules, submitted a privileged report (Rept. No. 109–461) on the resolution (H. Res. 811) providing for consideration of the bill (H.R. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mrs. MCCARTHY, for 5 minutes, today.

Mr. ETHERIDGE, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. MCDERMOTT, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Mr. SNYDER, for 5 minutes, today.

Ms. CORRINE BROWN of Florida, for 5 minutes, today.

Ms. WASSERMAN SCHULTZ, for 5 minutes, today.

(The following Members (at the request of Mr. BURGESS) to revise and extend their remarks and include extraneous material:)

Mrs. BIGGERT, for 5 minutes, today.

Ms. GINNY BROWN-WAITE of Florida, for 5 minutes, today.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1382.—An act to require the Secretary of the Interior to accept the conveyance of certain land, to be held in trust for the benefit of the Puyallup Indian tribe.

ADJOURNMENT

Mr. GINGREY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, May 11, 2006, 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:

7385. A letter from the Acting Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule — Oil and Gas and Sulphur Operations in the Outer Continental Shelf — Incident Reporting Requirements (RIN: 1010-AC57) received April 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7386. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule — Oil and Gas and Sulphur Operations in the Outer Continental Shelf (OCS), 30 CFR 250 Subpart A, General — Data Release and Definitions (RIN: 1010-AC99) received April 24, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7387. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Northeastern United States; Atlantic Mackeral, Squid, and Butterfish Fisheries; Closure of the Quarter II Fishery for Loligo Squid [Docket No. 051209329-5329-01; I.D. 041406A] received May 3, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

7388. A letter from the Director, Regulations & Disclosure Law, Customs and Border Division, Department of Homeland Security, transmitting the Department's final rule — Establishment of Port of Entry at New River Valley, Virginia, and Termination of the User-Fee Status of New River Valley Airport [USCBP-2005-0030; CBP Dec. 06-10] received April 17, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7389. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Rates for Pilotage on the Great Lakes [USCG-2002-11288] (RIN: 1625-AA38 (Formerly RIN: 2115-AG30) received April 21, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7390. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; China Basin, San Francisco, CA [CGD11-05-020] (RIN: 1625-AA09) received March 16, 2006, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7391. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; GICW MM60 to GICW MM90, Longbeach, MS to Biloxi, MS [COTP Mobile-05-020] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7392. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; GICW MM90 to GICW MM128, Pascagoula, MS to Dauphin Island Bridge [COTP Mobile-05-021] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7393. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; GICW MM128 to GICW MM155, Mobile, AL to Gulf Shores, AL [COTP Mobile-05-022] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7394. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; GICW MM155 to GICW MM225 Orange Beach, AL to Santa Rosa Island, FL [COTP Mobile-05-023] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7395. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; GICW MM225 to GICW MM350 Santa Rosa Beach, FL to Aucilla River, FL [COTP Mobile-05-024] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7396. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Mile Marker 430.0 to the Entrance of the Southwest Pass Safety Fairway, LA [COTP New Orleans-05-029] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7397. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Ohio River, Miles 603.0 to 604.0, Louisville, KY [COTP Ohio Valley 05-010] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7398. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Ohio River, Mile Marker 918.5 to 932.0, Paducah, KY [COTP Ohio Valley-05-012] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7399. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Allegheny and Ohio Rivers Surrounding the Point, Pittsburgh, Pennsylvania [COTP Pittsburgh-05-012] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7400. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Ohio River Mile Marker 42.9 to Mile Marker 43.3, Chester, West Virginia [COTP Pittsburgh-05-013] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7401. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Ohio River Mile Marker 66.1 to Mile Marker 66.5, Weirton, West Virginia [COTP Pittsburgh-05-014] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7402. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Allegheny River Mile Marker 0.0 to Mile Marker 0.7, Pittsburgh, Pennsylvania [COTP Pittsburgh-05-015] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7403. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Sabine River, Orange, TX [COTP Port Arthur-05-012] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7404. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Security Zone; Savannah River, Savannah, GA [COTP Savannah-05-110] (RIN: 1625-AA87) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7405. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Upper Mississippi River Mile Marker 282.0 to Mile Marker 284.0, Louisiana, MO [COTP St. Louis-05-010] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7406. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Security Zone; Fair St. Louis 2005, Upper Mississippi River Mile Marker 179.2 to Mile Marker 180.0, St, Louis, MO [COTP St. Louis-05-012] (RIN: 1625-AA87) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7407. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Upper Mississippi River Mile Marker 614.8 to Mile Marker 615.2, Guttenburg, IA [COTP St. Louis-05-013] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7408. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Missouri River Mile Marker 28.2 to Mile Marker 28.8, St. Charles, MO [COTP St. Louis-05-014] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7409. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Upper Mississippi River Mile Marker 482.2 to Mile Marker 482.8, Davenport, IA [COTP St. Louis-05-015] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7410. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Illinois River Mile Marker 179.7 to Mile Marker 180.3, Chillicothe, IL [COTP St. Louis-05-016] (RIN: 1625-AA00) received March 16, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7411. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Weather Takeoff Minimums; Miscellaneous Amendments [Docket No. 30475; Amdt. 3150] received April 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7412. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30476; Amdt. 3151] received April 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7413. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30479; Amdt. No. 3153] received April 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7414. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30481; Amdt. No. 3155] received April 25, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7415. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; The Cessna Aircraft Company Models 208 and 208B Airplanes [Docket No. FAA-2006-23648; Directorate Identifier 2006-CE-07-AD; Amendment 39-14514; AD 2006-06-06] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7416. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Rolls-Royce plc Models RB211 Trent 768-60, Trent 772-60, and Trent 772B-60 Turbofan Engines [Docket No. FAA-2006-23605; Directorate Identifier 2005-NE-48-AD; Amendment 39-14500; AD 2006-05-03] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7417. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Bombardier Model CL-600-2B19 (Regional Jet Series 100 & 440) Airplanes [Docket No. FAA-2006-24110; Directorate Identifier 2006-NM-020-AD: Amendment 39-14508; AD 2006-05-11] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7418. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 720 and 720B Series Airplanes [Docket No. FAA-2006-24162; Directorate Identifier 2006-NM-031-AD; Amendment 39-14513; AD 2006-06-05] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7419. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 757-200 and -300 Series Airplanes [Docket No. FAA-2005-23282; Directorate Identifier 2005-NM-210-AD; Amendment 39-14496; AD 2006-04-14] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7420. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-200F, 747-200C, 747-400, 747-400D, and 747-400F Series Airplanes [Docket No. FAA-2005-22526; Directorate Identifier 2005-NM-008-AD; Amendment 39-14499; AD 2006-05-02] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7421. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; General Electric Company CF34 Series Turbofan Engines [Docket No. 2000-NE-42-AD; Amendment 39-14501; AD 2006-05-04] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7422. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747SP, 747SR, 747-100, -100B, -100B SUD, -200B, -200C, -200F, and -300 Series Airplanes [Docket No. 2001-NM-213-AD; Amendment 39-14479; AD 2006-03-15] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7423. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; MT-Propeller Entwicklung GmbH Propellers [Docket No. FAA-2005-20856; Directorate Identifier 2004-NE-25-AD; Amendment 39-14502; AD 2006-05-05] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7424. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 777-200 Series Airplanes [Docket No. FAA-2005-23357; Directorate Identifier 2005-NM-207-AD; Amendment 39-14505; AD 2006-05-08] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7425. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; BAE Systems (Operations) Limited Model BAe 146 and Model Avro 146-RJ Airplanes [Docket No. FAA-23477; Directorate Identifier 2005-NM-181-AD; Amendment 39-14507; AD 2006-05-10] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7426. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-200C, -200F, -400, -400D, and -400F Series Airplanes [Docket No. FAA-2005-23196; Directorate Identifier 2005-NM-187-AD; Amendment 39-14506; AD 2006-05-09] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7427. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747 Airplanes [Docket No. FAA-2005-22715; Directorate Identifier 2005-NM-108-AD; Amendment 39-14503; AD 2006-05-06] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7428. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Aerospatiale Model ATR42-300 and -320 Airplanes [Docket No. FAA-2005-20220; Directorate Identifier 2004-NM-152-AD; Amendment 39-14504; AD 2006-05-07] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7429. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model SA-365N, SA-365N1, AS-365N2, and SA-366G1 Helicopters [Docket No. FAA-2005-23159; Directorate Identifier 2005-SW-10-AD; Amendment 39-14510; AD 2006-06-02] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7430. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model EC 155B and B1 Helicopters [Docket No. FAA-2005-22697; Directorate Identifier 2004-SW-46-AD; Amendment 39-14509; AD 2006-06-01] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7431. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Cessna Model 500, 501, 550, S550, 551, and 560 Airplanes [Docket No. FAA-2005-20970; Directorate Identifier 2004-NM-53-AD; Amendment 39-14511; AD 2006-06-03] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7432. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-9-10, -20, -30, -40 and -50 Series Airplanes, and Model DC-9-81 (MD-81), and DC-9-82 (MD-82) Airplanes [Docket No. FAA-2005-221221; Directorate Identifier 2004-NM-128-AD; Amendment 39-14512; AD 2006-06-04] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7433. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model EMB-135 Airplanes; and Model EMB-145, -145ER, -145MR, -145LR, -145XR, -145MP, and -145EP Airplanes [Docket No. FAA-2005-23283; Directorate Identifier 2005-NM-185-AD; Amendment 39-14483; AD 2006-04-02] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

7434. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; General Electric Company CF34-1A, -3A, -3A1, -3A2, -3B, and -3B1 Series Turbofan Engines [Docket No. FAA-2004-18648; Directorate Identifer 2004-NE-26-AD; Amendment 39-14494; AD 2006-04-12] (RIN: 2120-AA64) received April 27, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

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. PUTNAM: Committee on Rules. House Resolution 810. 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. 109–460). Referred to the House Calendar.

Mr. COLE of Oklahoma: Committee on Rules. House Resolution 811. Resolution providing for further consideration of the bill (H.R. 5122) to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007, and for other purposes (Rept. 109–461). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. PRICE of Georgia (for himself and Mr. KLINE):

H.R. 5336. A bill to amend title XVIII of the Social Security Act to suspend the Medicare prescription drug late enrollment penalty during 2006; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BLUNT (for himself, Ms. PRYCE of Ohio, Mrs. MALONEY, Mr. CROWLEY, Mr. KING of New York, Mr. HOEKSTRA, Mr. BARTON of Texas, Mr. SMITH of Texas, Mr. YOUNG of Alaska, Mr. MANZULLO, Mr. REYNOLDS, Mr. BAKER, Mr. BACHUS, Mr. NEY, Mrs. KELLY, Mr. FOLEY, Mr. FOSSELLA, Mrs. BIGGERT, Mrs. MYRICK, Mr. DOOLITTLE, Ms. HARRIS, Mr. SHAYS, and Mr. MCCOTTER):

H.R. 5337. A bill to ensure national security while promoting foreign investment and the creation and maintenance of jobs, to reform the process by which such investments are examined for any effect they may have on national security, to establish the Committee on Foreign Investment in the United States, and for other purposes; to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CLEAVER:

H.R. 5338. A bill to prohibit the use of amounts in a Members' Representational Allowance to provide any vehicle which does not use alternative fuels; to the Committee on House Administration.

By Ms. LEE (for herself and Mr. SERRANO):

H.R. 5339. A bill to confirm the jurisdiction of the Consumer Product Safety Commission

with respect to releasing systems on residential window bars and to establish a consumer product safety standard ensuring that all such bars include a quick-release mechanism; to the Committee on Energy and Commerce, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KIND:

H.R. 5340. A bill to promote Department of the Interior efforts to provide a scientific basis for the management of sediment and nutrient loss in the Upper Mississippi River Basin, and for other purposes; to the Committee on Resources.

By Mr. BACHUS (for himself, Mr. FRANK of Massachusetts, Mr. HENSARLING, Mr. MOORE of Kansas, Mr. RENZI, Mrs. MALONEY, Mr. DAVIS of Kentucky, Mr. DAVIS of Alabama, Mr. SHAYS, Ms. HOOLEY, Mr. JONES of North Carolina, Mr. MATHESON, Mrs. BIGGERT, Mr. HINOJOSA, Mr. GARRETT of New Jersey, Ms. WASSERMAN SCHULTZ, Mr. NEUGEBAUER, Mr. CLAY, and Mrs. MCCARTHY):

H.R. 5341. A bill to amend section 5313 of title 31, United States Code, to reform certain requirements for reporting cash transactions, and for other purposes; to the Committee on Financial Services.

By Mr. FOSSELLA:

H.R. 5342. A bill to prohibit certain agency actions regarding the use of certain electronic devices onboard air born commercial airlines; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOHMERT:

H.R. 5343. A bill to protect State and Federal judges by clarifying that Federal judicial immunity covers all acts undertaken by judges pursuant to legal authority; to the Committee on the Judiciary.

By Ms. HOOLEY:

H.R. 5344. A bill to amend the Richard B. Russell National School Lunch Act to improve the summer food service program for children; to the Committee on Education and the Workforce.

By Mr. MATHESON (for himself and Mr. RENZI):

H.R. 5345. A bill to require ratings labels on video games and to prohibit the sales and rentals of adult-rated video games to minors; to the Committee on Energy and Commerce.

By Mr. MORAN of Kansas (for himself, Mr. UDALL of Colorado, and Mr. FORTENBERRY):

H.R. 5346. A bill to amend the Solid Waste Disposal Act to establish a program to provide reimbursement for the installation of alternative energy refueling systems; to the Committee on Energy and Commerce.

By Mr. SHAYS (for himself, Ms. WATERS, Mr. LEACH, Mr. WATT, Mr. DAVIS of Alabama, Mr. LEWIS of Georgia, Mr. FORD, Mr. WEXLER, Mrs. CHRISTENSEN, Mr. EVANS, Mr. GUTIERREZ, Mr. CUMMINGS, Mr. BOEHLERT, Mr. SCOTT of Georgia, Mr. OWENS, Mr. MEEKS of New York, Mr. PAYNE, Mr. KUCINICH, Mr. MILLER of North Carolina, Mr. COOPER, Mrs. JOHNSON of Connecticut, Mrs. MALONEY, Mr. UPTON, Ms. KAPTUR, Mr. CONYERS, and Mr. HOLT):

H.R. 5347. A bill to reauthorize the HOPE VI program for revitalization of public housing projects; to the Committee on Financial Services.

By Mr. STARK (for himself, Mr. RANGEL, Mr. LEWIS of Georgia, Mr. EMANUEL, and Mr. ENGEL):

H.R. 5348. A bill to amend title XVIII of the Social Security Act to restore financial stability to Medicare anesthesiology teaching programs for resident physicians; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TANCREDO (for himself and Ms. LORETTA SANCHEZ of California):

H.R. 5349. A bill to amend the Higher Education Act of 1965 to establish a student loan forgiveness program for nurses; to the Committee on Education and the Workforce.

By Mr. UDALL of New Mexico:

H.R. 5350. A bill to amend the Federal Deposit Insurance Act and the Truth in Lending Act to prohibit federally insured institutions from engaging in high-cost payday loans, to expand protections for consumers in connection with the making of such loans by uninsured entities, and for other purposes; to the Committee on Financial Services.

By Mr. MEEKS of New York (for himself and Mr. MCNULTY):

H. Res. 812. A resolution expressing gratitude to Mrs. Deloris Jordan and the James Jordan Foundation for improving the lives of inner city youth in the United States and initiating a public-private collaborative to establish a women and children's hospital in Nairobi, Kenya, and supporting the current Nairobi Women's Hospital for its dedication and commitment to the residents of Nairobi; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 226: Mr. OXLEY.

H.R. 378: Mr. HASTINGS of Florida and Mr. JEFFERSON.

H.R. 503: Mr. LINCOLN DIAZ-BALART of Florida.

H.R. 550: Mrs. TAUSCHER.

H.R. 559: Mr. KILDEE, Mr. PALLONE, and Ms. MATSUI.

H.R. 583: Ms. NORTON and Mrs. LOWEY.

H.R. 633: Mr. UDALL of Colorado.

H.R. 807: Mr. BOSWELL.

H.R. 808: Mr. LEWIS of Kentucky.

H.R. 819: Mrs. CAPITO and Mr. PENCE.

H.R. 891: Mr. BURGESS.

H.R. 916: Mr. JONES of North Carolina and Mr. CASE.

H.R. 964: Mr. CLAY.

H.R. 997: Mr. SIMPSON.

H.R. 1070: Mr. BARTON of Texas.

H.R. 1217: Ms. KAPTUR.

H.R. 1227: Mr. UPTON and Mr. BOYD.

H.R. 1264: Mr. ENGEL.

H.R. 1298: Ms. WOOLSEY and Mr. HEFLEY.

H.R. 1306: Mr. MCHENRY, Mr. MICA, Mr. SULLIVAN, and Mr. JINDAL.

H.R. 1415: Mr. MORAN of Virginia.

H.R. 1425: Mr. WAXMAN, Mr. PALLONE, Ms. CORRINE BROWN of Florida, Mr. MORAN of Virginia, and Mr. GERLACH.

H.R. 1426: Mr. FILNER.

H.R. 1504: Mr. RUPPERSBERGER.

H.R. 1522: Mr. NEAL of Massachusetts.

H.R. 1621: Mr. LEVIN, Mr. DICKS, and Mr. GRIJALVA.

H.R. 1709: Mr. FORD.

H.R. 1933: Mr. BOREN.

H.R. 2178: Ms. SCHAKOWSKY and Mr. THOMPSON of California.

H.R. 2231: Mr. RYAN of Wisconsin, Mr. LARSON of Connecticut, Mr. ISSA, Mrs. NAPOLITANO, Mr. LEWIS of Georgia, Mr. PORTER, Mr. BUTTERFIELD, Mr. KANJORSKI, Mr. LINCOLN DIAZ-BALART of Florida, Ms. DELAURO, Mr. ROTHMAN, Mr. NUNES, Mr. FOLEY, Mr. STARK, Mr. CHABOT, Ms. ROYBAL-ALLARD, Mr. DAVIS of Tennessee, and Mr. RAHALL.

H.R. 2234: Mr. HOYER.

H.R. 2238: Mr. MOLLOHAN, Mr. MCHUGH, and Mrs. CAPITO.

H.R. 2323: Ms. ZOE LOFGREN of California.

H.R. 2376: Mrs. BONO.

H.R. 2429: Mr. DEFAZIO.

H.R. 2533: Mr. THOMPSON of Mississippi, Mr. CANNON, and Mr. NUSSLE.

H.R. 2635: Mr. LANGEVIN.

H.R. 2828: Mr. DELAHUNT.

H.R. 2943: Mr. UDALL of Colorado.

H.R. 2962: Mr. HOLT.

H.R. 3011: Mr. WOLF.

H.R. 3159: Mr. EVANS.

H.R. 3183: Ms. SCHAKOWSKY.

H.R. 3385: Mr. REHBERG.

H.R. 3547: Mr. MEEKS of New York.

H.R. 3559: Mr. BOREN, Mr. SHAYS, Mr. GONZALEZ, Mr. EDWARDS, Ms. MCCOLLUM of Minnesota, Mr. MCKEON, Ms. KAPTUR, and Mr. ABERCROMBIE.

H.R. 3859: Mr. SHAYS.

H.R. 3861: Ms. NORTON and Mr. CUELLAR.

H.R. 3949: Mrs. JO ANN DAVIS of Virginia.

H.R. 3964: Ms. SCHAKOWSKY.

H.R. 4063: Mr. GORDON.

H.R. 4157: Mr. MARCHANT.

H.R. 4166: Mr. FORD.

H.R. 4188: Mr. MEEKS of New York.

H.R. 4222: Mr. JEFFERSON.

H.R. 4381: Mr. CHANDLER, Mr. MCCAUL of Texas, Mr. MCCOTTER, Mr. COLE of Oklahoma, Ms. JACKSON-LEE of Texas, Mr. ORTIZ, Mrs. KELLY, and Mr. KING of New York.

H.R. 4384: Mrs. JOHNSON of Connecticut, Mr. WEXLER, Mr. PETERSON of Minnesota, Mr. CASE, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 4434: Mr. MCCOTTER.

H.R. 4435: Mr. MCCOTTER.

H.R. 4527: Mr. BISHOP of Georgia.

H.R. 4551: Mr. MARCHANT.

H.R. 4596: Mr. MCCOTTER.

H.R. 4600: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 4621: Mr. SIMMONS and Mr. BARTLETT of Maryland.

H.R. 4681: Mrs. WILSON of New Mexico and Mr. SCOTT of Virginia.

H.R. 4703: Mr. FOSSELLA.

H.R. 4710: Mr. CASE.

H.R. 4715: Mr. RENZI.

H.R. 4725: Mr. CONAWAY and Mrs. CUBIN.

H.R. 4730: Mr. ENGLISH of Pennsylvania.

H.R. 4736: Mr. BASS.

H.R. 4751: Mr. BASS, Mr. GERLACH, Ms. LORETTA SANCHEZ of California, and Mr. DENT

H.R. 4753: Mr. CONYERS.

H.R. 4761: Mr. FORTENBERRY, Mr. GILLMOR, Mr. GARY G. MILLER of California, and Mr. BISHOP of Utah.

H.R. 4472: Ms. FOXX and Mr. MCHENRY.

H.R. 4777: Mr. UPTON, Mr. BERRY, Mr. BROWN of South Carolina, Mr. CRAMER, Mrs. CUBIN, FOLEY, Ms. GRANGER, Mr. HALL, Mr. HULSHOF, Mr. LEWIS of Kentucky, Mr. SCOTT of Georgia, Mr. TAYLOR of North Carolina, and Mr. THORNBERRY.

H.R. 4810: Mr. GARRETT of New Jersey.

H.R. 4867: Mr. MOORE of Kansas.

H.R. 4894: Mr. FRELINGHUYSEN and Mr. WELLER.

H.R. 4922: Mr. MARCHANT.

H.R. 4932: Mr. SHERMAN, Mr. KUHL of New York, and Mr. BOUCHER.

H.R. 4949: Mr. FERGUSON.

H.R. 4960: Mr. FERGUSON.

H.R. 5013: Mr. SOUDER.

H.R. 5035: Mr. VAN HOLLEN.

H.R. 5051: Mrs. JOHNSON of Conecticut, Ms. SCHAKOWSKY, and Ms. WOOLSEY.

H.R. 5055: Mrs. MALONEY.

H.R. 5058: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 5106: Mr. GERLACH, Mr. GRIJALVA, Mr. OWENS, Mr. GUTIERREZ, Mr. PAYNE, Mr. SCOTT of Virginia, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GENE GREEN of Texas, Mr. DOGGETT, Mr. WEXLER, and Ms. Velázquez.

H.R. 5113: Mr. BAIRD.

H.R. 5116: Mrs. MALONEY and Mr. MORAN of Virginia.

H.R. 5129: Mr. KLINE and Mr. SODREL.

H.R. 5134: Mr. GORDON, Mr. MOORE of Kansas, Mr. ROSS, Mr. RAHALL, Mr. SNYDER, and Mr. BARTLETT of Maryland.

H.R. 5139: Mr. FITZPATRICK of Pennsylvania.

H.R. 5140: Mr. RUPPERSBERGER.

H.R. 5159: Ms. BERKLEY, Mr. BLUMENAUER, Mrs. BONO, Mr. BOOZMAN, Mr. CANTOR, Mr. CROWLEY, MR. DEAL of Georgia, Mr. ENGLISH of Pennsylvania, Mr. GINGREY, Mr. GOHMERT, Mr. HAYWORTH, Mr. KUCINICH, Mr. GARY G. MILLER of California, Mr. OTTER, Mr. POMEROY, Ms. PRYCE of Ohio, Ms. ROS-LEHTINEN, Ms. SCHAKOWSKY, Mrs. SCHMIDT, Mr. WALDEN of Oregon, Mr. WOLF, Mr. MARIO DIAZ-BALART of Florida, Mr. MARSHALL, and Mr. HOEKSTRA.

H.R. 5170: Mr. GALLEGLY, Mr. BASS, Mrs. CUBIN, Mrs. BLACKBURN, and Mr. FITZPATRICK of Pennsylvania.

H.R. 5171: Mrs. SCHMIDT and Mr. OXLEY.

H.R. 5173: Mr. RENZI.

H.R. 5177: Mr. MURTHA, Ms. HART, Mr. HOLDEN, and Mr. RAHALL.

H.R. 5201: Mr. MICHAUD, Mr. UDALL of Colorado, Mr. MURTHA, Mr. CUELLAR, Mr. SPRATT, Mr. GONZALEZ, Mr. SMITH of Washington, Mr. FRANK of Massachusetts, Mr. FERGUSON, Mr. THOMPSON of California, Mr. STUPAK, Mr. VAN HOLLEN, Mr. CARDOZA, Mr. PLATTS, Mr. DOGGETT, and Ms. LEE.

H.R. 5224: Mr. JOHNSON of Illinois.

H.R. 5230: Mr. BISHOP of Utah.

H.R. 5232: Ms. SCHWARTZ of Pennsylvania.

H.R. 5234: Mr. WEXLER and Mr. GORDON.

H.R. 5244: Mr. BERMAN, Mr. SCHIFF, and Ms. LINDA T. SÁNCHEZ of California.

H.R. 5246: Mr. CANTOR, Mrs. MYRICK, Mr. GENE GREEN of Texas, Mr. JINDAL, Mr. MCKEON, Mr. FILNER, Mr. TIBERI, Mr. LEACH, Mr. BARROW, Mr. MCCAUL of Texas, Mr. JENKINS, Mr. BONNER, Mr. BOSWELL, Mr. GERLACH, Mr. MATHESON, Mr. PRICE of Georgia, Mrs. MALONEY, Mr. POE, Mr. WELDON of Florida, Mr. PICKERING, Mr. NEAL of Massachusetts, Mr. CLEAVER, Mr. FORD, Mr. SCOTT of Georgia, Mr. GOODE, Mr. FOLEY, Mr. HAYWORTH, Mr. RAMSTAD, Mr. SPRATT, Mr. LINCOLN DIAZ-BALART of Florida, Mr. BACHUS, Mr. THOMPSON of Mississippi, Mr. BONILLA, Mr. PAUL, Mr. MARIO DIAZ-BALART of Florida, Mr. MICHAUD, and Mr. CULBERSON.

H.R. 5278: Mr. GERLACH, Mr. SOUDER, and Mr. ENGLISH of Pennsylvania.

H.R. 5291: Mr. KUHL of New York, Mrs. MILLER of Michigan, Mrs. BIGGERT, Mr. WELDON of Pennsylvania, Mr. DAVIS of Kentucky, Mr. ENGLISH of Pennsylvania, Mr. FRELINGHUYSEN, Mr. FITZPATRICK of Pennsylvania, and Mr. WELLER.

H.R. 5292: Mr. FEENEY and Mr. HASTINGS of Florida.

H.R. 5313: Mr. WELLER and Mr. ENGLISH of Pennsylvania.

H.R. 5315: Mr. SANDERS.

H.R. 5316: Mr. BOOZMAN, Mr. SALAZAR, and Mr. MARCHANT.

H.R. 5319: Mr. KUHL of New York and Mr. SHAYS.

H.R. 5333: Mr. HYDE.

H. Con Res. 42: Mr. PAUL.

H. Con. Res. 106: Mr. WELLER.

H. Con. Res. 323: Ms. BERKLEY.

H. Con. Res. 346: Mr. BILIRAKIS and Mr. TANCREDO.

H. Con. Res. 348: Mr. CONYERS.

H. Con. Res. 367: Mr. CASTLE, Mr. GOODLATTE, and Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 368: Ms. PRYCE of Ohio.

H. Con. Res. 380: Mr. COBLE, Mrs. BLACKBURN, and Mr. WEXLER.

H. Con. Res. 395: Mr. LARSEN of Washington.

H. Con. Res. 397: Mr. HYDE.

H. Res. 222: Ms. HARRIS.

H. Res. 566: Mr. FILNER.

H. Res. 765: Mrs. JONES of Ohio.

H. Res. 773: Mr. SAM JOHNSON of Texas and Mr. BISHOP of New York.

H. Res. 776: Mr. BISHOP of Utah.

H. Res. 780: Mr. BERMAN.

H. Res. 784: Mr. MILLER of North Carolina, Ms. MCCOLLUM of Minnesota, and Mrs. MALONEY.

H. Res. 785: Mr. BROWN of Ohio and Mrs. CAPPS.

H. Res. 792: Mr. RANGEL and Mr. FALEOMAVAEGA.

H. Res. 795: Mr. LAHOOD, Mr. ROGERS of Michigan, and Ms. HARRIS.

PETITIONS, ETC.

Under clause 3 of rule XII,

115. The SPEAKER presented a petition of the Missouri River Township Democratic Club, Missouri, relative to a Resolution to Impeach President George W. Bush and Vice President Richard Cheney; to the Committee on the Judiciary.

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PROCEEDINGS AND DEBATES OF THE *109th* CONGRESS, SECOND SESSION

Vol. 152 WASHINGTON, WEDNESDAY, MAY 10, 2006 *No. 56*

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

O God our rock, forgive us for deviating from Your will. Forgive us for careless work and half-finished projects. Forgive us for labors we have not yet begun because of procrastination. Forgive us for people we have hurt or disappointed. Forgive us for failing those who most need our help. Forgive us for the promises we have broken and the vows we have forgotten. Forgive the times we have disobeyed and grieved You.

Use Your lawmakers today as agents of reconciliation. Teach them to love You as You have loved them.

We pray in Your loving Name. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

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

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for up to 60 minutes, with the first 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 MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning we have set aside the first hour for a period of morning business to allow Senators to speak. Following that time, we will begin consideration of the small business health plans bill. Yesterday we invoked cloture on the motion to proceed and last night we reached the agreement to begin the bill this morning.

Chairman ENZI will be here to speak with Members about their amendments. We hope we can consider amendments related to the bill throughout today's session, and therefore I expect votes today. I ask Senators who have relevant amendments to come to the floor to speak to the two managers to see if they can reach an agreement to debate those amendments.

In addition, we have the Tax Relief Act conference report that was filed in the House yesterday. We will consider that conference report this week once it arrives from the House.

SMALL BUSINESS HEALTH PLANS

Mr. FRIST. Mr. President, I want to take this opportunity to paint the larger picture of why the small business health plans are so important to our Nation, to everyday Americans, and to the 46 million people who do not have health insurance today, and how it affects the cost of health care and thus the quality and access to health care.

Much of the discussion that has gone on and that will go on as we proceed with this bill centers on the fact that America is facing a health insurance crisis. It centers on the fact that health care premiums are growing. They are growing faster than individuals' wages or income, and this growing cost—skyrocketing cost—of premiums translates into a significant portion of the 46 million people who don't have insurance today—solely because of the price of the premiums of health insurance. I do think—in fact, I know—that is unacceptable in a country that is as prosperous as ours.

The medical impact and the impact on quality of life and life itself is embodied in the statistic that the Institute of Medicine reported in the fact that 18,000 Americans die prematurely each year because they don't have health insurance. A lot of people say why, because you eventually can get into a hospital, but it boils down to the fact that if you have some health insurance—just some health insurance—you do better than if you don't have health insurance. People can still go to emergency rooms whether they have health insurance, but entry into our system is much easier if you have health insurance.

So this is a big problem that troubles me as a Senator and as a physician, and it troubles and should trouble every American. That is why we are on this issue today.

About 60 percent of uninsured employees today work for small businesses. Unfortunately, these skyrocketing health insurance costs, coupled with very complicated State regulations, are pricing small businesses out of the health insurance market. They simply can't afford to buy insurance and to offer that insurance to their employees.

We hear a lot of statistics on the floor, we have already heard a lot, and you will hear them continually over the next couple of days as we address this issue. In the past 5 years, the cost of health insurance to companies has nearly doubled from roughly $4,200 per family—almost double—to $8,100. In 2005 alone, health care costs rose three times faster than inflation, and even faster for many small businesses. Consequently, the small firms, the small

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

businesses are the ones that are hit the hardest.

Many of them are operating on a very narrow margin already. They have had to cut benefits and, in many cases, eliminate coverage altogether for their employees. Some of them have been forced to lay off workers because of the cost of health care. They simply can't sustain it; it eats into their profits and they can't stay in business. So it is no wonder that small businesses across America have said to us and have made it known that access to affordable health care is their No. 1 concern: access to affordable health care.

That is what this small business health insurance debate is all about. It is the guts, the thrust of the bill on the floor today. Small business owners want to take care of their employees and their families. They want to do everything they possibly can. Most small businesses are family affiliated, many of them family run, but it is becoming impossible to do in the face of increases that are so far greater than any margins they have, these double-digit increases in health insurance every year.

One survey reports that only 41 percent of firms with 9 employees or less can afford to offer health benefits, compared to 99 percent of large firms. That hurts the ability of small businesses to attract capable workers, to stay in business, to stay competitive in the larger marketplace. Unfortunately, the system is broken and small businesses are caught. They are stuck.

Eighteen hundred State mandates are choking the ability of the private sector to offer affordable choices, reasonable choices. We have to cut out the redtape. We have to streamline the process itself. We have to get rid of the waste and abuse in the system.

We all know that small businesses are the engine of economic growth in our economy. These small businesses are where innovation occurs and these innovators create 60 to 80 percent of all new jobs nationwide. They generate more than 50 percent of the gross domestic product. In my home State of Tennessee, 97 percent of all businesses are small businesses. This aspect of affordable health care is their No. 1 concern.

It makes sense that if we want to expand health care coverage, if we want to diminish the number of uninsured, we need to start to at least make a major advance in an area where we know we can make a difference, and that is where the jobs are. That is why the Enzi-Nelson-Burns small business health insurance bill that we bring to the floor and will formally open debate on here in about an hour is so important.

I want to applaud Chairman ENZI for his tremendous work to pull people together on both sides of the aisle to address these issues. This bill represents the first real, major, solid step to end the small business health plan stalemate that has characterized this body in over a decade. Its purpose is to deliver meaningful reform for millions of Americans employed in the small business sector.

Under this plan, small business firms would be able to combine their negotiating power and to group that negotiating power in a way that purchasing clout can be used to purchase more affordable plans. By allowing that to happen, they could reduce the cost of health insurance by as much as $1,000 per employee, while reducing the number of uninsured, people who are uninsured today, by more than 1 million. The CBO recently estimated the Enzi-Nelson-Burns plan would increase Federal revenue by $3.3 billion between 2007 and 2016, while saving States an estimated $600 million in Medicaid spending during the same period.

I know this is a very important bill. I am delighted that we will begin on this bill in an hour, or a little over an hour from now. It will be a substantive debate and will go right to the heart of a major problem facing this country, and that is the uninsured. It will address the issues of cost, access, and quality. I encourage Members on both sides of the aisle to participate in this debate, to stay on the issues—we are talking about small business health reform—to not bring in extraneous issues, and with that pass a very important and substantive bill for the American people.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Democratic leader is recognized.

HEALTH CARE REFORM

Mr. REID. Mr. President, the problem with the Enzi bill is laid out in great detail in a report filed by the minority of the HELP Committee. This is not a question of my not liking the bill, it is not a question of Democrats versus Republicans, it is a question of the bill not being good. It is not a good bill, as indicated by 41 attorneys general. Forty-one attorneys general have signed letters saying the Enzi bill is not good for their States. These attorneys general are from Democratic States and Republican States. Insurance commissioners from around the country have acknowledged that the bill is not a good bill. The bill is opposed by 206 different advocacy groups and health care organizations, disability groups, and professional organizations.

For example, we know that the American Association of Retired People opposes this legislation. I was able to speak to Mr. Novelli a couple of times about this bill while it was moving through the system, and AARP believes the bill is very hurtful to senior citizens, as well as the Small Business Majority, the National Health Council, and the Lance Armstrong Foundation. As I said, more than 200 different organizations think this legislation is bad for the American people.

I have been led to believe that when this bill is brought to the floor, the 30 hours doesn't expire postcloture on the motion to proceed until sometime this afternoon. We have agreed to go to the bill at an earlier time. But it is not going to give the people in our country the opportunity to move forward on progressive, strong legislation. We will be stuck with the Enzi bill, and AARP doesn't think it is going to go anyplace. The amendments will be controlled by Senator ENZI. If he likes the amendment, he will allow us to offer it. If he doesn't, he won't. I submit that is not the way we should move forward on legislation brought forward during Health Care Week dealing with health care reform.

There are many issues related to health care we need to deal with. There are issues that are so fundamental to what is going on in the country today, and we believe the proposal put forward by Senator LINCOLN from Arkansas, the ranking member of the Finance Committee, Senator BAUCUS, and of course a person who has worked very hard on this legislation for months, Senator DURBIN, should be the legislation we debate. But it will not be. We should have the opportunity to offer amendments relating to postponing the May 15 cutoff line of the eligibility for Medicare drug benefits. That is not going to be allowed.

We should be able to offer legislation dealing with the ability of Medicare to be competitive and bid for drugs at a lower price. That won't be able to be offered.

We should be able to offer an amendment dealing with stem cell research, giving hope to millions of Americans. We won't be able to do that. That is unfortunate.

Walking into the Chamber today, I was asked by someone: Tell us what you stand for. I think, rather than what I stand for, what we stand for as a minority, it is who we stand for. I think that is the direction we should be focusing: Who do we stand for?

There are lots of people we stand for. We stand for parents with no health care. We stand for those people with maladies who are crying out for some research on stem cells so we can move forward finding cures for these diseases—Alzheimer's, Parkinson's, diabetes.

We stand for children who are attending failing schools because the Bush administration refuses to put money into the schools that needs it. It is reported today that very soon there will be 10,000 schools in America that will be failing. I don't think that speaks well. Why are they failing? It is because of this Leave No Child Behind Act that the President pushed so hard.

We stand for the soccer mom who, today, someplace, is going to fill up her vehicle with gasoline and find the price is prohibitive. Rather than filling up her tank, she will fill it half full,

enough to get through maybe the rest of this week, because the cost of gasoline is so high.

We stand for the high school graduates putting off being able to go to college because they simply can't afford the tuition. During the last 5½ years of this administration, college costs have gone up 40 percent. Student aid has been cut. Pell grants have been cut.

We stand for the guardsman who is concerned because he has been called back for the second tour of duty in Iraq. Reading the Washington Post today, I find that two Nevada soldiers were killed in Iraq yesterday, both from Las Vegas, a 46-year-old man and a 26-year-old man—killed yesterday.

We stand for the grandparents who are concerned about the debt this country is accumulating, recognizing their grandchildren will be forced to pay this debt. How big is the debt? During the 5½ years President Bush has been President, the national debt has almost doubled, now approaching $10 trillion. We just raised the debt ceiling to $9 trillion, and through some shuffling in the Republican-dominated House they have, in the last few days, raised that to $10 trillion.

We stand for senior citizens who are unable to have the proper medicine to take care of themselves.

The part that is so concerning is that we are doing nothing in this Congress to address the issues. There are editorials running around the country today talking about the majority, the Republicans, not raising issues of any kind because the debate is one they know they can't win. We need to be focusing on the high cost of energy and high cost of education. We need to focus on global warming, and we are not. It is being ignored because in the minds in the White House, it doesn't exist. We need to focus on this staggering debt. Remember, during the last 3 years of the Clinton administration, we paid down the debt. We were spending less money than we were taking in. That is certainly not the case now.

We are going to have a so-called debate on health care this week, but it is a so-called debate. It is really not a debate because we are being prohibited from offering amendments of significance. We are going to be forced to focus only on the Enzi legislation, which is a flawed bill. It is so flawed that it took the minority in the HELP Committee about 250 pages to outline the problems with this legislation. Usually minority reports are very short. This one is not. It is not because the consequences of the Enzi bill are so significant. This report looks at every State and indicates how every State is hurt as a result of the Enzi legislation.

I look forward to maybe a change of heart. Maybe there will be the ability for us to offer amendments. That doesn't appear to be the case. I hope that it is the case, that we will be allowed to offer amendments. That is the way we should deal with Health Care Week and not be stymied at offering amendments to this legislation, amendments that would really help—help those people who need help, not only with the hope of curing dread diseases but with the hope of 46 million people in America who have no health insurance, the senior citizens who hope they will be able to get prescription drugs at a lower rate, but because of the Medicare bill passed by this Republican-dominated town, Medicare cannot even negotiate for lower prices. They have to go to Rite Aid and buy their drugs like everyone else. HMOs can negotiate to lower prices because the legislation was directed toward managed care, not those Medicare recipients who badly need help.

MORNING BUSINESS

The PRESIDENT pro tempore. There is now 30 minutes under the control of the majority leader or his designee.

Who yields time?

The Senator from Idaho.

Mr. CRAIG. Mr. President, are we in morning business?

The PRESIDENT pro tempore. We are now in morning business for 30 minutes under the control of the majority leader or his designee.

Mr. CRAIG. I ask unanimous consent to speak for 10 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY

Mr. CRAIG. Mr. President, I come on the heels of the minority leader speaking about or at least attempting to define what he and his party believe in. I watched him struggle this morning to try to shape what they are versus what we are, and that is really what we heard discussed a few moments ago. But he kept going back to the issue of high energy costs and the soccer moms and their inability to fill their gas tanks today. So I am going to focus on that part of what he struggled to define this morning and speak to the realities that are out there and what has transpired over the last several decades as it relates to the inability of this country to produce energy and why that inability exists.

A couple of weeks ago, I came to the Senate floor to inform this Senate and awaken America to the reality that just 50 miles off the coast of Florida, China is drilling for oil—Not the United States but China. And the reason China is drilling for oil is that we have prohibited our own companies from the opportunity to drill in the northern Cuban zone, so that Cuba is now leasing out to other countries in the world except the United States.

Then I watched a rush to judgment on the other side as there was a flurry to say not only do we have to stop Cuba, we dare not let America, American companies, experts in deepwater drilling, experts in environmental soundness, ever drill in that region.

Today I wish to expand on that idea. I wish to talk about why America is in trouble today with energy and why that soccer mom is paying more at the gas pump today than she ever has. The answer is really right here. It happened right here in the Senate over the last several decades, starting in 1950.

From the 1800s to 1950, we were energy independent. We were the great producer of oil. But as folks came home from World War II and as our economy began to expand, we began to use more oil. Then, starting in the 1960s and 1970s, we began to say about oil: We need it, but we can't drill here and we can't drill there and we will drill elsewhere.

Here is our problem today, so clearly defined in a supply and demand environment in which we have become 60 percent dependent upon foreign countries to produce our energy for us. America now knows that. Two weeks ago, we watched the other side blame and blame again somebody, including this administration, for a failure to produce. But they failed to tell you what they had not done, had denied over the last two or three decades.

I went to the White House during the Clinton years and asked President Clinton to work with us, to floor what we call marginal wells in west Texas and Oklahoma so they could continue to produce. Why? Because oil was below $18 a barrel and there was no economy there. They couldn't make money and they were shutting the wells in. We said: Let's floor it and keep them producing.

We couldn't do it because of the politics of that Democratic administration. What happened? Those wells went off line. They were filled with concrete, and they stopped producing what would be a million barrels of oil a day into this market right now. So to the American consumer who is paying those high gas prices, you are lacking a million barrels a day into our markets by a Democratic administration that denied its happening. Darn it, that is a fact. That is reality.

What transpired during that other time? Let's go on to the next chart that talks about our failure to get certain things happening. The Presiding Officer knows all about ANWR. He knows all about Alaska and Alaskan production. It was Bill Clinton who vetoed, a decade ago, the ANWR bill which would have put upwards of 10 billion barrels into the market at about a million barrels a day. Let's do the math now. We shut in a million barrels a day in Texas and Oklahoma because of the politics of that administration, and then they vetoed ANWR at 10 billion or a million a day. That is 2 million barrels a day to which they said no. So the answer to the minority leader as to why the soccer moms are paying the highest price ever today for gas is quite simple. It is because they said no. They said no to stripper wells, they said no to ANWR.

Now let's talk about the rest of the story because what I am interested in

is the reality of the ''no'' politics, the ''no'' production, the ''no'' refinement. That is the answer to our problem today. You saw it on the last chart, the chart of supply and demand and 60 percent dependency on foreign sources. We cannot even drill in our own hemisphere.

Then let's go to this map. I call it the no zone. Why is it called the no zone? Because you can't drill here and you can't drill here and you won't drill here and you can't drill here. Why? American politics today. It is the no-drill zone.

If we could drill in the no-drill zone, it is possible that we could find, through U.S. geological surveys already under way, 115 billion barrels of oil and a phenomenal amount of gas. But the answer is no. Who said no? They said no. Republicans didn't say no.

Let me talk about that for just a moment. President Bush comes to town. We meet over here in the leader's office. He says: My first priority is to allow the Vice President to assemble a group of the experts and put together a national energy policy. We have to get this country back into production. He said that as his first initiative. Five years later, after they kept saying no, last August we got a bill. We are beginning to produce. But this is still all ''no.'' Mr. President, 115 billion barrels are outside the reach of the American consumer today, even though our technology is the best in the world and even though, after the worst natural disaster ever, we proved ourselves out in the gulf. In this little clean area right over here where we have not said no—at least the States of Texas and Louisiana didn't say no—we found out that wells went off line, rigs got blown off their foundations, but no oil was spilled. Why? Because of the phenomenal technology today and because of environmental rules and regulations that we have asked for and demanded compliance and received it from the major oil companies that drill in deepwater and the Outer Continental Shelf.

The reason I bring these issues today is quite simple: We have to quit saying no. The other side can demogog and they can try to blame, but the reality is here. The facts are here.

Let's run down the rest of the chart. We have said no to ANWR, no to OCS, no to 181 leasing, no drilling in the northern Cuba zone—at least American companies—while China drills in our backyard. American consumers need to know that the answer to their problem is not no. It is, yes, we can produce and, yes, we ought to produce and, yes, we ought to be energy independent and, yes, it ought to happen in our hemisphere, and, yes, we ought to be less dependent on foreign oil.

If we put all of those things together, America can be independent today. But you are not independent by saying no. And the answer has been no, no, no, no. That is why we ought to talk about the ''no zone'' and the naysayers and the minority who have said no for so long.

Reality is at hand. The American consumer is being squeezed at the gas pump like never before, and the answer still remains no. Americans are demanding that this be resolved. We are rushing to new production in all kinds of alternatives, but you do not get away by denying the obvious.

The PRESIDING OFFICER (Mr. MARTINEZ). The Senator's time has expired.

Mr. CRAIG. I thank the leader for that time.

I will conclude by simply saying 115 billion barrels of oil are denied because somebody—and it was over here—said no, and now we enter the ''no zone.'' Americans do not believe it. Americans are going to demand a change, and we ought to be able to deliver.

I yield the floor.

Mr. NELSON of Florida. Will the Senator yield for a question?

The PRESIDING OFFICER. The Senator has no time to yield for a question.

Mr. NELSON of Florida. I thank the Presiding Officer. I will raise the questions in a speech later on. I thank the Chair.

Mr. WARNER. Mr. President, we want to accommodate colloques. If the request is to be asked and granted by the Chair, then I suggest the morning business hour for the Republican side be extended 10 minutes to accommodate that.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. How much time does the Senator require?

Mr. NELSON of Florida. I am not going to request time.

Mr. WARNER. Mr. President, at this time I seek the concurrence of the Presiding Officer to speak about 12 to 14 minutes regarding General Hayden.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF MICHAEL HAYDEN

Mr. WARNER. I have known this fine officer for some time. I worked with him, and I'm very pleased that the President of the United States has asked the Senate for its advice and consent on this important nomination.

Mr. President, our Nation is at war on two main battlefields—Iraq and Afghanistan. The national security apparatus of our country centers around the White House, the National, Security Council there, the Secretary of State, the Secretary of Defense, the Secretary of Homeland Security and, most importantly, the new organization headed by John Negroponte, our national intelligence community.

It is imperative that this Nation receive as early as possible the replacement for Porter Goss to take over his position with the Central Intelligence Agency, and I hope that the hearings, which I believe will be scheduled, subject to Chairman Robert's views, early next week. Early next week there will be a very thorough investigation of this officer, and we, the Senate as a body, can conform General Hayden and move forward. This Senator, the Senator from Virginia, will give him the strongest support and as an ex officio member of the Intelligence Committee, I will participate in those hearings.

Before turning to General Hayden, though, I would like to say a few words about Porter Goss. Mr. President, I am privileged to know this fine public servant who, presumably, is going to step down here shortly and conclude, perhaps, maybe not, maybe another assignment some day, but he certainly has had a distinguished public record of service. He was at the CIA himself, and served thereafter in the Congress. That is when I first came to know him.

The Presiding Officer may recall that there was a time here, a dozen or so years ago, when, I remember, our good friend, Senator MOYNIHAN from New York, said, it is time to re-examine the CIA, and possibly abolish it. Well, I and others came to the forefront and did what we could to begin to put that debate into balance. And we successfully put in a bill, and Porter Goss in the other body put in a similar bill, to establish a commission to review the origins of the CIA, and see how it was an integral part of our intelligence system.

The late Les Aspen, the former Secretary of Defense, was the first chairman of that commission. He had an untimely death, and was succeed in that position by former Secretary of Defense Harold Brown, at that time also having finished his work in the Department of Defense. The Commission did an excellent job. I just point that out as a reference in history of how hard Porter Goss has fought throughout his career to preserve the integrity and the viability of the Central Intelligence Agency.

Now, we do not know, many of us, all the facts regarding this transition of positions. I personally hope to visit with Mr. Goss, and will do so prior to the hearings, so that I can understand his perspective more fully. But he did a lot of valuable work at that agency, notably he began to restore the focus of the agency to its principle function as it was established some 50 years ago, and that is the collection of human intelligence. So I say to Porter Goss, well done. And I say to General Hayden, you fill the shoes of a very able man, but you have a challenge of your own.

Now, there are several issues that have been brought up by the general's nomination, and I would like to address those issues. First, there is a question of surveillance. As the head of the NSA, the National Security Agency, General Hayden was in the business of collecting electronic signals from around the world, from emissions abroad. We will go into that very thoroughly during the course of the hearings. I think that debate I appropriate. But I wish to point out that a very important debate has proceeded on that

issue on the Senate floor. It will continue for some time. And that is a debate over the legal ramifications, in other words, what are the origins of the power of the President to have directed this type of collection?

I do believe that you can separate the collection, really, into two parts. One, the value of the collected intelligence from abroad as a contribution to our overall security. We have established now, here in the Senate, a larger committee that is looking into that, and I am confident that there will be a unanimous view that the collection of this intelligence, thus far, has been an important contribution to this Nation's effort in the war on terrorism.

The other question, equally important, is the question of legality. Now, let me make it clear. In my visit with General Hayden yesterday, I said to him, ''You're not a lawyer.'' He said, ''No, I'm not a lawyer . . . I, General Hayden, when instructed to initiate this program, carefully assessed all variety of legal opinions, and it was clear by those contributing the legal opinions, the Attorney General, the White House Counsel, and others, that I had the authority to do so. As a non-lawyer, I accepted their opinions, like all of us do every day in life, I accepted the opinions of our counsel, whether it be in private or public life.''

So I believe that the Intelligence committee, as it sorts that out, will eventually find that, while we may not resolve—and I doubt in the context of this nomination we will in fact resolve—the very important questions of the legalities of this program, we will decide that General Hayden acted in accordance with prudence, and was guided by appropriate counsel. So I believe that that issue will not be an impediment to his nomination.

Next is a question of the fact that this distinguished officer has risen through the ranks to become a four-star general. I have been privileged, I say with a sense of humility, to work with the uniformed people of this country for close to a half a century, in one way or another. I had a very modest military career of my own, but particularly when I was Secretary of the Navy, I had the opportunity work with and assess the biographies and the careers of many officers with worked their way from the lowest ranks up to four-star ranked general and flag rank in the Navy and Marine Corps.

Now, I certainly say to the people of this country, that an individual who can withstand all of the rigor, all of the competition, to come from the very bottom to the very top is one who has been screened and thoroughly reviewed by many peer groups. And how proud this officer is to have succeeded to have gained four-star rank. I do not personally have any trouble with his retaining that rank in this capacity, if confirmed by the Senate to lead the CIA. The question is raised, though, legitimately. It should be a civilian running our intelligence. But my distinguished colleagues, I say to you, it is a civilian that runs the intelligence community: John Negroponte. He is now the top individual in charge of this magnificent intelligence system that this country has.

Yesterday, I visited with Secretary Rumsfeld on this issue on several occasions by phone, and he spoke publicly to the issue, as well. He endorses General Hayden. He said, General Hayden will report directly to John Negroponte, the head of the overall intelligence community. And in no way does Secretary Rumsfeld feel that the fact that General Hayden continues to wear this uniform should there be any impediment in the chain of command, or in the responsibilities or the direction that this officer will give to his responsibilities. So, again, I believe that issue will be resolved in the committee hearings.

In the work of the Intelligence Committee to review the credentials, the integrity, the character of this individual, I am confident that he will meet the highest standards of the office which he aspires to take over at the direction of the President. So that will be behind us.

Finally, I would like to say a little bit about the Central Intelligence Agency itself. It is in Virginia, and I am privileged, as a current Virginia Senator, as have my predecessors, to give a little special attention, to that Agency. When the new structure of the intelligence community was devised here on the floor, I was active in the debate, and I think, if I can say with some modesty, helped to preserve more and more of the functions of that agency which I felt should remain in that agency, and the CIA has survived that legislation, I believe, quite well.

There is still more to be done in finally convincing various persons, distinguished individuals in that Agency, that this is the way it is under the law, and this is the way we have got to conduct our business in the future. General Hayden can do that. He did it at NSA. He made a transformation of the thought process over there, and likewise he can do it here.

But it is interesting: who would be his deputy? Well, we don't know entirely for sure, but I would like to read part of a column in today's Washington Post by David Ignatius. I happen to know him. His father, coincidentally, was Secretary of the Navy just before the late Senator CHAFEE and joined that Secretariat. And he is an author of some distinction.

He points out that the current thinking, and I believe it to be correct, is that the transition in the CIA would be painful for General Hayden, I read from his article, but he's got a good choice for the second person in Mr. Stephen Kappes. And it is interesting about Mr. Kappes' career. I would like to read just a part of the column.

At the core of the intelligence puzzle is the CIA, whose very name is outdated. It is no longer the Central Intelligence Agency, coordinating the work of the community. That's the DNI's job now. In a sensible reorganization, the CIA should refocus on the specific mission for which it was created more than 50 years ago—gathering HUMINT, which is intelligence jargon for the secrets between someone's ears. The days when the CIA could be all things to all intelligence consumers are over. Today's CIA should be a truly secret intelligence service in which the job of analysts is to target operations. The all-source analysis that creates finished intelligence should be managed by the DNI.

Making this transition at the CIA will be painful, and Hayden is a good choice for the necessary surgery. As a feisty military officer, he's paradoxically the right person to fend off poaching by the Pentagon. By his own admission, Hayden doesn't know much about the CIA's operational work, but he does know how to modernize a big, hidebound bureaucracy. He did that at the National Security Agency—helping the wiretappers adapt to a new world of e-mail, fiber-optic cables and wireless phones. He made enemies at the NSA, but he was a successful change agent.

Hayden will have the ideal partner in Stephen Kappes, who is slated to be deputy director. Kappes is something of a legend at the agency: a charismatic ex-Marine who knows how to lead from the front. He punched all the tickets—fixing a broken Iranian operations group that had lost a string of agents, serving as chief of station in Moscow and as head of counterintelligence, and visiting Moammar Gaddafi and persuading him to give up his nuclear weapons program. Kappes' pitch to the Libyan leader is said to have been blunt, and irresistible: ''You are the drowning man and I am the lifeguard.''

And on it goes. It points out very carefully that in the eyes of the professionals at the Agency, this gentleman, Mr. Kappes, is a man of impeccable credential, one who resigned from the Agency rather than fire his deputy, and that is to his everlasting credit.

So I believe the morale at the Agency will be raised, Mr. President. It is a magnificent group of professionals. Our Nation should take pride in the quality of persons who fortunately are selected to serve in the CIA for generations. And I am proud and humbled to have a voice in representing so many of the officers at the CIA, who are my constituents. But I do so in knowing that this Agency is essential to our intelligence operations. This new leadership team of General Hayden and Mr. Kappes will take over and provide the strong direction that is needed to even strengthen the Agency, and to the extent that there has been any diminution in morale, I am confident this team will raise in a very short period of time.

Mr. President, I ask unanimous consent to have printed in the RECORD the full column from David Ignatius, and an excerpt from the official biography of General Hayden.

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

[From the Washington Post, May 10, 2006]

THE CIA'S MISSION POSSIBLE

(By David Ignatius)

Firing Porter Goss was the easy part. The challenge now is to complete the reorganization of U.S. intelligence so that the 16 spy agencies under Director of National Intelligence John Negroponte are fighting America's enemies rather than battling each other in bureaucratic turf wars.

But how to fit the pieces together? That's the quandary for Negroponte and Gen. Michael Hayden, the administration's nominee to succeed the miscast Goss. I suggest they take a careful look at the British model. The Brits have a basic division of labor: a small, elite Secret Intelligence Service (known as MI6) collects human intelligence; an interagency group known as the Joint Intelligence Committee analyzes that information for policymakers and tells the spies what to collect. When I look at Negroponte's organization chart, that's the model that I hope is emerging. If so, he's moving in the right direction.

At the core of the intelligence puzzle is the CIA, whose very name is outdated. It is no longer the Central Intelligence Agency, coordinating the work of the community. That's the DNI's job now. In a sensible reorganization, the CIA should refocus on the specific mission for which it was created more than 50 years ago—gathering HUMINT, which is intelligence jargon for the secrets between someone's ears. The days when the CIA could be all things to all intelligence consumers are over. Today's CIA should be a truly secret intelligence service in which the job of analysts is to target operations. The all-source analysis that creates finished intelligence should be managed by the DNI.

Making this transition at the CIA will be painful, and Hayden is a good choice for the necessary surgery. As a feisty military officer, he's paradoxically the right person to fend off poaching by the Pentagon. By his own admission, Hayden doesn't know much about the CIA's operational work, but he does know how to modernize a big, hidebound bureaucracy. He did that at the National Security Agency—helping the wiretappers adapt to a new world of e-mail, fiberoptic cables and wireless phones. He made enemies at the NSA, but he was a successful change agent.

Hayden will have the ideal partner in Stephen Kappes, who is slated to be deputy director. Kappes is something of a legend at the agency: a charismatic ex-Marine who knows how to lead from the front. He punched all the tickets—fixing a broken Iranian operations group that had lost a string of agents, serving as chief of station in Moscow and as head of counterintelligence, and visiting Moammar Gaddafi and persuading him to give up his nuclear weapons program. Kappes's pitch to the Libyan leader is said to have been blunt, and irresistible: You are the drowning man and I am the lifeguard.

Kappes is the CIA version of the ultimate stand-up guy. After achieving his dream of heading the Directorate of Operations, Kappes walked away from the job in late 2004 rather than fire his deputy, Mike Sulick, as demanded by one of the conservative hatchet men Goss had brought with him from Capitol Hill. A former agency officer remembers the reaction to Kappes's departure: ''It was a devastating body blow, like someone has punched you in the solar plexus. The wind came out of the sails that day and it has never come back.''

Kappes had a plan for reorganizing the Directorate of Operations when he left, and he's in a position to implement it now. It's said that he wants to create a far more nimble spy service—one that can attack terrorist groups and other targets around the world more aggressively. Today the CIA is still locked in a Cold War structure, with the same fixed array of directorates and geographical divisions. The agency is frantically hiring new case officers, but under the old structure there aren't ''OCPs'' (or overseas covered positions) ready for them, so many of the young recruits languish, ''stacked up at headquarters like cordwood'' in the phrase of one CIA insider.

CIA veterans say Kappes hopes to create an operations capability that's more like a flying squad—detached from headquarters and its layers of bureaucracy. If an al-Qaeda call surfaces on a remote island in the Philippines where the United States doesn't have an embassy or consulate, officers from Kappes's revamped spy service could grab a laptop and be on their way in hours.

Maybe it's time to say goodbye to those three spooky initials ''CIA'' and the bloated, barnacle-encrusted agency they represent. Let Negroponte move his shop to Langley and create a new elite analytical service there. Meanwhile, let the covert operatives slip away in the night to destinations unknown, where they can get to work stealing the secrets that will keep America safe.

BIOGRAPHY OF

U.S. AIR FORCE GENERAL MICHAEL V. HAYDEN

Gen. Michael V. Hayden is Principal Deputy Director of National Intelligence, Washington, D.C. Appointed by President George W. Bush, he is the first person to serve in this position. General Hayden is responsible for overseeing the day-to-day activities of the national intelligence program. He is the highest-ranking military intelligence officer in the armed forces.

General Hayden entered active duty in 1969 after earning a bachelor's degree in history in 1967 and a master's degree in modern American history in 1969, both from Duquesne University. He is a distinguished graduate of the university's ROTC program. General Hayden has served as Commander of the Air Intelligence Agency and as Director of the Joint Command and Control Warfare Center. He has been assigned to senior staff positions at the Pentagon, Headquarters U.S. European Command, National Security Council and the U.S. Embassy in the People's Republic of Bulgaria. The general has also served as Deputy Chief of Staff, United Nations Command and U.S. Forces Korea, Yongsan Army Garrison, South Korea. Prior to his current assignment, General Hayden was Director, National Security Agency, and Chief, Central Security Service, Fort George G. Meade, Md.

EDUCATION

1967 Bachelor of Arts degree in history, Duquesne University, Pittsburgh, Pa., 1969 Master's degree in modern American history, Duquesne University, 1975 Academic Instructor School, Maxwell Air Force Base, Ala., 1976 Squadron Officer School, Maxwell AFB, Ala., 1978 Air Command and Staff College, Maxwell AFB, Ala., 1980 Defense Intelligence School, Defense Intelligence Agency, Bolling AFB, D.C,, 1983 Armed Forces Staff College, Norfolk, Va., 1983 Air War College, Maxwell AFB, Ala.

Mr. WARNER. I yield the floor.

The PRESIDING OFFICER (Mr. DEMINT). The Senator from Tennessee.

Mr. ALEXANDER. How much time remains?

The PRESIDING OFFICER. Five minutes.

ENGLISH UNITES

Mr. ALEXANDER. Mr. President, on Monday night, with unanimous support, the Senate passed resolution No. 458 that I sponsored, along with 12 other Senators, affirming that the Pledge of Allegiance and the National Anthem be said or sung in the language that unites us as one Nation, that language being English.

This was more than bipartisan. It was unanimous, with one dissent expressed on the other side. It should be virtually unanimous.

This is the land of immigrants. Almost all Americans know we need and must value our common language, which is English. Yet during the last week, the idea of a non-binding resolution expressing the Senate's thought that whenever we say the Pledge of Allegiance, sing the Star-Spangled Banner, take the oath of citizenship, that it ought to be in our common language, produced quite a little storm across the country. Some said we were restricting liberty.

But this not about what we are free to do; this is about what we ought to do at the opening of the Senate, at the opening of a ball game or Boy or Girl Scout troop meeting. As Americans, we are free to sing the Star-Spangled Banner in Swahili, we are free to say the Pledge of Allegiance in pig Latin, but that is not what we ought to do. And the Senate, by unanimous consent, said that on Monday night.

Some said this was disrespect for other languages. Nothing could be further from the truth. I believe our official documents ought to be in our common language. I have always favored, including when I was Education Secretary of this country, what I call ''English plus.'' The luckiest among us are those who know more than one language, but one of those must be English. Children should learn it as quickly as possible if they want to succeed in the United States of America.

The real reason for the storm of reaction to the singing of the Star-Spangled Banner in a foreign language is that most Americans instinctively understand that while diversity is important, unity is more precious. That is why we pledge allegiance to the American flag rather than the flags of the countries from which our ancestors came. That is why most of our politics is about principles upon which we agree, principles found in our founding documents. That is why we give rights to individuals instead of to groups. That is why we honor our common language, English.

In Sunday's Washington Post, a Chilean-American playwright, a professor at Duke, said our country is well on its way to becoming a bilingual nation and that he thought we would endure just fine. I respectfully disagree. I think it would make it harder for us to endure. I think it would make us more a United Nations than the United States of America.

Now the Senate unanimously agrees. So does the mayor of Los Angeles, an

Hispanic American. Antonio Villaraigosa said:

I was offended by the idea of a national anthem in another language because for me the national anthem is something that deserves respect. Without question the vast majority of people in the United States were offended, as well. Our anthem should be spoken English.

So says New Mexico Governor Bill Richardson, a Hispanic American, who said on the ''CBS Early Show'' last week:

I agree. The national anthem should be in English. Most immigrants want to become American. They want to learn English. They want to be part of the American mainstream.

Twelve cosponsoring Senators agree. Many Democrats in the House of Representatives have joined as cosponsors. Senator CONRAD from North Dakota spoke on this in the Senate last week and said:

A common language is absolutely essential to our Nation. I look to our neighbors to the north [meaning Canada] and see incredible traumas they have been through because they are speaking in two different languages. My own strong belief is we ought to say the pledge in English and sing the national anthem in English.

Ramon Cisneros, the publisher of a Spanish language newspaper in Nashville, e-mailed me:

Thank you for the resolution. Our common language as Americans is and will always be English. Our national symbol should always be said and sung in English.

We have worked hard to make English our common language, creating common schools, requiring new citizens to learn English to the eighth grade level. The Senate last week passed grants to help prospective citizens learn English. We welcome legal immigrants to this country. But we expect they will become American, that they will learn our common language, English, that they will learn our history, that they will subscribe to our values as found in the Declaration of Independence and Constitution, and when they became citizens, they will renounce allegiance to their former government and swear allegiance to our laws and Constitution. That is what holds us together as the United States of America.

So I am glad, in conclusion, that as the Senate stood together for our economic identity as Americans, it did it unanimously and passed our resolution affirming that statements of national unity, including the Pledge of Allegiance and the national anthem, should be said or sung in our common language, English.

The PRESIDING OFFICER. The Senator from Hawaii.

NATIVE HAWAIIAN GOVERNMENT ACT OF 2005

Mr. AKAKA. Mr. President, I rise today to talk about an issue of significant importance to the people of Hawaii, S. 147, the Native Hawaiian Government Reorganization Act of 2005. While opponents of this legislation have sought to characterize this issue as a Native versus non-Native issue, I am here to tell you that there is nothing further from the truth. This bill is important to all of the people of Hawaii.

Why? It is significant because it provides a process, a structured process, for the people of Hawaii to finally address longstanding issues resulting from a dark period in Hawaii's history, the overthrow of the Kingdom of Hawaii. The people of Hawaii are multicultural and we celebrate our diversity. At the same time, we all share a common respect and desire to preserve the culture and tradition of Hawaii's indigenous peoples, Native Hawaiians.

Despite this perceived harmony, there are issues stemming from the overthrow that we have not been able to address due to apprehension over the emotions that arise when these matters are discussed. There has been no structured process. Instead, there has been fear as to what the discussion would entail, causing people to avoid the issues. Such behavior has led to high levels of anger and frustration as well as misunderstandings between Native Hawaiians and non-Native Hawaiians.

As a young child, I was discouraged from speaking Hawaiian because I was told that it would not allow me to succeed in the Western world. My parents lived through the overthrow and endured the aftermath as a time when all things Hawaiian, including language, which they both spoke fluently, hula, custom, and tradition, were viewed as negative. I, therefore, was discouraged from speaking the language and practicing Hawaiian customs and traditions. I was the youngest of eight children. I remember as a young child sneaking to listen to my parents so that I could maintain my ability to understand the Hawaiian language. My experience mirrors that of my generation of Hawaiians.

While my generation learned to accept what was ingrained into us by our parents, my children have had the advantage of growing up during the Hawaiian renaissance, a period of revival for Hawaiian language, custom, and tradition. Benefitting from this revival are my grandchildren who can speak Hawaiian and know so much more about our history.

It is this generation, however, that is growing impatient with the lack of progress in efforts to resolve longstanding issues. It is this generation that does not understand why we have not resolved these matters. It is for this generation that I have written this bill to ensure that we have a way to address these emotional issues.

There are those who have tried to say that my bill will divide the people of Hawaii. As I have just explained, my bill goes a long way to unite the people of Hawaii by providing a structured process to deal with issues that have plagued us since 1893. The misguided efforts of my colleagues who seek to delay the Senate's consideration of this bill, however, may have a divisive effect on my state.

This bill is also important to the people of Hawaii because it affirms the dealings of Congress with Native Hawaiians since Hawaii's annexation in 1898. Congress has always treated Native Hawaiians as Hawaii's indigenous peoples, and therefore, as indigenous peoples of the United States. Federal policies towards Native Hawaiians have largely mirrored those pertaining to American Indian and Alaska Natives.

Congress has enacted over 160 statutes to address the conditions of Native Hawaiians including the Native Hawaiian Health Care Improvement Act, the Native Hawaiian Education Act, and the Native Hawaiian Home Ownership Act. The programs that have been established are administered by federal agencies such as the Departments of Health and Human Services, Education, Housing and Urban Development, and Labor. As you can imagine, these programs go a long way to benefit Native Hawaiians, but they also serve as an important source of employment and income for many, many people in Hawaii, including many non-Native Hawaiians. There are many Hawaii residents whose livelihoods depend on the continuation of these programs and services.

This, colleagues, is why this bill is important to the people of Hawaii. I ask all of you to respect our efforts by voting to bring this bill to the floor for consideration and for a vote.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, under the previous order, if I might inquire, the time is allocated to this side; is that correct?

The PRESIDING OFFICER. That is correct. Twenty-two minutes remains on the minority side.

Mr. NELSON of Florida. I thank the Presiding Officer.

Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Thank you, Mr. President.

HEALTH INSURANCE REFORM

Mr. NELSON of Florida. Mr. President, the underlying bill we are discussing is an attempt at a much needed reform of the health insurance system of this country.

If you wonder why there is the organization of health insurance in this country that we have, it is as a result of a historical accident. It was when all the veterans were coming home after World War II that employers, in order to get them to come and work for their company, would offer fringe benefits, one of those fringe benefits being health insurance. Therefore, a system developed in this country of organizing health insurance around an employer.

As time grew and things got more complicated, health insurance offered

by an employer that was a large employer, with hundreds and thousands of employees, could offer a cheaper rate because of the principle of insurance; that is, you take the health risk, you spread it over the most number of lives, and therefore you bring down the per-unit cost or the cost to the individual for the health insurance premium. Because in a much larger group, you have young and old, you have sick and well; instead of a group being smaller and smaller—especially if it is a mom-and-pop store that wants to insure their employees—there are not many lives over which to spread that health risk, and therefore the cost of that health insurance is going to be so much more than on a large group.

That is why we have used the Federal Employees Health Benefits Plan as an example we should try to achieve. There are approximately 9 million people in that health insurance plan. So you have 9 million people over which to spread the health risk, and therefore you can bring down the per-unit cost. You can let it be private enterprise with the individual insurance companies competing for that business. And you give the consumer the choice: do they want a ''Cadillac'' policy with a lot of bells and whistles or do they want a ''Chevrolet'' policy, which is much more pared down?

Now, that is the ideal we ought to achieve, and that is what the Enzi bill is trying to achieve. The problem is that the Enzi bill has a fatal flaw; that is, there is no regulation of the insurance companies. That is the fatal flaw.

Now, I can inform the Senate, this Senator from Florida, prior to coming to the Senate, had the privilege—and I might say the toughest job in my entire adult life of public service—to be the elected insurance commissioner of the State of Florida. And through one crisis and another, you kind of, in that crucible, start to learn something about insurance. One of the things I learned is, if insurance companies are not regulated, then, guess what, insurance companies will want to insure the lower risk—in other words, the healthier people, the younger people who are not going to get sick—and if they do insure the sicker and the older, the price is going to go up through the roof.

You need a regulator to regulate the business of insurance, to protect the interest of the public. That is why, in the 1930s, the McCarran-Ferguson Act, passed by the U.S. Congress, left to the 50 States the regulation of insurance, and that is why departments of insurance are set up in most States—most of which, by the way, have an appointed insurance commissioner; very few States have an elected insurance commissioner—and they are there for the purpose of protecting the consumers of a product which is not a luxury and has now become a necessity. In the case of health insurance, we Americans look at it as almost something that is, if not a right, clearly something that is a necessity for the good health we all want to have.

So what is wrong with the Enzi bill? I can tell you, there is not a finer Senator than Senator ENZI. There is not a finer gentleman than Senator ENZI. So as I have talked to Senator ENZI about the deficiency of his bill, the fatal flaw—the idea of pooling is great, but when insurance companies are not regulated, as is the case in his bill, what is going to happen? The price is going to get jacked up. The group is going to get smaller and smaller. It is going to get older and older. It is going to get sicker and sicker. And the insurance premiums are going to continue to go up.

So I have talked to Senator ENZI, and I have said: Let's correct this deficiency by amending it so we impose what has been the delivery of insurance in this country since the 1930s; that is, the protection of the consumers with a regulator. But guess what. Senator ENZI is under the direction of the majority leadership, and the majority leadership says, in the consideration of this bill, they will not allow it to be amended.

Now, isn't the Senate the place where deliberation is to occur? And if this Senator from Florida, on the basis of his experience for 6 years as an insurance commissioner, can point out an improvement to the bill that otherwise, if passed and went into law, would do one thing: jack the rates up—exactly the opposite that all the small businesses that are advocating for this bill want; it would have the exact opposite result, it would jack the rates up—is it not the business of the Senate to deliberate, to consider amendments, to amend, to perfect, to improve, and then, hopefully, pass a much needed piece of legislation to give small business some relief from this accident of history that started at the end of World War II with the veterans coming home, organizing insurance around an employer?

Small business has it rough because small business cannot afford the cost of the insurance.

Now, another amendment that, of course, we would like to entertain happens to do with health insurance as well. But it has to do with senior citizens' health insurance; that is, Monday, May 15, is a deadline for senior citizens signing up under the new prescription drug benefit. Increasingly, senior citizens are anxious because they have this deadline they are being forced into.

Many of them—millions of them—not the ones who have automatically gone into the new program under the new law—I am talking about senior citizens who have to make a choice, knowing they are going to be penalized if, by Monday, they choose a plan, and then, if it is the wrong plan, it cannot be changed until the end of this year. So they are stuck. Or if they do not sign up for this plan by Monday, May 15, they are going to be penalized 1 percent a month. How many months is that between May and the end of the year? Six or seven. In other words, then, when they sign up, they are going to have to pay a 6- or 7-percent penalty. That is not right. We should not do that to our seniors.

All we could do is amend this bill. OK. Do not take my position, which gives them to the end of the year. Well, let's give them 2 or 3 or 4 months before the deadline comes. But the clock is ticking, and it is ticking down to next Monday, May 15.

I yield to the Senator.

Mr. KENNEDY. Mr. President, wasn't the Senator's impression that the prescription drug program was going to be a voluntary program? And for millions of people—or for hundreds of thousands in my State—people felt it was going to be a voluntary program. They were absolutely confused. We have 45 different programs with a wide variance in copays and deductibles with individuals on a formulary one day and off a formulary another day.

I would be interested as well if the Senator would comment on the General Accounting Office's report that I thought was rather devastating in terms of the ability of the CMS to be able to communicate to seniors about their options.

As I understand what the Senator from Florida is saying, millions of Americans thought the prescription drug program was voluntary, so they did not think they really had to get involved in it. Then, they might have heard they better sign up. Now they are increasingly conscious about the penalty and, at the same time, we have a General Accounting Office report that said the ability for our seniors to understand the prescription drug program is a real mystery.

How has that played out for the people in Florida whom you represent? How have the conclusions of that General Accounting Office report played out that said people would call up and they would get misinformation on the phone? There was confusion even among those who were supposed to be doing the briefings for seniors. The degree and the extent of confusion for seniors is because of the multiplicity of programs.

I would be interested in what the Senator's experience in Florida has been.

Mr. NELSON of Florida. The distinguished Senator from Massachusetts is exactly right. In my State of Florida, being one of the States that has the highest percentage of senior citizens, indeed, they have been confused, they have been bewildered, and they have been frightened. They are confused because there are 43 plans in Florida they are trying to choose amongst. They are frightened because they know if they choose the wrong plan that maybe does not have the drug they need, they are stuck until the end of the year to make a change into another plan or they are frightened because if they are paralyzed to the point they cannot make a

decision by next Monday, then they know when they do make a decision, they are going to be penalized 6 or 7 percent on the premiums they are going to pay. Either way, they are going to get hit, through no fault of their own.

If only we would show some compassion here. As I said, as the Senator was coming to the floor, you do not have to take this Senator's position and delay it all the way to the end of the year. Why don't we get some compassion and delay it a few months so that, again, the groups that are out there that are trying to advise the seniors—one of the major concerns of the senior citizens is getting the health care they need; and prescription drugs today means so much to them, indeed, to us, as well, with regard to the quality of life we are privileged to have not compassionately extend this deadline a few months in order to give some relief?

Yet we come to the floor, we try to do that, and we are prohibited through a parliamentary procedure of filling the amendment tree so that we cannot offer these amendments, whether it be this one or the one I spoke about earlier which is to correct the deficiency of the Enzi bill and have some provision for regulation of insurance companies in health insurance.

Mr. KENNEDY. I understand the President is in his home State today. Given the track record of the administration and the mismanagement of the prescription drug program and the fact that there is genuine concern and confusion among seniors, what reason did the administration give you for not following your extremely reasonable, sound suggestion that could make a difference for seniors all over the country?

Mr. NELSON of Florida. I thank the distinguished Senator for his question. The answer is, I have asked representatives of the administration in two different committees this same question. The answer comes back, coldheartedly: We have a deadline. We have to enforce that deadline or people will not make a decision.

I understand the necessity of a deadline. The nature of human beings is that we often procrastinate. But there are compassionate exceptions that ought to be considered. This is one. Coming from a State, as I do, with a high percentage of our population made up of senior citizens, this certainly ought to be a compassionate exception.

Mr. DURBIN. Will the Senator yield for a question?

Mr. NELSON of Florida. I am happy to yield to the distinguished assistant minority leader.

Mr. DURBIN. I understand we are only about 5 days away from the deadline for people to sign up for Medicare prescription Part D. I know the Senator has joined me and others in suggesting this program could have been done differently, a lot fairer, a lot simpler, could have more competition so that seniors would have had even lower drug prices. Sadly, major parts of it were written by the pharmaceutical industry and by the insurance industry.

I know the Senator from Florida has spoken to many seniors, as I have, and knows that as they have tried to understand the program and sign up for it, some of them have been overwhelmed. In Illinois, there are over 45 different programs from which to choose. I talked to pharmacists, who are a good source of information, who tell me the seniors come in, throw up their hands, and say: What are we supposed to do?

I ask the Senator from Florida, when you reflect on the fact that there are some 35.8 million Medicare beneficiaries who have drug coverage, according to the administration, isn't it true that 70 percent of those people—more than 26 million—already had prescription drug coverage before this program was underway? And of the 16 million who previously did not have coverage, about 10 million or so have signed up. So we still have about 6 million of the 16 we were trying to sign up for drug coverage—sounds to me like a substantial percentage, 6 million—who have not signed up at this point, about 40 percent. They are facing a penalty.

Do I understand the Senator from Florida has joined with others, including myself, in legislation extending the deadline for signing up, also saying to the seniors: If you made a mistake in choosing a program, we will give you a makeover, a do over, so that you can change the program within 1 year without penalty? I ask the Senator to explain.

Mr. NELSON of Florida. The distinguished Senator from Illinois understands correctly. If the deadline were extended until the end of the year, the administration's own figures are that an additional 1 million-plus senior citizens would sign up of that group of 6 or 7 million. If that is a million seniors who would not suffer the economic hardship of an additional 6 or 7 percent penalty or the economic hardship of not being able to have the right drug they need because they signed up with a mistaken decision of a wrong formulary, then is that not worth it for the sake of the senior citizens to grant a compassionate extension?

Mr. DURBIN. I ask the Senator from Florida, does he believe, as I do, that if we would have allowed the Medicare Program to bargain with the drug companies to get, by bulk discount, the lowest prices for seniors, just the way the Veterans Administration does, that the end result would have been at least one kind of standard program, Medicare Program, with lower prices which other private companies could have competed with, if they chose? Wouldn't that have offered the lowest price to the seniors and one simple standard program to turn to if they had any doubts about the right choice?

Mr. NELSON of Florida. The Senator is correct. As a matter of fact, it is something the Federal Government has been doing for over two decades in the Veterans Administration. The Veterans Administration buys prescription drugs in bulk. As a result, the cost to veterans is $7 per month for their prescription drugs. Using the law of economics in the private free marketplace, buying drugs in bulk, you can negotiate the price down. But when this body passed the prescription drug bill 3 years ago, Medicare, the Federal Government, was prohibited from purchasing in bulk and negotiating the price down.

Mr. DURBIN. How much time remains, Mr. President?

The PRESIDING OFFICER. Less than 1 minute.

Mr. DURBIN. The administration has argued the reason they didn't let Medicare bargain down in bulk discounts is because they wanted the market to work its will. Am I correct in remembering that they also appropriated hundreds of billions of dollars to subsidize the insurance companies that were going to offer this? Is that kind of massive Federal subsidy consistent with free market economics?

Mr. NELSON of Florida. The Senator's point is not only correct, but it is so pointed that anyone who hears it should suddenly say: Ouch.

Mr. DURBIN. I thank the Senator.

Mr. NELSON of Florida. Mr. President, I yield the floor.

Mr. FRIST. 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. BURR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ISAKSON). Without objection, it is so ordered.

MORNING BUSINESS

Mr. BURR. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business until 2 p.m., with Senators permitted to speak for up to 10 minutes each; further, that this time be equally divided and upon the conclusion at 2 p.m. the Senate majority leader be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Madam President, as I understand, we are in a period of morning business.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator is correct.

HEALTH CARE WEEK

Mr. KENNEDY. Madam President, for those Americans who believe the Senate was going to have a debate this week on health care policy—and they have been watching the activities in the Senate this morning—they must be mystified about how and whether we are going to have a debate at all. We will know the answer to that at 2

o'clock, when the majority leader will address the Senate.

The best judgment now is, for all intents and purposes, that the debate on the issue of health care will be terminated through a parliamentary process that will be worked out, making it impossible to offer amendments to the underlying bill, which is the usual way of proceeding in the Senate. Instead of debate on health care, we will find that time will move on, there will be debate and discussion about some of the tax issues tomorrow and probably voting on cloture on the underlying Enzi legislation.

Let me point out how disappointed I am in this result. We are aware the leader said we were going to have a Health Care Week in early May, and we would have a chance to debate issues which relate to health care. Health care is a matter of enormous importance to families all over this country—we all know that. As Members of this Senate, we cannot go to our home States without being exposed to different aspects of the health care crisis. Certainly this is true more so today, perhaps, than in recent times. We are very disappointed that the Senate will not have the opportunity to address some of the underlying issues on health care.

We now have 46 million Americans who do not have health insurance. The total number of uninsured has been increasing by about a million a year over the period of the last 6 years. There is every indication that this increase in the number of uninsured is a phenomenon that is going to continue.

We know that in terms of the coverage, an increasing number of Americans are only a paycheck away from losing their health care insurance. They are very concerned about losing coverage, especially with all of the changes we see in terms of the economy and the challenges we are facing in terms of good jobs, good benefits, and health care protection.

For all of these reasons, Americans are concerned about losing health care insurance.

We have increased the total health care spending over 6 years from $1.3 trillion to $1.9 trillion. We are spending $600 billion more on health care and yet 6 million people have lost coverage. The numbers related to health are spending and the uninsured are going in the wrong direction. We have a growing number of uninsured, yet we are paying more in taxes and for the costs of health care. This does not make a great deal of sense. We ought to get about the business of trying to deal with the problem of decreasing numbers of insured Americans and increasing health care spending.

My State of Massachusetts has tried to get its arms around the problem of inadequate coverage of health are insurance, and I commend our leaders in Massachusetts for attempting to do that. We need to do that here in the Senate. Premiums have gone up 73 percent in the last 6 years. Wages have gone up approximately 13 percent. How do average working families possibly get ahead and afford the kind of health care they need when we see the costs of health care going right through the roof?

It is not just the costs of health care creating problems for working families. We know that working families are paying more in terms of gasoline, and they are paying more in terms of higher education. This last winter, in many instances my constituents were paying a great deal more on fuel assistance because of the rising costs of fuel. While costs are rising, wages are not.

All of these challenges are out there for Americans. Beyond this, we are in the age of the life sciences with new possibilities for breakthrough drugs in Alzheimer's and Parkinson's disease. If we had a break in terms of Alzheimer's disease and we were able act on that breakthrough, we would empty one-third of the nursing home beds in my home State of Massachusetts. There are profound implications in terms of the quality of life Americans people could live. Our influence could not only improve the quality of life for people in the United States but it could also influence the quality of life of people around the world. Though unimaginable, we have made reductions and cuts in NIH research at a time when we have splendid opportunities for breakthroughs in health care.

We thought we might have an opportunity to have a health care debate on stem cell research, an issue which led to legislation being passed in the House of Representatives. The legislation, which we believe a clear majority of this Senate favors, is now waiting on the calendar. I call it the legislation of hope—there are no guarantees about what stem cell research might be able to do in the future, but it will provide great hope for millions of families that have Parkinson's, Alzheimer's, spinal cord injuries, and so many other illnesses.

We should be able to do something that Senator NELSON from Florida has been talking about for weeks. Unless we take action, approximately 8 million American seniors will be paying more for prescription drugs if they do not file under the Medicare prescription Part D drug program in the next few days. We know most seniors are living on fixed incomes, and they will be paying hundreds of millions of dollars more if they do not file under Medicare Part D drug program. We have an opportunity to do something about this problem, but we are being blocked.

We are blocked on stem cell research. We are blocked on doing something for our senior citizens in terms of penalties related to the Medicare Part D drug program. We are blocked from perhaps changing our law and permitting our Medicare system to bargain with the pharmaceutical companies to get lower priced prescription drugs for our seniors as we do in the VA system. All of our seniors understand that Medicare should be able to negotiate lower prices for prescription drugs, but we are prohibited from doing that by law. There is virtual unanimity among the Democrats to change Medicare's ability to bargain for lower drug prices. Do we have an opportunity to do that? No, we cannot do that, either. We are prohibited from having that debate, having that discussion, having that vote which would mean so much to the quality of life of so many of our seniors, let alone the issues regarding the possibilities of reimportation of drugs, which has been an issue that many Members know can make a big difference in terms of availability of prescription drugs. However, we are not going to have that opportunity.

Finally, we are not even going to have the opportunity to see the small business proposal which has been prepared by Senator DURBIN and Senator LINCOLN which I strongly support. Their proposal can make a difference for small businesses. It helps small businesses retain health insurance for their workers and will provide incentives for those small businesses, the engine of the American economy, to bring people back into health care coverage. We ought to have the debate about Senator DURBIN and Senator LINCOLN's small business health plan proposal. Let the Senate make a judgment, a decision, about whether they favor, on the one hand, the proposal by Senators LINCOLN and DURBIN or, on the other hand, Senator ENZI. Let's have the votes and call it as we see it. But we are virtually prohibited from having that vote in the Senate.

Most Americans believed, when they elected their representatives, that they were going to come here, they were going to learn these issues, and they were going to tell their representatives what was on their minds. The Senators were going to learn the issues and then have a voice and a vote and try to move that process forward. Certainly that is what we all believe is our responsibility as elected officials. We thought we were going to have these debates and votes on health care this week, but we are not. I believe that this is a grave disappointment. It is an abdication of our leadership in the Senate on an issue which is of overwhelming importance—the quality of health care and the affordability of health care for the millions of American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, first I commend my colleague, Senator KENNEDY, for his leadership on this very important issue and all the many other issues on which he provides great leadership in the Senate.

I rise today to oppose this Senate bill, 1955. I believe it is well intentioned. I have the greatest respect for Senator ENZI and the role he is playing

as chairman of the Committee on Health and Education, on which I am privileged to serve.

However, I also believe this particular proposal, S. 1955, is flawed and has many potential unintended consequences which could have a devastating impact on millions of Americans who currently have health insurance coverage. It is for that reason that I am a strong supporter of the alternative to which Senator KENNEDY referred; that is, the alternative Senators DURBIN and LINCOLN have put together which I will speak about in more detail in a minute.

I also suggest an alternative proposal that would bridge the gap between these two approaches and would build on the bipartisanship we clearly need in order to make any progress on health care issues in the remaining weeks of this Congress, which are diminishing rapidly, as all are well aware.

First and foremost, we need to keep in mind the important tenet that is referred to often when we talk about health care; that is, first, do no harm. That is what physicians are taught when they go to medical school. Clearly, that is something we should be taught when we come to the Senate.

One of the most significant concerns I have with this legislation that is pending in the Senate is that the language contains sweeping preemptions of literally hundreds of State insurance laws, not just for association plans or for the self-employed or even just for small businesses, but the legislation as presented to us preempts those State laws for large businesses as well.

Consequently, for the millions of people who currently have insurance coverage and count on consumer protections and benefits—including coverage of cancer screenings, diabetes treatment and supplies, immunizations, well-baby care, prenatal care or whatever benefits and protections their States require be included in insurance policies—that security is wiped out by S. 1955.

In short, the bill literally puts at risk the health security of millions of Americans by preempting longstanding State insurance laws to impose an untried, untested proposal throughout the country.

While I certainly do not disagree with the idea that there may be insurance laws and mandates that States have enacted that are not needed, I do think most often the mandates and the provisions that are adopted at the State level are adopted in response to real needs those State legislatures have perceived and real crises that have been pointed out in those States. As such, by preempting those consumer protections, there are real national goals that we all share that would be undermined.

For example, we have a national goal to improve immunization rates among children. So why should we backtrack and potentially undermine what the States have done to ensure that insurance plans offered in the individual States provide for coverage of a full set of immunizations for their children?

While a number of Senators have come to the Senate floor condemning various State mandates, who really thinks we should not be covering cancer screenings, as an example, and treatment and prevention or diabetes education and supplies?

Some will argue that the benevolent insurance industry would never fail to cover these items. But, in fact, there are insurance products for sale in this country in some States—for example, in Ohio—that do not cover diabetes supplies and education, precisely because there is no requirement they do it.

State insurance laws, including mandates or laws regarding market conduct of insurance plans, were passed because of real problems that were perceived in the insurance market. Consequently, it makes little sense to preempt literally hundreds of State laws overnight and to put all hope that insurers would have to offer businesses a plan offered to State employees in one of the five most populated States. That is what is touted as the guarantee of consumer protections.

As the bill now reads, if a plan fails to offer certain protections, and it is being offered to employees in one of these five most populated States by that State, then that is a minimum that is acceptable throughout the country with regard to all insurance plans. I do not see why the people of New Mexico or the people of any other State should be at the mercy of what one of the Governors of these large States decides to offer to that State's employees.

The five Governors are certainly respected public servants—Governor Schwarzenegger, Governor Bush, Governor Perry, Governor Pataki, and Governor Blagojevich—that is a mouthful, Madam President—but I do not see why any of those Governors should be able to lessen the protections that we provide to consumers in New Mexico.

If Governor Bush passes a barebones package in Florida, do all of the people of my State of New Mexico have to fear losing health benefits? That would be the effect of the pending legislation.

In fact, for rural States, a package in the five most populated States is very likely to fail to recognize the special challenges we have in rural communities. Let me give you one example.

In New Mexico, we have a mandate for access to psychologists. If you sell a health insurance policy in New Mexico, you have to cover access to psychologists. This was passed in response to the fact that our State leads the Nation in the number of suicides per capita. Also, there are very few psychiatrists who are located in areas outside of Albuquerque and Santa Fe, which is our more urban part of the State.

So our State leaders, in part due to the leadership of my colleague, Senator DOMENICI, have been making great strides with respect to mental health coverage and benefits in New Mexico. But that could be undermined by this pending legislation. Literally overnight, our State mandates could be preempted and replaced with the allowance that insurance companies could provide whatever benefits they desire or that any plan offered by the five most populous States in the country to their employees would be adequate in New Mexico.

I would note that even though 42 States have requirements that insurance plans offer access to psychologists, Florida does not, and may not, in their State employees' plan. Therefore, any insurer could adopt that plan and hundreds of thousands of people would lose access to mental health professionals in a State such as mine, New Mexico. This is one example of real regional or local issues that I believe are not adequately addressed in this bill.

Another simple but important example of a problem with the legislation is that most States require insurance plans to cover newborns and adopted children and adult disabled children. This bill would undermine such requirements. Why should the Senate undermine this critical coverage of some of our Nation's most vulnerable children?

Fundamentally, we should not be encouraging underinsurance and benefit insecurity among most Americans as part of a bill that is intended to increase health coverage among small businesses, but, unfortunately, that is the unintended consequence of S. 1955.

It is why literally hundreds of national and State-based organizations have come out in opposition to S. 1955, including the Nation's State health insurance commissioners and 41 of our States' attorneys general. All of these groups and individuals are opposing S. 1955 precisely because the legislation contains numerous provisions that, as the attorneys general write, ''erode state oversight of health insurance plans and eliminate important consumer protections.''

While some organizations have literally tried to claim that the attorneys general did not know what they were doing by taking the position they have taken, I was an attorney general of my State, and I can assure you those attorneys general knew exactly what they were doing when 41 of them joined together in a letter of opposition to S. 1955. They surely know a lot more about the laws of their States and the consequences of eroding insurance laws than some of the groups that are attempting to criticize them in this debate.

But even if you do not believe the attorneys general, the bill's text reads clearly it will ''supercede any and all state laws'' applicable to small business health plans as well as State laws regulating all other types of health insurance plans, not small business health plans, in six key areas: No. 1,

mandated benefits; No. 2, rating requirements; No. 3, internal appeals; No. 4, rate and form filing; No. 5, market conduct reviews; and, No. 6, prompt payment of claims. So in all of those six areas, this legislation would override whatever the States have previously done.

So what are the consequences? As the attorneys general write:

> The point is that history has shown that eliminating state regulation of insurers has had extremely negative consequences for consumers, and there is no reason to exempt any insurer from the important consumer protections afforded by state regulation.

The sweeping nature of preemption of State laws and oversight is fairly breathtaking in this legislation. It is surprising to see how many of our colleagues, who are typically advocates for States rights, have embraced this legislation. It culminates with a provision in which insurance companies are afforded the right to sue States in Federal court.

The legislation, first of all, overturns and preempts this longstanding State authority over State insurance matters. Secondly, it imposes a new Federal system upon the States. Third, it declares States as nonadopted States if they do not conform their laws to the newly imposed Federal system. And, finally, it allows insurers to sue States in Federal court if they do not like the way the States are administering the federally imposed law.

Somewhere, it seems to me, the goal of the legislation has been lost. The stated goal was to give small businesses greater health insurance purchasing power and to reduce administrative costs in the purchase of health insurance. However, there are, in my opinion, far better approaches to achieving that goal than to gut State oversight of health insurance plans and to eliminate these important consumer protections.

For instance, eliminating the guarantee of coverage of insulin makes any insurance product meaningless to someone who has diabetes. As a result, I am a supporter—I know Senator KENNEDY indicated his strong support—and I also strongly support the legislation introduced by Senators DURBIN and LINCOLN precisely because it would address the affordability problems for businesses in the small group insurance market by giving them the ability to access a large purchasing pool which would be modeled on the successful Federal Employees Health Benefits Program, FEHBP. It would do so without eroding any of the consumer protections afforded people in State insurance laws and oversight.

Under this Durbin-Lincoln bill, small businesses would be allowed to band together in a large purchasing pool that would reduce premiums, reduce administrative costs, and give every small business and their employees a wide choice of plans. The amendment harnesses the power of market competition to bring down health care costs by using a proven negotiator that provides Federal employees across the Nation with access to affordable health care.

Let me make it very clear that we are not in any way affecting the health care coverage of Federal workers with this proposal, this Durbin-Lincoln proposal. Small businesses and their employees who choose to participate and buy their health care through this purchasing pool would be buying their health care through a separate pool—separate from Federal workers—but still a very large pool of small businesses around the country with 100 or fewer employees.

Last year, there were 249 private health insurance plans that participated and competed for the business of the FEHBP enrollees. This system would also benefit small employers. It would do so without undermining the benefits and coverage of large employers or the consumer protections that are afforded everyone under our State insurance laws.

What people fundamentally want from their insurance policy is something that is truly there when it is needed. Unfortunately, S. 1955 preempts that security and creates more unintended harm than good through an untested and unproven model of State preemption. In sharp contrast, this alternative that Senators DURBIN and LINCOLN—and I am proud to be a cosponsor—are proposing achieves the goals of helping small business in the underlying bill through a proven mechanism that each and every one of us and our staffs benefit from without upsetting the security that the health insurance marketplace provides to millions of Americans around the country.

There is also another alternative that I think is most promising for some type of health care reform in the reasonably near future in this Congress. This is bipartisan legislation that I was proud to join Senator VOINOVICH in introducing yesterday. This legislation, entitled the Health Partnership Act, is intended to move beyond the political gridlock we have in Washington on health care reform. I think that gridlock is, unfortunately, highlighted by the very debate we are having in the Senate this week.

Instead, the proposal Senator VOINOVICH and I have introduced sets us on a path toward finding solutions to affordable quality health care for all Americans by creating partnerships between the Federal Government and State and local governments and private payers and health care providers to implement some different and promising approaches to health care. In contrast to preempting State laws and solutions, the Health Partnership Act, which Senator VOINOVICH and I introduced yesterday, would provide for Federal funding and support to State reform efforts such as that recently enacted in the State of Massachusetts to reduce the number of uninsured, to reduce cost, and to improve the quality of health care. A Federalist approach to health reform, in sharp contrast to state preemption, would encourage a broad array of reform options that would be closely evaluated to see what is working and what is not.

Justice Brandeis is famous for his statement in 1932:

> It is one of the happy incidents of the federal system that a single courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.

The Health Partnership Act encourages this type of State-based innovation through a partnership rather than through preemption. This would help the entire Nation to better address both the policy and the politics of health care reform. As the debate before us underscores, there is not a consensus at the Federal level on any one approach. Instead of preempting State laws and innovation, we should be encouraging States to adopt a variety of approaches that may help us all better understand what does work and what does not. Rather than fighting to a standstill over whether the Enzi bill or the Durbin bill is the best approach, I would argue that the best solution would be to have a few States experiment with a model based on Senator ENZI's bill, if they chose to do so; other States experiment with a model based on the Durbin-Lincoln approach, if they chose to do so; and other States adopt alternative reforms such as those that have recently been passed by Massachusetts, Maine, New Mexico, New York, Illinois, Oregon, and Montana. This would also include encouraging reforms in local areas such as the three-share initiatives in a number of communities.

If given the opportunity—and there is still uncertainty about whether I will have that opportunity—I plan to offer an amendment that would give the States the choice between being covered by the Enzi model or being covered by the Durbin-Lincoln model for their small businesses. Therefore, the amendment would add the Durbin-Lincoln language to the Enzi bill with additional language that gives States the choice of deciding which approach to take.

If the proponents of S. 1955 are so confident that their approach is the best, let's let the States choose for themselves.

The PRESIDING OFFICER. By unanimous consent, it was agreed that each Senator would be limited to 10 minutes under morning business. The Senator has exceeded that time.

Mr. BINGAMAN. I ask unanimous consent that I be given an additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. From monitoring the various reform approaches that are taking place around the country, it is far more likely that we might learn from those efforts to actually find a mutual solution to the problem than to

continue to have needless health care debates on the Senate floor. Just as States passed expansions of coverage for children prior to Federal enactment of the State Children's Health Insurance Act, we should once again let the States lead the way to reform. When the passions of this week die down and there appears to be nothing left standing, I hope people will take a serious look at the bipartisan legislation Senator VOINOVICH and I, Senators AKAKA and DEWINE have introduced. It is supported by groups such as the American Hospital Association, the American Medical Association, the National Association of Community Health Centers, and numerous other national and community-based organizations.

As speaker after speaker has noted, it is well past the appropriate time to act. I hope we can act and actually legislate in this area during this Congress.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. BURR. Madam President, many Members over the last several days have come to talk about health care, specifically the effects on small business. I know my colleague didn't mean it the way it sounded, that this was a ''needless'' debate about health policy. It is a very needed debate about health policy.

In North Carolina, 98 percent of the firms with employees are considered small business. Small business is who we are here to represent in this piece of legislation. Small business is the American business today that can't afford to offer health care as a benefit to its employees. Why? Because small business has few employees. They don't have the ability to negotiate in the volume that large corporations do.

Some have argued this is not a crisis. In North Carolina, we have 1.3 million uninsured North Carolinians; 900,000 of that 1.3 million are individuals in a family or on their own where an individual works full time. There is somebody in the family who works full time in that house, be it the individual or a family member, who would have the option to be insured under this bill, at least individually or, if not, under a family plan, and our uninsured population from North Carolina could go from 1.3 million to 400,000 with the passage of one piece of legislation.

This is not a needless debate. This is a needed debate. This is a population that today has two choices—nothing and nothing. Because an employer has found that health insurance is cost prohibitive. What is the employer's choice? I can provide you health care, but I can't stay in business. What good have we done for the employees, whether they are in North Carolina or anywhere else, if the option is, I can give you a benefit, but I can't keep you employed? This is to attempt to try to bring the same ability that big business has to small business, to negotiate as an association, as a group. This is the most natural thing I could think of that we could do to begin to relieve the pressure.

Does it solve health care? Absolutely not. It will take much more pressure from the American people for us to tackle the real structural changes needed in health care. But let me relate some stories from North Carolina and around the country. This comes from Hickory, NC. This woman owns a custom plumbing and heating business. She says she would like to be able to offer her employees and their families affordable health care coverage.

As a parent and employer, I know the importance of having affordable insurance and the financial devastation that occurs when you have no coverage. Unfortunately, there has to be a tradeoff.

She says she only has one of two options to keep her doors open—either employees have no insurance or they don't have a livable wage.

Another one from an area in North Carolina, a small business owner has provided health insurance for his employees at no cost to them for the past 10 years. However, every 2 or 3 years he spends at least 2 months shopping for insurance because he knows that the rate increase is coming. We have all faced that. He would like to continue to provide insurance for his employees but he doesn't think he can hold out much longer.

Think about the employees. Think about the families.

This one is from Greenville, SC, a small business owner who says that providing health insurance is becoming unbearable for small businesses such as hers. She calls it a ''hardship.'' She is a widow. She is self-employed. Her health insurance is an expense she can hardly afford. Similar to many of her employees, she has a $5,000 deductible, and her monthly premium consistently increases 35 to 40 percent every 6 months. This is unbearable. It is not something that she can stand, and it is not something that we should strap the American people with. But small business after small business, State by State, is faced with the same thing today: They can't buy with the effective tools that large corporations can.

We have spent over 30 hours debating whether we would even proceed to debate the bill. This is incredible. Now we are getting to a point where we will debate the bill and we will consider amendments. We may consider alternatives such as my colleague from Arkansas will discuss. But make no mistake, this is a very needed debate. This is not a needless debate about health policy. This is one that we have needed to have. We have needed to have a policy in place for years now. It is incredible to me that we could think that small business can continue to hold on just like the fingertips on a windowsill.

Across the country, the No. 1 issue facing small business today is the rising cost and the lack of access to quality health care. Earlier this week, we debated liability reform, something that is driving doctors out of the profession, that is affecting new medical students as they choose a specialty, where they are shying away from specialties like neurology, OB/GYN, things that to a population that is growing older and a population that we want to repopulate, as families decide to have children, are absolutely vital.

But we were denied the ability to proceed, denied the ability to go to a debate because people said we don't have a liability problem in America. Yet I gave a firsthand story about a friend of mine who is a nephrologist. I don't even know what that is. But he told me this: We are likely not to get sued. He told me that in the past 2 years his premium has gone up 300 percent. Some come to this floor, and they say this is not a crisis. We don't have a problem. Medical liability does not contribute to the rising cost of health care.

Any place in health care that experiences a 300-percent increase in a matter of years has an inflationary factor on everybody's health care. That is one example of a profession that is not the most likely to be sued, as are the OB/GYNs, the neurosurgeons. But we were denied the ability to move forward. It took us 30 hours to be able to debate the assets that we find in S. 1955. Is it perfect? No. Is it a carefully crafted piece of legislation that incorporates the State insurance commissioners who are in the business of regulating insurance products? Absolutely. It incorporates everything that everybody who sat around the table who had an interest in this said had to be there. Change one little piece, and now you have affected all the moving parts that exist.

What are we trying to do? We are trying to make sure that small business has the opportunity, if they choose, to provide for their employees' health care coverage. Anybody who would be against that, I can only assume that the only way they want to provide health care coverage is if the Government provides it.

I will tell everybody a story. I was elected to the House of Representatives 12 years ago. I worked for a small business, less than 50 employees. When I came here, I had an option of all the choices I could choose for insurance. I chose the company and the exact same plan that I had before in a company of 50 employees. What was the only difference in my health care coverage? It cost me $50 more a month to be a Federal employee and to have that health insurance. But there are some up here who suggest that the Federal Government should negotiate everybody's health insurance. From firsthand experience, the Federal Government is the last one I want negotiating anything for me. I would be willing to bet that my constituents feel the same way.

Ask the business owners I referred to if they want the Federal Government negotiating their health care policies. Absolutely not. They want the option of being able to offer health insurance.

These employees today have two choices—nothing and nothing. This debate is very simple. It is about whether we are going to offer them something versus nothing. This is a debate that is well past due. It is a debate that has to be completed. I am not convinced today that this bill will find it to final passage. I think it will get blocked. I think it will be filibustered.

I think Members of this body will, in fact, block the consideration. In North Carolina, this will block 900,000 individuals who could have health insurance who, because somebody here decides we are not going to move forward, won't have that option. Their choices tomorrow will be nothing and nothing.

Health insurance costs are on a track to becoming the largest portion of an employer's total benefit package—more so than what employers are putting into retirement plans or 401(k)s.

Madam President, I am going to continue to come to this floor, and I am going to continue to talk about real people across this country, not just in North Carolina—the ones who have the horrors of no choices and cannot continue to afford the policies they have, the employers who really do want to offer their employees a benefit because it enables that employee to stay with them. I am going to continue to read these stories in hopes that my colleagues on the other side will understand that this is about real people, that for once maybe they will look at the human face of this issue and understand that there are casualties all across this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Madam President, I, too, would like to echo the Senator from North Carolina, that this is a debate which is extremely critical. It is an issue which is—particularly from my standpoint—one that I get most consistently when I return home to Arkansas. I don't think the debate is whether it is a critical issue for us to discuss and come up with a solution; the critical question here is, Are we really doing our best? Are we really working hard to produce the best product we possibly can for the constituency that really needs us the most?

Small businesses are our No. 1 employer in Arkansas. They are the engine of our economy all across this great Nation. There is no doubt that they deserve the same quality of health care we have here as Members of Congress.

The Senator mentioned that, as he left small business and came to Washington, his premiums went up. The statistics show us that the premiums for Federal employees rise at a disproportionately lower percentage rate than the premiums rise in the small business market. We have seen drastic increases in the premiums in the small business market over the last several years. However, while we also, as Federal employees, have seen increases in our premiums, they have not been anything compared to the increases that have been seen in the small business marketplace. So there may have been some changes, but the point is that we have a good product that we enjoy as Members of Congress. The quality control on what we have is tremendous because we adhere to the State mandates and what States have seen in their States to be important to their constituency.

All States are different, but most of the States are consistent when it comes to things such as diabetes, maternity care, well baby care, immunization, cancer screening—things that have really made a difference not only in people's quality of life but also in terms of the cost of health care. States such as Connecticut actually cover anything—or mandate the coverage of Lyme disease because in Connecticut you actually see a prevalence of that. States have the choice. It is the State's right to be able to make sure that what their constituency wants in that product is going to be there. I believe that has worked very well. It is something we want to maintain. It is a quality control we enjoy, and there is no reason small businesses should not, also.

Madam President, I wish to comment and lend my voice to the fact that this is a critical debate, one about making sure we are providing for every other American out there, particularly in small businesses, the same opportunities and the quality of health care we enjoy.

I wish to address some of the issues that have been brought up in this debate that I have heard about the bill that I have worked hard on over the last 3 or 4 years—a bill Senator DURBIN and I helped each other put together after realizing what a great job the Federal Government had done in bringing the best of what Government can do in its oversight and the best of what private industry and competition in the marketplace can bring. It brings it to us as Federal employees and Members of Congress, and has for over 40 years, and it keeps down an administrative cost that is drastically lower than private plans out in the small business marketplace. At some point, it is somewhere around 25, or plus, percentage points lower in terms of administrative costs, which is practical in this day and age and something that is essential.

I applaud Senator ENZI in his effort and hard work at bringing about this issue and focusing on how important it is. I hope that the debate and our willingness to work to produce a good product is genuine and that we can actually do what is best for the American people and that we don't get caught up in a lot of the details of procedure here so that we miss the forest for the trees.

On the other side of the aisle, they have argued that our bill is just another costly Government program, which will cost taxpayers a ton of money. We are getting ready to spend a ton of money tomorrow in extending tax cuts that haven't even expired and don't expire for several years. We are going to spend a tremendous amount of money—$50 billion plus—on extending those tax cuts which don't even come up for expiration for another couple of years.

Here we have an opportunity to provide a tax cut to small business that could actually make an immediate impact on bringing down their cost of health insurance for themselves and their employees. This is kind of the first time I have ever noticed my colleagues on the other side, who all of a sudden don't want to provide a tax cut to small business because it costs. Yet we are going to have multiple tax cuts brought before us that come at a tremendous cost to the Government and to the deficit, and we don't even need them yet. Yet here is an opportunity to provide a direct tax cut, a credit, to small businesses to engage in the health care marketplace, encourage them to provide much needed health insurance for their employees, for themselves, and for the self-employed, and all of a sudden it is a cost that is just out of control. But if you look at that cost, it is amazing. It is maybe a third of the cost of the HSA that the President has been proposing. Yet we have the possibility and capacity under this plan to serve millions more Americans with health insurance—health insurance that is backed by the State mandate and the Office of Personnel Management, a proven negotiator, that negotiates for us, Members of Congress. So I just have a real problem with that argument.

The fact is that SEHBP won't create any new bureaucracy. Our plan will be run by the same agency that runs the health care program for all Federal employees and Members of Congress. The administrative costs are less than 1 percent. There is no new bureaucracy created. It already exists in the Office of Personnel Management. We might have to increase some of those people in that office, but we don't know what is going to happen at the Department of Labor, which is charged with implementing Senator ENZI's plan. There is no one in the Department of Labor who has ever done that. There is no part of that agency designed or created in order to do that. We would have to reinvent the wheel to provide a section of the Department of Labor that would be able to institute the Enzi bill.

In fact, most of the costs, as I have said, of our benefit plan for small businesses come in the form of a tax cut. So our costs are not administrative. We actually bring those down. Our costs are not an implementation. Our costs are providing the assistance to small business to actually get into the marketplace because we know that the more small businesses that get into the marketplace, the greater the pool.

I doubt there is anyone here who will argue with the fact that the real key to

providing good, quality, low-cost, consistent health insurance is in the volume of the pool because we all want to make sure that competition in the marketplace is what is driving the issue here. When you have a larger pool to negotiate with private industry, you are going to be able to negotiate a better deal. It is a better deal for everybody.

Forty-six million Americans are not getting health insurance now. Disproportionately, the largest percentage of those 46 million are working in small businesses. They are not getting health insurance. Health insurance companies should love the idea of being able to increase their market share with those numbers of people. In fact, we have worked hard over the last 2 or 3 years with the insurance industry to make sure that what we were creating was improvement on what was already in existence other than the Federal plan.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mrs. LINCOLN. Madam President, I ask unanimous consent for an additional 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. LINCOLN. Madam President, I believe it is so important that we heed the words of most of our parents, I am sure, when we were growing up, and those are: If it is worth doing, it is worth doing right.

We enjoy, as Federal employees, an incredible opportunity to provide health insurance for ourselves and for our families which provides real, substantial quality. It is not something we buy into with the idea that we will never get sick; we buy into it knowing that maybe we are just one automobile accident or one chronic illness away from needing comprehensive health insurance.

The increases my colleague from North Carolina talked about in terms of the number of people who would be added, those are immediate and they are temporary. They are mostly young, healthy people. The fact is that if we don't include everybody and we don't make sure all of the different chronic illnesses that exist out there are going to be offered, those who are less healthy are going to be shut out, they will become more costly, and the first time one of those young individuals, healthy individuals, has an accident or reaches a chronic condition, they too are not going to be covered under this plan. So I hope we will heed the idea that it is important to do what is right.

We have an opportunity here, at no additional cost. We could eliminate it, if the other side doesn't want to provide a tax cut to small business, that is OK. But we should maintain the quality, and I hope my colleagues will join me in that.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ISAKSON. Madam President, I was here about 15 minutes ago, and I learned one inevitable fact: this body is long on rhetoric and oftentimes short on results. In the case of health insurance and health coverage for the American people, we stand at a point in time when we have a chance to produce real results.

I have listened to the arguments over the last couple of days. In fact, I presided last night and got to listen to some of these negative arguments about S. 1955. I wish to try, in a positive way, to talk about the result that it affords and brings to the American people. I want to do it by, first of all, trying to establish credibility.

The reason I say that is, most of us come to the Chamber and speak oftentimes on subjects about which we have had few life experiences. Most of the Members—certainly a majority—have never really been in the private sector. Certainly, a lot have not been independent contractors. None of us right now are in the marketplace for health insurance in America.

For 33 years before coming to the Senate, I ran a small business. I had 200 employees but 800 independent contractors. My employees had medical benefits because we qualified under ERISA. My independent contractors, who were my salespeople, the assets of the company, because of Federal law and IRS treatment, were not allowed to be offered a benefit. They were subject to the free market, to buy spot insurance. They weren't the young and healthy. They were middle age, second- and third-career people, mostly women, and some men. They were very difficult people to cover in the spot market.

As a legislator during those 33 years, while I ran a small business, I did a ton of work on health care. In fact, I was the author of one of the State mandates in Georgia for direct access for dermatological coverage. I did so for a passionate reason: I am the survivor of a melanoma. My doctor caught it in time, and it was removed in time, and I am here today. I have great respect for that mandate for direct access.

As some of the people who have spoken—in fact, many on the other side have talked about the horrible thing this bill does by not including all of the mandates required of all of the States in this country. And the ads we see in some of the periodicals we read portend we are removing the possibility of people to have coverages that are mandated in their States. Let me address that and make the record straight.

Currently, in the United States, there are 109 mandated medical coverages in the 50 States and the District of Columbia. My State of Georgia has 39. This bill doesn't preclude any of those from being offered, but it doesn't mandate that they be offered, and it doesn't allow small businesses to associate across the Nation, form a large enough risk pool to be competitive in the marketplace and be able to compete and provide insurance to the American people who do not have insurance.

The first fantasy that has been purported as fact is that this bill takes away mandates. It doesn't take a mandate away from a single person who has it. What it does is give people who don't have any insurance at all the chance to get good, solid, basic health care, and when they get it, when they make their purchase decision, this requires they make that decision by being shown, at the same time they are presented with a basic policy, a policy that contains all the mandates contained in the five most populous States in the country. The consumer gets the choice that right now they do not have.

For the other side to allege we are taking away benefits, what we are doing is providing opportunity to folks who have no opportunity. I defy you to be 45 years old, a working carpenter with a wife and two kids, out in the marketplace trying to buy spot insurance. Can you buy it? Sure, if you want to pay $2,000, $2,500 a month, a price you can't afford to pay and put food on the table and shelter as well. So what do they do? They fly without coverage. When they get sick and they are really sick, they go to emergency rooms, and they end up raising the cost of health care to everybody, which raises the cost of health insurance to everybody.

What this bill does and what Chairman ENZI has done, which is the genius of it, it brings forth the ability of small businesses and people who cannot afford the coverage to go into the marketplace and buy health insurance.

On the mandate issue, there is no question that some of the insurance that will come out of this process will not include every mandate, maybe not all of the mandates, maybe not half the mandates. But what it will include is good, basic health care, and if a family that doesn't have good, basic health care coverage now all of a sudden has it, what happens? They start practicing better health. They start having more wellness. They start seeing physicians before they are sick rather than after they are sick and in pain. What happens is, we have more wellness, more preventive health care, and we have a lower cost of health care in this country to all the Americans who have coverage.

For the other side to say that what we are trying to do is take benefits away from people is disingenuous and wrong. We are trying to preserve the benefits of people in America, and to the 45 million who don't have any, we are trying to give them the opportunity.

For those who think the State knows best and therefore we ought to mandate they can't do this, they are denying choice of the most basic need in the United States of America, and that is the choice for a man and a woman and their children to be covered in the medical needs they have.

I can tell you that I spent most of my time running my business trying to make sure there was some access to affordable health care for those independent contractors to whom I could

not legally provide it. Over the 20 years I ran the company, it became more and more difficult. And over those same 20 years, the cost of health insurance went higher, higher, and higher. It went higher because the mandates became more and more difficult to provide to those individuals, in part because of the State mandates as well.

This opens a new door. It opens hope and opportunity for 45 million Americans. It gives us the chance to cover maybe 11 million, maybe 12, maybe 13. Senator BURR thinks 900,000 in North Carolina. The number I have heard for Georgia is the same. But whatever the number, S. 1955 offers hope and opportunity for affordable health insurance and better health care to millions of Americans. It takes away mandates from no one and ensures that the customer always has the choice of buying the product and the coverage they want and they can afford.

Chairman ENZI and the committee have done a great service to the American people. It is time for this Senate to do great service to their constituents. Give them a chance to have access to affordable, accessible health insurance for the 45 million Americans who do not have it.

I yield the floor.

The PRESIDING OFFICER (Mr. THUNE). Who yields time? The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. There is 14 minutes, but each Senator has been allotted no more than 10 minutes.

Mr. LAUTENBERG. It is my understanding that there is no request for use of time on our side, so I ask unanimous consent that I be able to use all of the remaining time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, we are in the midst of Health Week. Apparently, during Health Week, we don't pass any of the bills the American people want but, rather, we schedule procedural votes.

Why aren't we taking up something such as stem cell research? That is what the American people want to see us do. There is such value in the use of stem cells for research and potential treatment of all types of diseases. Despite all the promises of stem cell research, we are not working on it this week. This week we are simply doing our political stuff: posturing for the next election.

There are other important health care issues besides stem cell research that we could be taking up; namely, Medicare. We should be discussing that on the floor of the Senate. We should be passing legislation to extend the Medicare enrollment date past May 15.

Right now, under the present Medicare drug plan, if you don't sign up by this coming Monday, you will be penalized permanently for signing up late.

Millions of Americans are having serious problems understanding this outrageously complex Medicare plan, but the administration, the President of the United States is saying: Hurry up and make the choice, we are not going to extend the enrollment date. It is insulated from what reality is. It is too bad.

In New Jersey, seniors have to choose among 45 plans offered by 19 providers, and we are saying rush, rush, rush. Most people can't get through the language, no less the dates and those requirements. But the administration is saying to my constituents that even though their health is at issue, they have to rush to a decision. It sounds like this is a deadline that nothing can move and, unfortunately, that is the truth coming from this administration.

If we want to talk about health initiatives, Republican health initiatives, let's talk about the one that is in place, this horrible new Medicare plan.

We have seen the Republican model of health care, and it is not pretty. In fact, many have called it a disaster. One need only pick up the local newspapers to see this disaster play out from Maui to Miami, from Portland, OR, to Portland, ME. The new Medicare drug plan is failing our seniors.

We see it demonstrated in this placard in the headlines: The Boston Globe:

Many seniors say Medicare drug plan will not help them.

Newsday:

Medicare guide is in need of Rx.

The New York Times:

Drug plan enrollment opens amid confusion.

It goes through all of these well-known newspapers, showing the opinions they are hearing from their constituents.

How did we get there? This Medicare Part D Program is an example of the majority vision for the future of health care in our Nation. One thing that is pretty clear about Medicare Part D is that whoever wrote it was clearly not focusing on the health of our seniors, and if the goal were to help our seniors, there would not be this thing called the donut hole, a gap in coverage.

Many Americans have not heard about it or don't know what this coverage gap is. When I explain it to people listening at home, they are not even going to believe it. But it is true because I have heard about it when I address people all across our State.

The way the program works is that for many people, in the middle of the year when you have spent $2,250 on drugs, which is not a lot of money considering the drug use for preserving health and for prolonging life, their prescription drug coverage will stop at $2,250. They will not have any coverage, but they will still have to pay the premium.

What does that mean? It means that sometime in the summer or fall of this year, millions of Americans will walk into a pharmacy for their medication and the pharmacist is going to ask them for hundreds of dollars in payment. When the person says, Wait a minute, I have Medicare, the pharmacist will say: Yes, but you are in the donut hole, when you don't get any benefit until you reach spending over $5,100; so you will have to pay the full price now.

It makes no sense. It is hard to understand, but unfortunately it is true and it is happening. My office has been contacted by constituents who experience this problem, and we are trying to help them, but this is only the beginning.

Another senseless component of the Republican Medicare law is the prohibition that prevents Medicare—can you believe this—prevents Medicare from negotiating prices directly with the pharmaceutical companies. The VA permits that and the discounts are significant. But you can't do that in Medicare because the focus is to protect the companies rather than it is to protect the citizens.

I come from New Jersey, home of the world's leading drug companies. And I admire these companies. Their discoveries have saved the lives of untold millions of people. To be quite honest, they are often targets of unfair criticism. But I don't see any reason to prohibit Medicare from negotiating prices with these companies. Medicare, the largest health care system in the entire world, is prevented from negotiating with these companies. The Republican Medicare law prohibits Medicare from negotiating for a good price, and there is no valid reason for it.

When I talk with my constituents about this new Medicare law, all of them ask the same question: Why is this program so complicated? That is a good question. The program is complicated because the people who wrote it were not focused on helping seniors. Rather, they were focused on promoting ideology. The Republican ideology is now destroying Medicare because it is based on the need to privatize everything, outsource Medicare.

If the goal were to help seniors get their prescription drugs, the result would not be so complicated. We can't blame seniors and their families for being confused when we present them with the kind of complex picture they see.

The Democrats invented Medicare, and when it comes to serving the American people, running an effective Government, we do know how to do it. I think it is pretty obvious now in the wake of this Medicare mess and the bungled response to Hurricane Katrina that there is little ability to run our Government. It doesn't seem to work. Incompetence runs rampant.

Why can't they run a Government? Because they always want to farm out the hard work to the companies—Halliburton, the HMOs, and the list goes on and on. They even want to outsource our air traffic control system. Remember that fight? And that still looms in front of us. I will give you a real-world

example of why the Republican insistence on privatizing Medicare is hurting America's seniors. In one of my local papers back in New Jersey, the Bergen Record, there was an article about a pharmacist who has been trying very hard under tough circumstances to help his customers with this new Medicare program. One of the customers needed a 25-milligram version of a drug because her doctor found that the 50-milligram pill was causing too many side effects. When the pharmacist filled the 25-milligram prescription, the Medicare drug plan, run by United Healthcare, said they will not cover the 25-milligram, the smaller milligram, version. It is hard to understand.

United Healthcare told the pharmacist to cut the 50-milligram pills in half. The pharmacist correctly told the insurance company that it was a sustained-release drug and cutting it in half would make the pill ineffective. After waiting for some time on hold with United Healthcare, the pharmacist was told the customer would have to go back to her doctor and ask the doctor to file an appeal with United Healthcare, looking for special permission to get the smaller dose of the pill.

That is what real seniors are going through every hour, every day under this drug program.

I want to talk about United Healthcare in particular. United Healthcare paid its CEO, William McGuire, $124 million last year. That is right. The CEO of United Healthcare made almost $124 million in 2005. Now, if they were making widgets, that would be all right. But they are supplying health care to seniors and having this man walk away with millions of dollars—when the people who need health care are paying for it—it is not right. Those people are paying for that kind of a salary, that kind of an asset base.

The seniors in my State are upset, while the real beneficiaries of the Republican Medicare bill are still paid these outrageous salaries. It doesn't make sense. It is a disgrace.

The question has been asked: Should we scrap this program and do a real Medicare drug benefit? Maybe. But I would say this to the American people: As long as the same group is running this Congress, you are going to see more of the same happening. All we have to do is look at the condition that we find ourselves in over in Iraq, not knowing whether we are going or whether we are staying, and lives are still being lost. The cost for that war is going to be somewhere around half a trillion dollars before this year is over, and we are funding it with supplementals that carry all kinds of pork-laden projects. The management is terrible.

Management of the environment is terrible, when we look at what is happening and we see that snowfields in Mount Kilimanjaro in Africa that were there since the beginning of time will no longer be there in a few years, when we see that Glacier National Park will soon not have a glacier there, having had glaciers there since the beginning of time. The glaciers are melting in front of our eyes. If you look at pictures of animals up in Alaska, such as the polar bear, they are scrawny. They don't have the body size they should have when they are not getting sufficient nourishment. There is nothing being done about that. There is nothing being done about global warming as the Earth that we live on gets warmer and as the threats of flooding all over the seacoast States and communities becomes more and more apparent. So there is a question of competency that we have to look at. It is certainly not reflected in this Medicare plan.

Although it is late, I wish the President would show some good heartedness and say: You know what, seniors of America, we are going to help you. We know you can't get through this Medicare drug plan in time, so what we are going to do is delay it a few months. What is the big deal? I don't get it. Instead of permitting people to adequately review these plans so they can understand what they are getting into, there is a push to sign up. It is one that I don't understand.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, I understand we are in morning business?

The PRESIDING OFFICER. We are. That is correct.

SMALL BUSINESS HEALTH PLANS

Mr. ALLARD. Mr. President, I am going to speak under morning business on Senate bill 1955, the small business health plans legislation that is going to be before us shortly for formal debate. I come to the floor to talk about a piece of legislation that is important to my Colorado constituents. I would like to talk about the Health Insurance Marketplace Modernization Act, sometimes known as HIMMA.

This legislation, which is also known as the small business health plans bill, would allow for small businesses to come together to form a group which could then use their combined purchasing power to influence insurance companies for affordable health plans.

It has been suggested that those who serve in the Senate have no understanding of what small business folks are going through and that most of us have never been faced with the reality of having no health insurance and therefore don't understand the plight of the small businessman. I come to dispel that rumor. I am a former small businessman who couldn't afford the cost of health insurance for myself or for my employees.

My wife and I discussed options for ourselves and for our employees. Similar to many other small business owners across the country, we decided it would be better to raise our employees' rate of pay and allow them to purchase their own individual plans. My wife and I decided to begin setting aside our own savings account to pay for health care costs in case, for some reason or another, I had an incident or she had an incident where we needed to go to the hospital and thus needed health care coverage.

Being a veterinarian and lifting heavy dogs onto the exam table all the time, and not expecting the dog owner to pick up the other half of a giant breed such as a Great Dane, I ended up having back problems and had to have back surgery. I didn't have health insurance, but I paid for it myself out of my own pocket. Fortunately, my wife and I had the foresight to set aside a savings plan so that if something such as this did happen, we could pay for it. But it did set us back.

We were able to survive that particular incident. It was kind of an interesting thing, what happened to me when I went to go to the hospital. The administrators didn't want me to go into the hospital. The hospital would not let us in because we did not have health insurance. I said: Well, I will pay for it. When we got in there, I had the surgery, and I did very well, and I am very active today. The doctors did a great job on surgery. When we checked out of the hospital, the administrator said that they would reduce our costs by 20 percent because they did not have to deal with the paperwork and with the cost of having to process my claim. So much of the paperwork is driven by trying to protect the hospital, the doctors, and the administrators from frivolous lawsuits. That has been my personal experience.

I must admit I was disappointed when, earlier in the week, Members of the Senate chose to side with trial lawyers instead of women and children. And I was disappointed that Members of the Senate decided to support turning the medical profession into a cash cow for the legal profession instead of allowing for legitimate compensation.

Again, in a matter of minutes, we will be debating the small business health plans bill and another attempt to bring down the high cost of health care, specifically for working class families who are employed by small businesses that, similar to my own situation, cannot afford to provide health insurance for their employees.

I think it is important for us to focus this debate on at least giving small businesses the opportunity to make a choice on providing health care for themselves and for their employees. Currently, because of the prohibitive cost of health care coverage for their employees, many small business employers don't even have the option of offering coverage.

Some of my constituents have brought to my attention over the past few weeks their worries that because of the lack of insurance benefit mandates, they could lose important benefits such

as diabetes services and supplies, and coverage of preventive services such as colorectal screenings and mammograms. These worries are unfounded. Today there are over 1,800 different State mandates for health care coverage, including different coverage mandates in different States for the same preventive care, services, and supplies. This huge variation in mandates has made it nearly impossible to provide standardized coverage on a national basis.

Additionally, the Government Accountability Office, which is an agency which helps to watch our dollars, has also found that the cost of mandates to a typical plan results in an increase between 5 and 22 percent. The Congressional Budget Office, another dollar-watching agency, estimates that for every 1 percent increase in insurance costs, a minimum of 200,000 Americans are left uninsured.

Facts suggest that things such as diabetes services and supplies and preventive services such as mammograms and colorectal screenings are usually covered by health plans, regardless of the State mandates. For example, the five most populous States require that diabetes care be covered. According to the American Diabetic Association and the GAO, only 4 out of 50 States do not require diabetic coverage.

The General Accounting Office also studied States that are not subject to mandated coverages of diabetic services and supplies. Despite not being subject to mandated requirements for coverage, several of the largest plans and many of the largest Fortune 500 companies provide comprehensive coverage for diabetes care.

This factual evidence also applies to preventive services such as cancer screening. The Government Accountability Office found that the majority of States that do not have mandates continue to provide coverage in a majority of their employer plans for cancer screening.

The bottom line is that the small business health plan bill makes logical sense. It will give small business owners what they want and what they need, and they will offer insurance coverage for their employees. It makes logical sense that plans covering preventive care will be offered because preventive care costs less in the long run. It makes logical sense that small business owners who currently cannot provide their employees with health care would purchase coverage because it is more affordable.

It is important to note at this point that a small business owner who buys health care coverage is also naturally subject to the same health care coverage that he provides his employees. Small business owners are pushing for health insurance coverage for themselves and their employees, which they otherwise could not afford. It is not logical that they would pay money for a plan that does not provide them with medical coverage. Also, the point of small business health plans is so that small businesses can join together to use joint collaboration to get their health care needs met.

I support the legislation because I support giving small businesses a choice. I support giving small businesses the opportunity for health care coverage that they currently do not receive. I support giving diabetics the opportunity for health care coverage, instead of leaving them completely without services and supplies. I support giving small business employees the opportunity for cancer screening and preventive care, instead of leaving them with nothing and no opportunity to provide health care for themselves and their families.

I urge my colleagues to support the small business health plans legislation, and I urge my colleagues to vote in favor of Senate bill 1955, the Health Insurance Marketplace Modernization Act. I urge my fellow Senators to give small businesses the opportunity to access health care for themselves and their employees.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, I come to the Senate floor to speak about getting some long overdue help for small business men and women in Tennessee who have really been struggling to afford health insurance for themselves, their employees, and their families. We have an opportunity in this body to do something about it. This is not some abstract discussion we are having here; this is about something every single one of us hears—at least I know I hear it. Whether I go to Mountain City or Sevierville or Lexington or Memphis—wherever I go in Tennessee, a small business man or woman says to me: We cannot afford health care costs; we need some help.

We have some help. We have a proposal by Senator ENZI that will provide some help to small business men and women. Now is the time for us to act. Now is the time for the people of this country who are listening to this, who know we need this, to say to Senators: Let's go. Let's do this. Let's take the Enzi bill and reduce health care costs for small businesses across this country, and at the same time let's cut into the millions of Americans who are uninsured because the people for whom they work cannot afford to offer them health care insurance.

Here is the situation in Tennessee. We have well over 2 million people at work in Tennessee, and 97 percent of all businesses are what we would call small businesses. So that is whom we are talking about in our State—more than 2 million people who work, many of whom are working for companies that cannot afford to provide them health care insurance or are gradually reaching the point where they can't give them that benefit anymore. Increased health insurance costs are driving employers and families away from comprehensive coverage. Increased costs are taking away the opportunity for a working family in Tennessee to be able to work for a company that can offer a basic insurance policy that the family and the employer can afford. What we are doing this week is moving away from that situation. What we are doing in the Senate this week and next week is providing an opportunity to change that situation.

Dennis Akin runs the Wash Wizard car wash in Hendersonville, TN. We are not talking about big-time CEOs who make $350 million a year and fly corporate jets somewhere. We are talking about Dennis Akin who runs the Wash Wizard car wash in Hendersonville, TN, just outside of Nashville. This is what he says:

> I am currently providing health care for all my employees and their families. The cost at the present time is over $44,000 per year for 5 employees, up 28 percent from last year. The premiums have escalated at about that rate for the last several years, and twice I have had to drop to plans with lesser coverage to be able to pay the premiums.

Dennis Akin went on to say:

> We really need to be able to find some kind of relief or we'll have to reduce our benefit level to where the financial burden on my staff could be devastating. In a business as small as mine health care costs are my largest expense and there seems to be no end in sight.

According to the Kaiser Family Foundation, about a third of Tennessee firms with 50 or fewer employees offer health insurance to their employees. In contrast, 95 percent of Tennessee firms with 50 or more employees offer health insurance to their employees.

Our economy is not static. It changes all the time. Every year, we lose an estimated 5 to 8 percent of our jobs. That is a lot of jobs. That is between 100,000 and 150,000 jobs just in Tennessee. The good news is we have the strongest economy in the world and we are gaining more jobs than we lose. But where do those jobs come from? They don't primarily come from Federal Express or Eastman Chemical or the Aluminum Company of America or DuPont. We are glad to have all those great employers in Tennessee, but most of the new jobs come from the Wash Wizard car wash in Hendersonville, TN, and companies like that. These are new companies, small companies. They may be adding two or three employees a year. Currently, only a third of those firms, those firms with 50 or fewer, can afford to offer health insurance of any kind to their employees.

What does that mean? That means that most Tennesseans are simply left without any access to health care that they can afford because in our country, the way things are today, most people

get their health insurance from their employer. Maybe that is not the way it should be. Maybe 10 years from now, we will be in a different sort of system. But since World War II, that has been the way it has been. By an accident of our history, most Americans get their health insurance at the place where they work.

What we are saying is, in States such as Tennessee, and all across this country, only a third of the people who work for small businesses—which is where 97 percent of the people work—can get a health care plan there. No wonder we have a lot uninsured people, and no wonder we have a lot of families worrying about the rising cost of health care.

The reason we are having this debate is the chairman has a bill that will fix that situation. It will lower health care costs for small businesses and help families be able to afford a basic health insurance plan. Every American ought to want that to succeed, and we need to pass this bill. We need to do this, and it is important for the American people to know that we intend to bring this to a vote in the next few days.

The discrepancy between what is available in the big companies and what is available in the small, independent companies is absolutely unfair. There is no reason for it.

Earlier this month, the National Federation of Independent Business, Tennessee's largest small business advocacy group, delivered 10,905 petitions in support of this bill signed by small business owners in Tennessee who want lower health care costs. We must make health insurance affordable for Tennessee's small business owners and for working families.

How will the Enzi bill help? When I say the Enzi bill, that is the chairman of the committee who has worked on this bill and who has been able to work through a lot of obstacles that prevented this from happening in the Senate before.

The Small Business Act—a fancy name is the Health Insurance Marketplace Modernization and Affordability Act—I, like Chairman ENZI, like to call it the Small Business Health Insurance Act. That is a pretty good name because that says what it does. Here is what it will do.

It will allow businesses and trade associations to band their members together and offer group health insurance coverage on a national or regional basis.

It will empower small business owners and give them the opportunity to choose a health plan that is best for their families and best for their employees. This bill will promote lower costs and greater access to health care. Lower cost means the employer can afford it. The plan itself, with the employee contribution—if the employee can afford it—being available means there will be more access to it. It will do that by, No. 1, permitting the creation of fully insured small business health plans; No. 2, creating more options in benefit design—in other words, you will have more choices; if you want this or this, if you can't afford that, you can try this—and, No. 3, it harmonizes insurance regulations across State lines while keeping States as the primary regulators.

I am a former Governor. I am for States rights. You often see me on the Senate floor asserting the principle of federalism. I believe strong States and strong communities are important for our country and that we ought not be constantly passing national solutions to problems without recognizing that.

But I believe the Enzi bill properly respects the principle of federalism. It protects State oversight. It protects State authority. I also believe it is important to have a level playing field for everyone in the market—and the bill does that as well.

A study prepared by the Milwaukee firm of Mercer Oliver Wyman for the National Small Business Association found that the Enzi bill would, one, reduce health insurance costs for small businesses by 12 percent, about $1,000 per employer, and reduce the number of uninsured and working families by 8 percent, approximately 1 million people nationwide would have basic health insurance who today don't have it.

This bill would cut the cost of health insurance for small businesses, which is 97 percent of where the people in my State work. That is No. 1. No. 2, it reduces the number of uninsured and working families by 1 million people across this country.

This is a piece of legislation worth passing. It actually does something for somebody. This is a rare opportunity to help small businesses. It is a real milestone moment, and Chairman ENZI is to be commended for getting the bill this far.

The House of Representatives has passed this legislation, on which the Presiding Officer served, and I am sure he has voted for it three, four, or five times over in the House of Representatives. But then it gets over here to the Senate, and we have been in gridlock for 10 years on this issue. The House of Representatives has passed this legislation eight times, and for 10 years we haven't been able to find a way to say we are going to reduce the health care costs for small businesses by 12 percent and decrease the number of Americans who are uninsured, that we are going to give 1 million of them insurance. That was until Chairman ENZI set his sights on trying to unravel the stalemate. He did it. He got the small business community together with the insurance commissioners and the insurance companies all around one table to discuss how to make it work.

We need to take advantage of this rare opportunity to help the small business men and women in Tennessee and across this country to find affordable health insurance by passing this important legislation.

We have said on the Republican side that this is Health Week; that we have heard the American people; we know that there are uninsured Americans; and, we know that small businesspeople are struggling. They are struggling with the cost of runaway litigation. We are trying to stop that, but the other side of the aisle blocked that twice this week when we put up legislation that would have given mothers and babies a chance to be better served by OB/GYN doctors.

Who can be against that? The other side of the aisle was against it. They basically kept Tennessee mothers who are pregnant from having a chance to be served by OB/GYN doctors. Now they have to drive a long way to have their babies. Unfortunately, they are going to have to keep driving because the other side of the aisle said, no; you are not going to even be able to vote on that.

Now we have moved to the next issue that will help small business. If we couldn't this week help mothers who are about to have babies by giving them better access to health care, at the very least we can take the Enzi bill and pass it and say to the thousands and thousands of realtors, to the thousands and thousands of barbershops, gas stations, and say to Dennis Akin who runs the Wash Wizard car wash in Hendersonville, TN, we can say to the small businesses in Tennessee—which is 97 percent of all the businesses—we will cut your insurance costs by 12 percent, or at least give you that option, and to the people of this country we will increase by 1 million the number who are able to get insurance.

This legislation is a good piece of legislation to help lower the cost of health insurance. I hope very much that in the next several days we can pass it. The House has passed it eight times. We can at least pass it once, and then the American people will see that we hear them and we are doing the job they want us to do.

Thank you. I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. ALEXANDER. Mr. President, on behalf of the leader, I ask unanimous consent that at 2 p.m. the Senate extend morning business until 2:30 p.m. with the time equally divided between the majority and minority, and upon conclusion at 2:30 p.m. the majority leader be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. 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.

Mr. KENNEDY. Mr. President, I will yield myself such time as I might use.

Mr. President, as I mentioned earlier, we thought we would have a good opportunity to have a good, healthy debate on a range of different health policy issues. This was designated as Health Week. A number of our colleagues had some very important amendments—some that are extraordinarily timely—one by the Senator from Florida, Mr. NELSON, to address what is going to be effectively a new tax or fee on millions—the best estimate is 8 million of our senior citizens—who are not enrolled in the Medicare Part D Program. That will cost seniors hundreds of millions of dollars if that is not the addressed. We have a good opportunity to address that in the Senate.

We have the issues on stem cell research. That is enormously important legislation at the desk. The bill offers such extraordinary hope to millions who are affected by Parkinson's disease, Alzheimer's disease, diabetes, other genetic diseases. The possibilities are unlimited. I call it the hope bill because it offers so much hope. We thought we might have an opportunity to move forward on that. There are a clear majority of Senate Members who are for a good stem cell research program.

We have passed a good program in my own State of Massachusetts, Republicans and Democrats alike coming together, as we would on this legislation, but we are not going to be able to address that issue.

The whole issue about whether we give the Medicare system the ability to negotiate lower prices for prescription drugs that could benefit our seniors is something the VA does and it does very effectively. It saves millions and billions of dollars for our elderly people because of the ability to get a better price, which Medicare is prohibited from doing now. We believe we should at least have an opportunity to debate that issue and come to judgment on it. It can make a major difference. These are just several of the amendments out there.

I was looking forward to offering an amendment to the Enzi legislation that permits States to opt out of the Enzi proposal, if they so desired. It sounded to me that we had a vote on that issue in our Committee on Human Resources, and it was defeated. It seems to me we should give the State the option.

We have had at least a pretty good discussion of the underlying Enzi bill, which effectively means skyrocketing premiums for many if they are older or have had some illness in their families. I will get into that in greater detail. But we permit States to opt out. That was defeated. We ought to have an opportunity to vote on that in the Senate.

All this can be done. I know the proponents of the amendments would be willing to agree to very reasonable time limitations on this. However, we effectively are being told that is not going to be possible. We are going to have a take-it-or-leave-it approach. That is not the wise way to proceed. I certainly hope we are not going to have to be required to take it.

I will review some of the statements and comments made by some of those who have been in support of this legislation that need focus, attention, and some correction. Those who support the Enzi proposal are doing it enthusiastically, but I think it is worthwhile to put the facts out on the table. The facts are we have some 47 million Americans who do not have health insurance. The fact remains, as we have seen in the Congressional Budget Office, the Enzi proposal actually benefits some 600,000. That is 1 percent of the 45 million who are uninsured.

In my State of Massachusetts, the Democratic leadership, with Sal DiMasi and President Travaglini coming together with Governor Romney, have the goal of covering 95 percent, minimum. Most believe we will get to 98 percent of all the people in our State. It is a valuable undertaking.

We have a proposal with 45 million uninsured and we expect, according to the Congressional Budget Office, some 600,000 will be included. That is from the assessment on page 5 from CBO.

In terms of the firms themselves, the CBO has pointed out one-quarter of all the small business firms will actually pay more for their health benefits. Those that support it have neglected that. A quarter of all the firms under the Enzi bill will have to pay more.

That is not true with the Durbin-Lincoln proposal, and the Durbin-Lincoln proposal will cover millions—not 600,000—millions of small businesses.

These are some of the facts from CBO. The premium decrease, according to CBO, would be 2 percent to 3 percent, a one-time savings of only $80 to $120 for the average individual and $215 to $325 for a family plan. The cost is lesser benefits. If you are going to eliminate your cancer screening, your well-baby care, your help and support in terms of diabetes, if you are going to eliminate the mental health benefits, sure, you can get some reduction in premium. That is what they do. But in State after State, including mine, we have those protections. That is the savings, one-time savings, according to the Congressional Budget Office.

For those who want to have a good understanding of exactly what this bill does and what it does not do, I hope they will have a chance to review the CBO estimate and analysis because it is at odds with a great deal of what those who have been supporting the proposal have stated. Finally, the total savings on employer-sponsored coverage are two-tenths of a percent.

On the other hand, let me mention an excellent analysis that has been done by Alex Feldvebel, the deputy commissioner in New Hampshire and an expert on this type of health insurance issue. These are his comments, talking about the market relief. That is what we call the ratings. What is the swing in a particular State? States can vary the ratings in terms of the market.

In, Alaska 2.5 percent to 1; Arkansas 3.3 to 1; California, 1.2 to 1. If you are an older person, older worker, if your family has maybe had some illness, you can only vary the premiums 1.2 percent in the State of California. In my State, it is 3 percent, 3 to 1. There are a number of States, such as New York, where you cannot change it. You cannot vary it. Everyone is in the same boat, so to speak.

Now, in the Enzi proposal, listen to this regarding the ratings, the permitted rate variation under this small group market rules is extreme. The total permitted variation between the highest rate group and the lowest rate group for the same health benefit is 25.4 to 1, or 2,540 percent. If the lowest rate is paying $100 per month, the highest rate would pay 2,500 per month. If you are young and healthy and just out of school, they give you the physical, and you are an A–1 specimen, you get it for $100. But if your family has had some illness or sickness and maybe your company has dropped its health insurance, if you have to purchase this, you can pay $2,500. Think what that will do. That is obviously going to be prohibitive, and more and more people will be left out.

Here is how the variable comes out. Age, 500 percent. Gender, 25 percent, it should be saying, women, 25 percent. They are automatically, under these calculations in this bill, gender, will be paying a higher premium. This is the Enzi legislation. And the variance continues. If you are in a wellness program, you get a 5-percent benefit. If you come in with a whole group of very young people who are very healthy, you can get a 40-percent reduction, but if you are an older person with sickness, you are up to 500 percent. That is the variation.

That is not acceptable. We all know what is going do happen. That is going to be the incentives.

This legislation, on page 100, talks about the definition relating to the model ''small group'' and those who supported the legislation use the Model Small Group Rating Rules for the Small Employer Health Insurance Availability Model Act of 1993. It is interesting that the insurance commissioners have upgraded this review and study several times. Do you think we are dealing with the most recent publication? No. We are back to 1993. It is the insurance organization, the NAIC model, that basically has been rejected and repudiated by the State insurance commissioners.

All you have to do is read from your own insurance commissioners, and they ask: Why in the world would the Senate use an old model, when we have much more recent information, much more updated information? The reason is, if you use this, the profits for the insurance industry are going to be much higher.

We ought to understand that. The insurance commissioners themselves have effectively rejected this particular proposal.

If we go to page 110, we will see ''Superseding of State Law.''

This part shall supersede any and all State laws . . .

This does not just say small business. This is about all State laws. Here it is, the clinical trials, cancer screening, diabetes, effectively preempt all the State laws, to and after the date relating to rating and in the small group insurance market.

It says to Massachusetts and to most of the States, if you have a benefit package, those are going to be preempted. That is what it says right there on page 110.

Page 110 actually is where it permits the fluctuation of the rating system. It talks about ratings. And that gives you the flexibility that I have mentioned. And then the preemption of State benefits is actually on page 119.

I would have thought, if we were serious about trying to do something for small business, we would have had the opportunity—Mr. President, how much time do I have left?

The PRESIDING OFFICER. The time under the control of the minority has now expired.

Mr. KENNEDY. My time has expired?

The PRESIDING OFFICER. Yes, the Senator's time has expired.

Mr. KENNEDY. I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, the debate we are having today on small business health plans is a debate that I hope will ultimately lead to a vote in the Senate on this legislation.

This bill, or something very similar to it, has passed the House of Representatives on eight—eight—different occasions. Small business health plans have passed the other body, the House of Representatives, on eight different occasions.

I believe if we were allowed to vote today on this legislation in the Senate, we would have a big majority vote—a decisive majority vote—because I believe a majority of Senators support the legislation that has been produced by the Health, Education, Labor, and Pensions Committee under the leadership of Chairman ENZI. I believe there is strong majority support for that in the Senate.

Unfortunately, what will happen today—and in the days ahead—is we will not get a chance to have that vote because our colleagues on the other side have decided again to filibuster this legislation, to block it from ultimately being voted on. That is unfortunate. It is unfortunate for, most importantly, the people across this country who do not have health insurance coverage.

Mr. KENNEDY. Will the Senator yield on that point?

Mr. THUNE. I will not yield at this point. You had your time, Senator.

Mr. KENNEDY. I was wondering if you would yield for a question.

Mr. THUNE. I am not prepared to yield at this time. I will allow you to speak on your own time.

But the important point is that this particular legislation has not had an opportunity to be voted on in the Senate, legislation that would help small businesses in this country that currently cannot cover their employees, that currently have families of those employees without coverage.

In fact, if you ask small businesses today—and about 22.5 million of the 45 million uninsured in this country are employees of small businesses or are their families, and about another 15 million are self-employed in small businesses—the reason they cannot cover their employees is the cost.

What this legislation attempts to do is address the issue of cost, to make health insurance more affordable to more Americans, to small businesses, to their employees, to their families, to self-employed people in this country who currently do not have coverage because of the cost.

It is a very simple concept. It is a concept that has been passed eight times by the House of Representatives but never voted on in the Senate because of obstruction on the other side. They will not allow it to come to a vote. That is unfortunate because this is an issue the American people expect us to address.

So I hope when all is said and done, my colleagues on the other side—the Senator from Massachusetts has strong feelings on this particular issue, which he has articulated—have an opportunity to air those opinions, to debate this issue, but that, in the end, they let it be voted on.

Let's let this come to a vote. Let the will of the majority in the Senate decide one way or the other about whether we want to do something about the high cost of health care in this country to cover more people.

The Congressional Budget Office has said—the Senator from Massachusetts quoted the CBO—the Congressional Budget Office has said, if this legislation is enacted, almost a million more people in this country will be covered and, in fact, it will lead to lower insurance costs.

So it is a good deal for the people who are uninsured. It is a good deal for the small businesses that are trying to cover their employees. And I might add, it is a good deal for the taxpayers because the Congressional Budget Office has also said if this particular piece of legislation is enacted, the cost of Medicaid to the Federal Government will go down by almost $1 billion and the cost of Medicaid to State governments will go down by about $600 million.

Further, the Congressional Budget Office has also found that this will actually lead to higher revenues for the Federal Government. Why? Because when the small business cost of health care goes down, they are able to provide more benefits and more in the form of salaries to their employees. Those salaries and some of those benefits are taxable. Health insurance benefits are tax excluded in many cases. So those benefits and those additional salaries would be taxed at the marginal income tax rates, and it would generate, according to the Congressional Budget Office, an additional $3.3 billion over a 10-year period for the Federal coffers.

So we have a bill that covers more people, according to CBO, that lowers insurance rates, according to CBO, and that actually generates more revenue for the Federal Government. Yet we cannot vote on it. Why? Because our colleagues on the other side will not allow this legislation to be voted on.

I think the American people deserve and expect more from their elected leadership. As I said, the House of Representatives has voted eight times in support of this, with strong majorities. I believe there is a majority in the Senate in favor of this bill, if we could bring it to a vote today. Maybe we won't vote on it today. Maybe we would vote on it tomorrow or maybe we would vote on it next week, but let's vote on it.

Let's vote. That is what we are here for. Let's debate the issue, but let's vote. Let's not use the rules of the Senate to obstruct something that has clear majority support in the House, something that has been debated here but never voted on in the Senate because it has been blocked from final consideration.

Let me also say one other thing about this debate because there is a proposal that has been talked about some on the floor of the Senate, offered up by some of our colleagues on the other side, that is intended to respond to the Enzi legislation, the small business health plan legislation, that we are currently debating.

Interestingly enough, that particular piece of legislation offered by our colleagues on the other side is a Government-type approach to this issue. The CBO, the Congressional Budget Office, has found that the proposal they put forward actually costs the taxpayers $73 billion over a 10-year period.

So you have two bills. You have a bill that has been offered by Senator ENZI, the chairman of the HELP Committee, offered by the leadership on this side of the aisle, which lowers cost, which covers more people, which has been found to actually save the taxpayers money; and a bill that has been offered by our colleagues on the other side, at a cost to the taxpayers of $73 billion in additional tax dollars over a 10-year period.

Now, it seems to me, at least, that if you are a taxpayer, that bill is not a very good deal. It is also a proposal that leads to more redtape, more bureaucracy, more Government, at a time when we ought to be looking for ways to improve the market-based system we currently have in this country, by

allowing our small businesses to take advantage of the leverage they could gain by joining larger groups.

The very simple principle behind this legislation, behind the Enzi bill, is to allow small businesses around this country and their employees to be part of a larger group, thereby driving down the cost of their insurance premiums.

Mr. DURBIN. Will the Senator yield for a question?

Mr. THUNE. I will not yield at the moment. We have a few minutes left on our time, and then the Senator from Illinois could use his time to speak.

Mr. DURBIN. Will the Senator yield for a question?

Mr. THUNE. Not at the moment. Thank you, though.

What I would simply say is, the bill offered by the Senator from Illinois and by his colleagues on the other side is, again, legislation that comes at a high cost to the taxpayers: $73 billion over a 10-year period.

So it is important, when we have this debate, that the people in this country who are following the debate have a clear understanding of what the differences are between the approaches that are being offered—the Enzi bill, the bill that is under consideration today, the small business health plans bill, and the bill offered by our colleagues on the other side—the differences in terms of their approach, one being a Government approach, one being a market-based approach, one actually being scored by the Congressional Budget Office as achieving savings for the Federal taxpayer, and one that clearly adds to the costs of the taxpayer by about $73 billion over a 10-year period.

This has been dubbed Health Week because we are debating health care legislation. Small business health plans is one component of that. We also tried, Monday, to get a vote on legislation that would allow for reforms in our medical malpractice system that would, hopefully, again, drive down the cost of covering people in this country. The high cost of medical malpractice insurance is driving OB/GYNs and other specialists and providers out of the profession, driving up the cost of health care in this country.

In fact, the Department of Health and Human Services, a couple years ago, did a study that suggested the cost of defensive medicine and the cost of the medical malpractice system we have in the country today is actually costing the taxpayers, under Medicaid, an additional $22.5 billion a year.

It is important we address these issues. I believe the American people want us to act. More importantly, they want us at least to vote. That is all I am simply saying. For those on the other side who have consistently resisted the enactment of these two pieces of legislation, that is fine. I understand that is part of this process, that we have a very open and free-flowing debate. That is part of the Senate. That is part of our democratic process we have here.

But when all is said and done, let's bring this to a vote so the people of this country, who expect action out of the Senate, at least know where their elected folks stand when it comes to the issue of small business and whether we are going to provide health care for the employees of small businesses across this country and whether we are going to do anything to address what I think is a very important economic issue to a majority of Americans; that is, this ever-rising, increasing cost of health care.

These two pieces of legislation—small business health care plans, S. 1955, offered by Senator ENZI, the chairman of the HELP Committee—and it is a bipartisan bill; it also has Democratic support, although not enough to stop a filibuster—and the medical malpractice reform legislation, which, again, there were two pieces of medical malpractice reform legislation voted on Monday—we were not able to get enough votes to stop a filibuster to invoke cloture—but, there again, I believe both pieces of legislation have majority support in the Senate and, clearly, have majority support in the House of Representatives.

They have already passed there repeatedly. Small businesses health plans have passed eight times in the House of Representatives. Medical malpractice reform has passed five times in the House of Representatives. That legislation has come to the floor of the Senate and has been blocked from receiving an up-and-down vote.

I think it is in the best interest of people across this country who are expecting Congress to act on the issue of health care and the high cost of health care. They want us to come up with solutions that respect and are in the best interest of the American taxpayer. I believe these two pieces of legislation accomplish that objective.

So I hope before this Health Week is over—and even if we have to push this into next week—we at least get a vote on the floor of the Senate that will enable us to take final action on a couple of pieces of legislation that have been lingering around here for way too long and deserve action by the Senate.

With that, Mr. President, I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

HEALTH INSURANCE MARKETPLACE MODERNIZATION AND AFFORDABILITY ACT OF 2006

The PRESIDING OFFICER. The Senate will proceed to the consideration of S. 1955, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1955) to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace.

The Senate proceeded to consider the bill which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute.

(Strike the part shown in black brackets and insert the part shown in italic.)

S. 1955

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.

[(a) SHORT TITLE.—This Act may be cited as the ''Health Insurance Marketplace Modernization and Affordability Act of 2005''.

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

[Sec. 1. Short title and table of contents.

[TITLE I—SMALL BUSINESS HEALTH PLANS

[Sec. 101. Rules governing small business health plans.

[Sec. 102. Cooperation between Federal and State authorities.

[Sec. 103. Effective date and transitional and other rules.

[TITLE II—NEAR-TERM MARKET RELIEF

[Sec. 201. Near-term market relief.

[TITLE III—HARMONIZATION OF HEALTH INSURANCE LAWS

[Sec. 301. Health Insurance Regulatory Harmonization.

[TITLE I—SMALL BUSINESS HEALTH PLANS

[SEC. 101. RULES GOVERNING SMALL BUSINESS HEALTH PLANS.

[(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

[''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

[''SEC. 801. SMALL BUSINESS HEALTH PLANS.

[''(a) IN GENERAL.—For purposes of this part, the term 'small business health plan' means a fully insured group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

[''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

[''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue

Code of 1986)), for substantial purposes other than that of obtaining or providing medical care;

[''(2) is established as a permanent entity which receives the active support of its members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership in the sponsor; and

[''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation.

[Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), and (3) shall be deemed to be a sponsor described in this subsection.

["SEC. 802. CERTIFICATION OF SMALL BUSINESS HEALTH PLANS.

[''(a) IN GENERAL.—Not later than 6 months after the date of enactment of this part, the applicable authority shall prescribe by interim final rule a procedure under which the applicable authority shall certify small business health plans which apply for certification as meeting the requirements of this part.

[''(b) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—a small business health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

[''(c) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of small business health plans under this part. Such regulation shall provide for the revocation of a certification if the applicable authority finds that the small employer health plan involved is failing to comply with the requirements of this part.

[''(d) CLASS CERTIFICATION FOR FULLY INSURED PLANS.—The applicable authority shall establish a class certification procedure for small business health plans under which all benefits consist of health insurance coverage. Under such procedure, the applicable authority shall provide for the granting of certification under this part to the plans in each class of such small business health plans upon appropriate filing under such procedure in connection with plans in such class and payment of the prescribed fee under section 806(a).

["SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

[''(a) SPONSOR.—The requirements of this subsection are met with respect to a small business health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

[''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to a small business health plan if the following requirements are met:

[''(1) FISCAL CONTROL.—The plan is operated, pursuant to a plan document, by a board of trustees which pursuant to a trust agreement has complete fiscal control over the plan and which is responsible for all operations of the plan.

[''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

[''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

[''(A) BOARD MEMBERSHIP.—

[''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

[''(ii) LIMITATION.—

[''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

[''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

[''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

[''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to a small business health plan which is in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2005.

[''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with insurers and service providers.

[''(c) TREATMENT OF FRANCHISE NETWORKS.—In the case of a group health plan which is established and maintained by a franchiser for a franchise network consisting of its franchisees—

[''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchiser were deemed to be the sponsor referred to in section 801(b), such network were deemed to be an association described in section 801(b), and each franchisee were deemed to be a member (of the association and the sponsor) referred to in section 801(b); and

[''(2) the requirements of section 804(a)(1) shall be deemed met.

[The Secretary may by regulation define for purposes of this subsection the terms 'franchiser', 'franchise network', and 'franchisee'.

["SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

[''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan—

[''(1) each participating employer must be—

[''(A) a member of the sponsor;

[''(B) the sponsor; or

[''(C) an affiliated member of the sponsor with respect to which the requirements of subsection (b) are met, except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

[''(2) all individuals commencing coverage under the plan after certification under this part must be—

[''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

[''(B) the beneficiaries of individuals described in subparagraph (A).

[''(b) COVERAGE OF PREVIOUSLY UNINSURED EMPLOYEES.—In the case of a small business health plan in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2005, an affiliated member of the sponsor of the plan may be offered coverage under the plan as a participating employer only if—

[''(1) the affiliated member was an affiliated member on the date of certification under this part; or

[''(2) during the 12-month period preceding the date of the offering of such coverage, the affiliated member has not maintained or contributed to a group health plan with respect to any of its employees who would otherwise be eligible to participate in such small business health plan.

[''(c) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

[''(d) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to a small business health plan if—

[''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

[''(2) upon request, any employer eligible to participate is furnished information regarding all coverage options available under the plan; and

[''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

["SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

[''(a) IN GENERAL.—The requirements of this section are met with respect to a small business health plan if the following requirements are met:

[''(1) CONTENTS OF GOVERNING INSTRUMENTS.—

[''(A) IN GENERAL.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

[''(i) provides that the board of directors serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A)); and

[''(ii) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)).

[''(B) DESCRIPTION OF MATERIAL PROVISIONS.—The terms of the health insurance

coverage (including the terms of any individual certificates that may be offered to individuals in connection with such coverage) describe the material benefit and rating, and other provisions set forth in this section and such material provisions are included in the summary plan description.

[''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

[''(A) IN GENERAL.—The contribution rates for any participating small employer shall not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and shall not vary on the basis of the type of business or industry in which such employer is engaged.

[''(B) EFFECT OF TITLE.—Nothing in this title or any other provision of law shall be construed to preclude a health insurance issuer offering health insurance coverage in connection with a small business health plan, and at the request of such small business health plan, from—

[''(i) setting contribution rates for the small business health plan based on the claims experience of the plan so long as any variation in such rates complies with the requirements of clause (ii); or

[''(ii) varying contribution rates for participating employers in a small business health plan in a State to the extent that such rates could vary using the same methodology employed in such State for regulating premium rates, subject to the terms of part I of subtitle A of title XXIX of the Public Health Service Act (relating to rating requirements), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2005.

[''(3) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

[''(b) ABILITY OF SMALL BUSINESS HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude a small business health plan or a health insurance issuer offering health insurance coverage in connection with a small business health plan, from exercising its sole discretion in selecting the specific benefits and services consisting of medical care to be included as benefits under such plan or coverage, except that such benefits and services must meet the terms and specifications of part II of subtitle A of title XXIX of the Public Health Service Act (relating to lower cost plans), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2005, provided that, upon issuance by the Secretary of Health and Human Services of the List of Required Benefits as provided for in section 2922(a) of the Public Health Service Act, the required scope and application for each benefit or service listed in the List of Required Benefits shall be—

[''(1) if the domicile State mandates such benefit or service, the scope and application required by the domicile State; or

[''(2) if the domicile State does not mandate such benefit or service, the scope and application required by the non-domicile State that does require such benefit or service in which the greatest number of the small business health plan's participating employers are located.

[''(c) STATE LICENSURE AND INFORMATIONAL FILING.—

[''(1) DOMICILE STATE.—Coverage shall be issued to a small business health plan in the State in which the sponsor's principal place of business is located.

[''(2) NON-DOMICILE STATES.—With respect to a State (other than the domicile State) in which participating employers of a small business health plan are located, an insurer issuing coverage to such small business health plan shall not be required to obtain full licensure in such State, except that the insurer shall provide each State insurance commissioner (or applicable State authority) with an informational filing describing policies sold and other relevant information as may be requested by the applicable State authority.

[''SEC. 806. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

[''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), a small business health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to small business health plans.

[''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

[''(1) IDENTIFYING INFORMATION.—The names and addresses of—

[''(A) the sponsor; and

[''(B) the members of the board of trustees of the plan.

[''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

[''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

[''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

[''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan, health insurance issuer, and contract administrators and other service providers.

[''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to a small business health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which at least 25 percent of the participants and beneficiaries under the plan are located. For purposes of this subsection, an individual shall be considered to be located in the State in which a known address of such individual is located or in which such individual is employed.

[''(d) NOTICE OF MATERIAL CHANGES.—In the case of any small business health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

[''SEC. 807. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

[''A small business health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

[''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

[''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

[''(3) submits such plan in writing to the applicable authority.

[Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

[''SEC. 808. DEFINITIONS AND RULES OF CONSTRUCTION.

[''(a) DEFINITIONS.—For purposes of this part—

[''(1) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

[''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor,

[''(B) in the case of a sponsor with members which consist of associations, a person who is a member of any such association and elects an affiliated status with the sponsor, or

[''(C) in the case of a small business health plan in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2005, a person eligible to be a member of the sponsor or one of its member associations.

[''(2) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary, except that, in connection with any exercise of the Secretary's authority with respect to which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

[''(3) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

[''(4) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

[''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1).

[''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

[''(7) INDIVIDUAL MARKET.—

[''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

[''(B) TREATMENT OF VERY SMALL GROUPS.—

[''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

[''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

[''(8) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

[''(9) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with a small business health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

[''(10) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, a small employer as defined in section 2791(e)(4).

[''(b) RULE OF CONSTRUCTION.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is a small business health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

[''(1) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

[''(2) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.''.

[(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

[(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

[''(E) The preceding subparagraphs of this paragraph do not apply with respect to any State law in the case of a small business health plan which is certified under part 8.''.

[(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

[(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

[(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

[(C) by redesignating subsection (d) as subsection (e); and

[(D) by inserting after subsection (c) the following new subsection:

[''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude a health insurance issuer from offering health insurance coverage in connection with a small business health plan which is certified under part 8.

[''(2) In any case in which health insurance coverage of any policy type is offered under a small business health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may establish rating and benefit requirements that would otherwise apply to such coverage, provided the requirements of section 805(a)(2)(B) and (b) (concerning small business health plan rating and benefits) are met.''.

[(3) Section 514(b)(6)(A) of such Act (29 U.S.C. 1144(b)(6)(A)) is amended—

[(A) in clause (i)(II), by striking ''and'' at the end;

[(B) in clause (ii), by inserting ''and which does not provide medical care (within the meaning of section 733(a)(2)),'' after ''arrangement,'', and by striking ''title.'' and inserting ''title, and''; and

[(C) by adding at the end the following new clause:

[''(iii) subject to subparagraph (E), in the case of any other employee welfare benefit plan which is a multiple employer welfare arrangement and which provides medical care (within the meaning of section 733(a)(2)), any law of any State which regulates insurance may apply.''.

[(4) Section 514(e) of such Act (as redesignated by paragraph (2)(C)) is amended by striking ''Nothing'' and inserting ''(1) Except as provided in paragraph (2), nothing''.

[(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of a small business health plan under part 8.''.

[(d) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

[(e) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

[''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

[''801. Small business health plans.
[''802. Certification of small business health plans.
[''803. Requirements relating to sponsors and boards of trustees.
[''804. Participation and coverage requirements.
[''805. Other requirements relating to plan documents, contribution rates, and benefit options.
[''806. Requirements for application and related requirements.
[''807. Notice requirements for voluntary termination.
[''808. Definitions and rules of construction.''.

[SEC. 102. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

[Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

[''(d) CONSULTATION WITH STATES WITH RESPECT TO SMALL BUSINESS HEALTH PLANS.—

[''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to a small business health plan regarding the exercise of—

[''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

[''(B) the Secretary's authority to certify small business health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

[''(2) RECOGNITION OF DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular small business health plan, as the State with which consultation is required. In carrying out this paragraph such State shall be the domicile State, as defined in section 805(c).''.

[SEC. 103. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

[(a) EFFECTIVE DATE.—The amendments made by this title shall take effect 1 year after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this title within 1 year after the date of the enactment of this Act.

[(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

[(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 808(a)(2) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

[(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

[(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

[(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of trustees which—

[(i) is elected by the participating employers, with each employer having one vote; and

[(ii) has complete fiscal control over the arrangement and which is responsible for all operations of the arrangement;

[(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

[(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

[The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement or at such time that the arrangement provides coverage to participants and beneficiaries in any State other than the States in which coverage is provided on such date of enactment.

[(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 808 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''small business health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

[TITLE II—NEAR-TERM MARKET RELIEF

[SEC. 201. NEAR-TERM MARKET RELIEF.

[The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

["TITLE XXIX—HEALTH CARE INSURANCE MARKETPLACE REFORM

["SEC. 2901. GENERAL INSURANCE DEFINITIONS.

[''In this title, the terms 'health insurance coverage', 'health insurance issuer', 'group health plan', and 'individual health insurance' shall have the meanings given such terms in section 2791.

["Subtitle A—Near-Term Market Relief

["PART I—RATING REQUIREMENTS

["SEC. 2911. DEFINITIONS.

[''In this part:

[''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted either the NAIC model rules or the National Interim Model Rating Rules in their entirety and as the exclusive laws of the State that

relate to rating in the small group insurance market.

[''(2) COMMISSION.—The term 'Commission' means the Harmonized Standards Commission established under section 2921.

[''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

[''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage consistent with the National Interim Model Rating Rules in a nonadopting State;

[''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage in that State consistent with the National Interim Model Rating Rules, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

[''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the National Interim Model Rating Rules and an affirmation that such Rules are included in the terms of such contract.

[''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in small group health insurance market.

[''(5) NAIC MODEL RULES.—The term 'NAIC model rules' means the rating rules provided for in the 1992 Adopted Small Employer Health Insurance Availability Model Act of the National Association of Insurance Commissioners.

[''(6) NATIONAL INTERIM MODEL RATING RULES.—The term 'National Interim Model Rating Rules' means the rules promulgated under section 2912(a).

[''(7) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

[''(8) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

[''(9) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

["SEC. 2912. RATING RULES.

[''(a) NATIONAL INTERIM MODEL RATING RULES.—Not later than 6 months after the date of enactment of this title, the Secretary, in consultation with the National Association of Insurance Commissioners, shall, through expedited rulemaking procedures, promulgate National Interim Model Rating Rules that shall be applicable to the small group insurance market in certain States until such time as the provisions of subtitle B become effective. Such Model Rules shall apply in States as provided for in this section beginning with the first plan year after the such Rules are promulgated.

[''(b) UTILIZATION OF NAIC MODEL RULES.—In promulgating the National Interim Model Rating Rules under subsection (a), the Secretary, except as otherwise provided in this subtitle, shall utilize the NAIC model rules regarding premium rating and premium variation.

[''(c) TRANSITION IN CERTAIN STATES.—

[''(1) IN GENERAL.—In promulgating the National Interim Model Rating Rules under subsection (a), the Secretary shall have discretion to modify the NAIC model rules in accordance with this subsection to the extent necessary to provide for a graduated transition, of not to exceed 3 years following the promulgation of such National Interim Rules, with respect to the application of such Rules to States.

[''(2) INITIAL PREMIUM VARIATION.—

[''(A) IN GENERAL.—Under the modified National Interim Model Rating Rules as provided for in paragraph (1), the premium variation provision of subparagraph (C) shall be applicable only with respect to small group policies issued in States which, on the date of enactment of this title, have in place premium rating band requirements that vary by less than 50 percent from the premium variation standards contained in subparagraph (C) with respect to the standards provided for under the NAIC model rules.

[''(B) OTHER STATES.—Health insurance coverage offered in a State that, on the date of enactment of this title, has in place premium rating band requirements that vary by more than 50 percent from the premium variation standards contained in subparagraph (C) shall be subject to such graduated transition schedules as may be provided by the Secretary pursuant to paragraph (1).

[''(C) AMOUNT OF VARIATION.—The amount of a premium rating variation from the base premium rate due to health conditions of covered individuals under this subparagraph shall not exceed a factor of—

[''(i) +/- 25 percent upon the issuance of the policy involved; and

[''(ii) +/- 15 percent upon the renewal of the policy.

[''(3) OTHER TRANSITIONAL AUTHORITY.—In developing the National Interim Model Rating Rules, the Secretary may also provide for the application of transitional standards in certain States with respect to the following:

[''(A) Independent rating classes for old and new business.

[''(B) Such additional transition standards as the Secretary may determine necessary for an effective transition.

["SEC. 2913. APPLICATION AND PREEMPTION.

[''(a) SUPERCEDING OF STATE LAW.—

[''(1) IN GENERAL.—This part shall supersede any and all State laws insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle) relate to rating in the small group insurance market as applied to an eligible insurer, or small group health insurance coverage issued by an eligible insurer, in a nonadopting State.

[''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle)—

[''(A) prohibit an eligible insurer from offering coverage consistent with the National Interim Model Rating Rules in a nonadopting State; or

[''(B) discriminate against or among eligible insurers offering health insurance coverage consistent with the National Interim Model Rating Rules in a nonadopting state.

[''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

[''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting states.

[''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers that offer small group health insurance coverage in a nonadopting State.

[''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not apply to any State law in a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the terms of the small group health insurance coverage issued in the nonadopting State. In no case shall this paragraph, or any other provision of this title, be construed to create a cause of action on behalf of an individual or any other person under State law in connection with a group health plan that is subject to the Employee Retirement Income Security Act of 1974 or health insurance coverage issued in connection with such a plan.

[''(4) NONAPPLICATION TO ENFORCE REQUIREMENTS RELATING TO THE NATIONAL RULE.—Subsection (a)(1) shall not apply to any State law in a nonadopting State to the extent necessary to provide the insurance department of the State (or other State agency) with the authority to enforce State law requirements relating to the National Interim Model Rating Rules that are not set forth in the terms of the small group health insurance coverage issued in a nonadopting State, in a manner that is consistent with the National Interim Model Rating Rules and that imposes no greater duties or obligations on health insurance issuers than the National Interim Model Rating Rules.

[''(5) NONAPPLICATION TO SUBSECTION (A)(2).—Paragraphs (3) and (4) shall not apply with respect to subsection (a)(2).

[''(6) NO AFFECT ON PREEMPTION.—In no case shall this subsection be construed to affect the scope of the preemption provided for under the Employee Retirement Income Security Act of 1974.

[''(c) EFFECTIVE DATE.—This section shall apply beginning in the first plan year following the issuance of the final rules by the Secretary under the National Interim Model Rating Rules.

["SEC. 2914. CIVIL ACTIONS AND JURISDICTION.

[''(a) IN GENERAL.—The district courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

[''(b) ACTIONS.—A health insurance issuer may bring an action in the district courts of the United States for injunctive or other equitable relief against a nonadopting State in connection with the application of a state law that violates this part.

[''(c) VIOLATIONS OF SECTION 2913.—In the case of a nonadopting State that is in violation of section 2913(a)(2), a health insurance issuer may bring an action in the district courts of the United States for damages against the nonadopting State and, if the health insurance issuer prevails in such action, the district court shall award the health insurance issuer its reasonable attorneys fees and costs.

["SEC. 2915. SUNSET.

[''The National Interim Model Rating Rules shall remain in effect in a non-adopting State until such time as the harmonized national rating rules are promulgated and effective pursuant to part II. Upon such effective date, such harmonized rules shall supersede the National Rules.

["PART II—LOWER COST PLANS

["SEC. 2921. DEFINITIONS.

[''In this part:

[''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the State Benefit Compendium in its entirety and as the exclusive laws of the State that relate to benefit, service, and provider mandates in the group and individual insurance markets.

[''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer

that is licensed in a nonadopting State and that—

[''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer group health insurance coverage consistent with the State Benefit Compendium in a nonadopting State;

[''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer group health insurance coverage in that State consistent with the State Benefit Compendium, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

[''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the State Benefit Compendium and that adherence to the Compendium is included as a term of such contract.

[''(3) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the group or individual health insurance markets.

[''(4) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

[''(5) STATE BENEFIT COMPENDIUM.—The term 'State Benefit Compendium' means the Compendium issued under section 2922.

[''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

[''SEC. 2922. OFFERING LOWER COST PLANS.

[''(a) LIST OF REQUIRED BENEFITS.—Not later than 3 months after the date of enactment of this title, the Secretary shall issue by interim final rule a list (to be known as the 'List of Required Benefits') of the benefit, service, and provider mandates that are required to be provided by health insurance issuers in at least 45 States as a result of the application of State benefit, service, and provider mandate laws.

[''(b) STATE BENEFIT COMPENDIUM.—

[''(1) VARIANCE.—Not later than 12 months after the date of enactment of this title, the Secretary shall issue by interim final rule a compendium (to be known as the 'State Benefit Compendium') of harmonized descriptions of the benefit, service, and provider mandates identified under subsection (a). In developing the Compendium, with respect to differences in State mandate laws identified under subsection (a) relating to similar benefits, services, or providers, the Secretary shall review and define the scope and application of such State laws so that a common approach shall be applicable under such Compendium in a uniform manner. In making such determination, the Secretary shall adopt an approach reflective of the approach used by a plurality of the States requiring such benefit, service, or provider mandate.

[''(2) EFFECT.—The State Benefit Compendium shall provide that any State benefit, service, and provider mandate law (enacted prior to or after the date of enactment of this title) other than those described in the Compendium shall not be binding on health insurance issuers in an adopting State.

[''(3) IMPLEMENTATION.—The effective date of the State Benefit Compendium shall be the later of—

[''(A) the date that is 12 months from the date of enactment of this title; or

[''(B) such subsequent date on which the interim final rule for the State Benefit Compendium shall be issued.

[''(c) NON-ASSOCIATION COVERAGE.—With respect to health insurers selling insurance to small employers (as defined in section 808(a)(10) of the Employee Retirement Income Security Act of 1974), in the event the Secretary fails to issue the State Benefit Compendium within 12 months of the date of enactment of this title, the required scope and application for each benefit or service listed in the List of Required Benefits shall, other than with respect to insurance issued to a Small Business Health Plan, be—

[''(1) if the State in which the insurer issues a policy mandates such benefit or service, the scope and application required by such State; or

[''(2) if the State in which the insurer issues a policy does not mandate such benefit or service, the scope and application required by such other State that does require such benefit or service in which the greatest number of the insurer's small employer policyholders are located.

[''(d) UPDATING OF STATE BENEFIT COMPENDIUM.—Not later than 2 years after the date on which the Compendium is issued under subsection (b)(1), and every 2 years thereafter, the Secretary, applying the same methodology provided for in subsections (a) and (b)(1), in consultation with the National Association of Insurance Commissioners, shall update the Compendium. The Secretary shall issue the updated Compendium by regulation, and such updated Compendium shall be effective upon the first plan year following the issuance of such regulation.

[''SEC. 2923. APPLICATION AND PREEMPTION.

[''(a) SUPERCEDING OF STATE LAW.—

[''(1) IN GENERAL.—This part shall supersede any and all State laws (whether enacted prior to or after the date of enactment of this title) insofar as such laws relate to benefit, service, or provider mandates in the health insurance market as applied to an eligible insurer, or health insurance coverage issued by an eligible insurer, in a nonadopting State.

[''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as such laws—

[''(A) prohibit an eligible insurer from offering coverage consistent with the State Benefit Compendium, as provided for in section 2922(a), in a nonadopting State; or

[''(B) discriminate against or among eligible insurers offering or seeking to offer health insurance coverage consistent with the State Benefit Compendium in a nonadopting State.

[''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

[''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

[''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

[''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not apply to any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the terms of the group health insurance coverage issued in a nonadopting State. In no case shall this paragraph, or any other provision of this title, be construed to create a cause of action on behalf of an individual or any other person under State law in connection with a group health plan that is subject to the Employee Retirement Income Security Act of 1974 or health insurance coverage issued in connection with such plan.

[''(4) NONAPPLICATION TO ENFORCE REQUIREMENTS RELATING TO THE COMPENDIUM.—Subsection (a)(1) shall not apply to any State law in a nonadopting State to the extent necessary to provide the insurance department of the State (or other state agency) authority to enforce State law requirements relating to the State Benefit Compendium that are not set forth in the terms of the group health insurance coverage issued in a nonadopting State, in a manner that is consistent with the State Benefit Compendium and imposes no greater duties or obligations on health insurance issuers than the State Benefit Compendium.

[''(5) NONAPPLICATION TO SUBSECTION (A)(2).—Paragraphs (3) and (4) shall not apply with respect to subsection (a)(2).

[''(6) NO AFFECT ON PREEMPTION.—In no case shall this subsection be construed to affect the scope of the preemption provided for under the Employee Retirement Income Security Act of 1974.

[''(c) EFFECTIVE DATE.—This section shall apply upon the first plan year following final issuance by the Secretary of the State Benefit Compendium.

[''SEC. 2924. CIVIL ACTIONS AND JURISDICTION.

[''(a) IN GENERAL.—The district courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

[''(b) ACTIONS.—A health insurance issuer may bring an action in the district courts of the United States for injunctive or other equitable relief against a nonadopting State in connection with the application of a State law that violates this part.

[''(c) VIOLATIONS OF SECTION 2923.—In the case of a nonadopting State that is in violation of section 2923(a)(2), a health insurance issuer may bring an action in the district courts of the United States for damages against the nonadopting State and, if the health insurance issuer prevails in such action, the district court shall award the health insurance issuer its reasonable attorneys fees and costs.''.

[TITLE III—HARMONIZATION OF HEALTH INSURANCE LAWS

[SEC. 301. HEALTH INSURANCE REGULATORY HARMONIZATION.

[Title XXIX of the Public Health Service Act (as added by section 201) is amended by adding at the end the following:

[''Subtitle B—Regulatory Harmonization

[''SEC. 2931. DEFINITIONS.

[''In this subtitle:

[''(1) ACCESS.—The term 'access' means any requirements of State law that regulate the following elements of access:

[''(A) Renewability of coverage.

[''(B) Guaranteed issuance as provided for in title XXVII.

[''(C) Guaranteed issue for individuals not eligible under subparagraph (B).

[''(D) High risk pools.

[''(E) Pre-existing conditions limitations.

[''(2) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the harmonized standards adopted under this subtitle in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

[''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

[''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the harmonized standards in a nonadopting State;

[''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer group health insurance coverage in that State consistent with the State Benefit Compendium, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

[''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description of the harmonized standards published pursuant to section 2932(g)(2) and an affirmation that such standards are a term of the contract.

[''(4) HARMONIZED STANDARDS.—The term 'harmonized standards' means the standards adopted by the Secretary under section 2932(d).

[''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the health insurance market.

[''(6) NONADOPTING STATE.—The term 'nonadopting State' means a State that fails to enact, within 2 years of the date in which final regulations are issued by the Secretary adopting the harmonized standards under this subtitle, the harmonized standards in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

[''(7) PATIENT PROTECTIONS.—The term 'patient protections' means any requirement of State law that regulate the following elements of patient protections:

[''(A) Internal appeals.

[''(B) External appeals.

[''(C) Direct access to providers.

[''(D) Prompt payment of claims.

[''(E) Utilization review.

[''(F) Marketing standards.

[''(8) PLURALITY REQUIREMENT.—The term 'plurality requirement' means the most common substantially similar requirements for elements within each area described in section 2932(b)(1).

[''(9) RATING.—The term 'rating' means, at the time of issuance or renewal, requirements of State law the regulate the following elements of rating:

[''(A) Limits on the types of variations in rates based on health status.

[''(B) Limits on the types of variations in rates based on age and gender.

[''(C) Limits on the types of variations in rates based on geography, industry and group size.

[''(D) Periods of time during which rates are guaranteed.

[''(E) The review and approval of rates.

[''(F) The establishment of classes or blocks of business.

[''(G) The use of actuarial justifications for rate variations.

[''(10) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

[''(11) SUBSTANTIALLY SIMILAR.—The term 'substantially similar' means a requirement of State law applicable to an element of an area identified in section 2932 that is similar in most material respects. Where the most common State action with respect to an element is to adopt no requirement for an element of an area identified in such section 2932, the plurality requirement shall be deemed to impose no requirements for such element.

["SEC. 2932. HARMONIZED STANDARDS.

[''(a) COMMISSION.—

[''(1) ESTABLISHMENT.—The Secretary, in consultation with the NAIC, shall establish the Commission on Health Insurance Standards Harmonization (referred to in this subtitle as the 'Commission') to develop recommendations that harmonize inconsistent State health insurance laws in accordance with the laws adopted in a plurality of the States.

[''(2) COMPOSITION.—The Commission shall be composed of the following individuals to be appointed by the Secretary:

[''(A) Two State insurance commissioners, of which one shall be a Democrat and one shall be a Republican, and of which one shall be designated as the chairperson and one shall be designated as the vice chairperson.

[''(B) Two representatives of State government, one of which shall be a governor of a State and one of which shall be a State legislator, and one of which shall be a Democrat and one of which shall be a Republican.

[''(C) Two representatives of employers, of which one shall represent small employers and one shall represent large employers.

[''(D) Two representatives of health insurers, of which one shall represent insurers that offer coverage in all markets (including individual, small, and large markets), and one shall represent insurers that offer coverage in the small market.

[''(E) Two representatives of consumer organizations.

[''(F) Two representatives of insurance agents and brokers.

[''(G) Two representatives of healthcare providers.

[''(H) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

[''(I) One administrator of a qualified high risk pool.

[''(3) TERMS.—The members of the Commission shall serve for the duration of the Commission. The Secretary shall fill vacancies in the Commission as needed and in a manner consistent with the composition described in paragraph (2).

[''(b) DEVELOPMENT OF HARMONIZED STANDARDS.—

[''(1) IN GENERAL.—In accordance with the process described in subsection (c), the Commission shall identify and recommend nationally harmonized standards for the small group health insurance market, the individual health insurance market, and the large group health insurance market that relate to the following areas:

[''(A) Rating.

[''(B) Access to coverage.

[''(C) Patient protections.

[''(2) RECOMMENDATIONS.—The Commission shall recommend separate harmonized standards with respect to each of the three insurance markets described in paragraph (1) and separate standards for each element of the areas described in subparagraph (A) through (C) of such paragraph within each such market. Notwithstanding the previous sentence, the Commission shall not recommend any harmonized standards that disrupt, expand, or duplicate the benefit, service, or provider mandate standards provided in the State Benefit Compendium pursuant to section 2922(a).

[''(c) PROCESS FOR IDENTIFYING HARMONIZED STANDARDS.—

[''(1) IN GENERAL.—The Commission shall develop recommendations to harmonize inconsistent State insurance laws with the laws adopted in a plurality of the States. In carrying out the previous sentence, the Commission shall review all State laws that regulate insurance in each of the insurance markets and areas described in subsection (b)(1) and identify the plurality requirement within each element of such areas. Such plurality requirement shall be the harmonized standard for such area in each such market.

[''(2) CONSULTATION.—The Commission shall consult with the National Association of Insurance Commissioners in identifying the plurality requirements for each element within the area and in recommending the harmonized standards.

[''(3) REVIEW OF FEDERAL LAWS.—The Commission shall review whether any Federal law imposes a requirement relating to the markets and areas described in subsection (b)(1). In such case, such Federal requirement shall be deemed the plurality requirement and the Commission shall recommend the Federal requirement as the harmonized standard for such elements.

[''(d) RECOMMENDATIONS AND ADOPTION BY SECRETARY.—

[''(1) RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Commission shall recommend to the Secretary the adoption of the harmonized standards identified pursuant to subsection (c).

[''(2) REGULATIONS.—Not later than 120 days after receipt of the Commission's recommendations under paragraph (1), the Secretary shall issue final regulations adopting the recommended harmonized standards. If the Secretary finds the recommended standards for an element of an area to be arbitrary and inconsistent with the plurality requirements of this section, the Secretary may issue a unique harmonized standard only for such element through the application of a process similar to the process set forth in subsection (c) and through the issuance of proposed and final regulations.

[''(3) EFFECTIVE DATE.—The regulations issued by the Secretary under paragraph (2) shall be effective on the date that is 2 years after the date on which such regulations were issued.

[''(e) TERMINATION.—The Commission shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

[''(f) UPDATED HARMONIZED STANDARDS.—

[''(1) IN GENERAL.—Not later than 2 years after the termination of the Commission under subsection (e), and every 2 years thereafter, the Secretary shall update the harmonized standards. Such updated standards shall be adopted in accordance with paragraph (2).

[''(2) UPDATING OF STANDARDS.—

[''(A) IN GENERAL.—The Secretary shall review all State laws that regulate insurance in each of the markets and elements of areas set forth in subsection (b)(1) and identify whether a plurality of States have adopted substantially similar requirements that differ from the harmonized standards adopted by the Secretary pursuant to subsection (d). In such case, the Secretary shall consider State laws that have been enacted with effective dates that are contingent upon adoption as a harmonized standard by the Secretary. Substantially similar requirements for each element within such area shall be considered to be an updated harmonized standard for such an area.

[''(B) REPORT.—The Secretary shall request the National Association of Insurance Commissioners to issue a report to the Secretary every 2 years to assist the Secretary

in identifying the updated harmonized standards under this paragraph. Nothing in this subparagraph shall be construed to prohibit the Secretary from issuing updated harmonized standards in the absence of such a report.

[''(C) REGULATIONS.—The Secretary shall issue regulations adopting updated harmonized standards under this paragraph within 90 days of identifying such standards. Such regulations shall be effective beginning on the date that is 2 years after the date on which such regulations are issued.

[''(g) PUBLICATION.—

[''(1) LISTING.—The Secretary shall maintain an up to date listing of all harmonized standards adopted under this section on the Internet website of the Department of Health and Human Services.

[''(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish on the Internet website of the Department of Health and Human Services sample contract language that incorporates the harmonized standards adopted under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

[''(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 2 years after the issuance by the Secretary of final regulations adopting harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

[''SEC. 2933. APPLICATION AND PREEMPTION.

[''(a) SUPERCEDING OF STATE LAW.—

[''(1) IN GENERAL.—The harmonized standards adopted under this subtitle shall supersede any and all State laws (whether enacted prior to or after the date of enactment of this title) insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, in a nonadopting State.

[''(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

[''(A) prohibit an eligible insurer from offering coverage consistent with the harmonized standards in the nonadopting State; or

[''(B) discriminate against or among eligible insurers offering or seeking to offer health insurance coverage consistent with the harmonized standards in the nonadopting State.

[''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

[''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

[''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

[''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not apply to any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the terms of the health insurance coverage issued in a nonadopting State. In no case shall this paragraph, or any other provision of this subtitle, be construed to permit a cause of action on behalf of an individual or any other person under State law in connection with a group health plan that is subject to the Employee Retirement Income Security Act of 1974 or health insurance coverage issued in connection with such plan.

[''(4) NONAPPLICATION TO ENFORCE REQUIREMENTS RELATING TO THE COMPENDIUM.—Subsection (a)(1) shall not apply to any State law in a nonadopting State to the extent necessary to provide the insurance department of the State (or other state agency) authority to enforce State law requirements relating to the harmonized standards that are not set forth in the terms of the health insurance coverage issued in a nonadopting State, in a manner that is consistent with the harmonized standards and imposes no greater duties or obligations on health insurance issuers than the harmonized standards.

[''(5) NONAPPLICATION TO SUBSECTION (a)(2).—Paragraphs (3) and (4) shall not apply with respect to subsection (a)(2).

[''(6) NO AFFECT ON PREEMPTION.—In no case shall this subsection be construed to affect the scope of the preemption provided for under the Employee Retirement Income Security Act of 1974.

[''(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 2 years after the date on which final regulations are issued by the Secretary under this subtitle adopting the harmonized standards.

[''SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

[''(a) IN GENERAL.—The district courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

[''(b) ACTIONS.—A health insurance issuer may bring an action in the district courts of the United States for injunctive or other equitable relief against a nonadopting State in connection with the application of a State law that violates this subtitle.

[''(c) VIOLATIONS OF SECTION 2933.—In the case of a nonadopting State that is in violation of section 2933(a)(2), a health insurance issuer may bring an action in the district courts of the United States for damages against the nonadopting State and, if the health insurance issuer prevails in such action, the district court shall award the health insurance issuer its reasonable attorneys fees and costs.

[''SEC. 2935. AUTHORIZATION OF APPROPRIATIONS.

[''There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.''.]

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

(a) SHORT TITLE.—This Act may be cited as the ''Health Insurance Marketplace Modernization and Affordability Act of 2006''.

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

Sec. 1. Short title; table of contents; purposes.

TITLE I—SMALL BUSINESS HEALTH PLANS

Sec. 101. Rules governing small business health plans.

Sec. 102. Cooperation between Federal and State authorities.

Sec. 103. Effective date and transitional and other rules.

TITLE II—MARKET RELIEF

Sec. 201. Market relief.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

Sec. 301. Health Insurance Standards Harmonization.

(c) PURPOSES.—It is the purpose of this Act to—

(1) make more affordable health insurance options available to small businesses, working families, and all Americans;

(2) assure effective State regulatory protection of the interests of health insurance consumers; and

(3) create a more efficient and affordable health insurance marketplace through collaborative development of uniform regulatory standards.

TITLE I—SMALL BUSINESS HEALTH PLANS

SEC. 101. RULES GOVERNING SMALL BUSINESS HEALTH PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''SEC. 801. SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—For purposes of this part, the term 'small business health plan' means a fully insured group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue Code of 1986)), for substantial purposes other than that of obtaining medical care;

''(2) is established as a permanent entity which receives the active support of its members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership;

''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation; and

''(4) does not condition membership on the basis of a minimum group size.

Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), (3), and (4) shall be deemed to be a sponsor described in this subsection.

''SEC. 802. CERTIFICATION OF SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—Not later than 6 months after the date of enactment of this part, the applicable authority shall prescribe by interim final rule a procedure under which the applicable authority shall certify small business health plans which apply for certification as meeting the requirements of this part.

''(b) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—A small business health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

''(c) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of small business health plans under this part. Such regulation shall provide for the revocation of a certification if the applicable authority finds that the small business health plan involved is failing to comply with the requirements of this part.

''(d) EXPEDITED AND DEEMED CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary fails to act on an application for certification under this section within 90 days of receipt of such application, the applying small business health plan

shall be deemed certified until such time as the Secretary may deny for cause the application for certification.

''(2) CIVIL PENALTY.—The Secretary may assess a civil penalty against the board of trustees and plan sponsor (jointly and severally) of a small business health plan that is deemed certified under paragraph (1) of up to $500,000 in the event the Secretary determines that the application for certification of such small business health plan was willfully or with gross negligence incomplete or inaccurate.

''SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

''(a) SPONSOR.—The requirements of this subsection are met with respect to a small business health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to a small business health plan if the following requirements are met:

''(1) FISCAL CONTROL.—The plan is operated, pursuant to a plan document, by a board of trustees which pursuant to a trust agreement has complete fiscal control over the plan and which is responsible for all operations of the plan.

''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

''(A) BOARD MEMBERSHIP.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

''(ii) LIMITATION.—

''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to a small business health plan which is in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with insurers.

''(c) TREATMENT OF FRANCHISE NETWORKS.—In the case of a group health plan which is established and maintained by a franchiser for a franchise network consisting of its franchisees—

''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchiser were deemed to be the sponsor referred to in section 801(b), such network were deemed to be an association described in section 801(b), and each franchisee were deemed to be a member (of the association and the sponsor) referred to in section 801(b); and

''(2) the requirements of section 804(a)(1) shall be deemed met.

The Secretary may by regulation define for purposes of this subsection the terms 'franchiser', 'franchise network', and 'franchisee'.

''SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan—

''(1) each participating employer must be—

''(A) a member of the sponsor;

''(B) the sponsor; or

''(C) an affiliated member of the sponsor, except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

''(2) all individuals commencing coverage under the plan after certification under this part must be—

''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

''(B) the dependents of individuals described in subparagraph (A).

''(b) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

''(c) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to a small business health plan if—

''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

''(2) information regarding all coverage options available under the plan is made readily available to any employer eligible to participate; and

''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

''SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

''(a) IN GENERAL.—The requirements of this section are met with respect to a small business health plan if the following requirements are met:

''(1) CONTENTS OF GOVERNING INSTRUMENTS.—

''(A) IN GENERAL.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

''(i) provides that the board of trustees serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A)); and

''(ii) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)).

''(B) DESCRIPTION OF MATERIAL PROVISIONS.—The terms of the health insurance coverage (including the terms of any individual certificates that may be offered to individuals in connection with such coverage) describe the material benefit and rating, and other provisions set forth in this section and such material provisions are included in the summary plan description.

''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

''(A) IN GENERAL.—The contribution rates for any participating small employer shall not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and shall not vary on the basis of the type of business or industry in which such employer is engaged.

''(B) EFFECT OF TITLE.—Nothing in this title or any other provision of law shall be construed to preclude a health insurance issuer offering health insurance coverage in connection with a small business health plan, and at the request of such small business health plan, from—

''(i) setting contribution rates for the small business health plan based on the claims experience of the plan so long as any variation in such rates complies with the requirements of clause (ii), except that small business health plans shall not be subject to paragraphs (1)(A) and (3) of section 2911(b) of the Public Health Service Act; or

''(ii) varying contribution rates for participating employers in a small business health plan in a State to the extent that such rates could vary using the same methodology employed in such State for regulating small group premium rates, subject to the terms of part I of subtitle A of title XXIX of the Public Health Service Act (relating to rating requirements), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(3) EXCEPTIONS REGARDING SELF-EMPLOYED AND LARGE EMPLOYERS.—

''(A) SELF EMPLOYED.—

''(i) IN GENERAL.—Small business health plans with participating employers who are self-employed individuals (and their dependents) shall enroll such self-employed participating employers in accordance with rating rules that do not violate the rating rules for self-employed individuals in the State in which such self-employed participating employers are located.

''(ii) GUARANTEE ISSUE.—Small business health plans with participating employers who are self-employed individuals (and their dependents) may decline to guarantee issue to such participating employers in States in which guarantee issue is not otherwise required for the self-employed in that State.

''(B) LARGE EMPLOYERS.—Small business health plans with participating employers that are larger than small employers (as defined in section 808(a)(10)) shall enroll such large participating employers in accordance with rating rules that do not violate the rating rules for large employers in the State in which such large participating employers are located.

''(4) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

''(b) ABILITY OF SMALL BUSINESS HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude a small business health plan or a health insurance issuer offering health insurance coverage in connection with a small business health plan from exercising its sole discretion in selecting the specific benefits and services consisting of medical care to be included as benefits under such plan or coverage, except that such benefits and services must meet the terms and specifications of part II of subtitle A

of title XXIX of the Public Health Service Act (relating to lower cost plans), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(c) DOMICILE AND NON-DOMICILE STATES.—

''(1) DOMICILE STATE.—Coverage shall be issued to a small business health plan in the State in which the sponsor's principal place of business is located.

''(2) NON-DOMICILE STATES.—With respect to a State (other than the domicile State) in which participating employers of a small business health plan are located but in which the insurer of the small business health plan in the domicile State is not yet licensed, the following shall apply:

''(A) TEMPORARY PREEMPTION.—If, upon the expiration of the 90-day period following the submission of a licensure application by such insurer (that includes a certified copy of an approved licensure application as submitted by such insurer in the domicile State) to such State, such State has not approved or denied such application, such State's health insurance licensure laws shall be temporarily preempted and the insurer shall be permitted to operate in such State, subject to the following terms:

''(i) APPLICATION OF NON-DOMICILE STATE LAW.—Except with respect to licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits as added by the Health Insurance Marketplace Modernization and Affordability Act of 2006), the laws and authority of the non-domicile State shall remain in full force and effect.

''(ii) REVOCATION OF PREEMPTION.—The preemption of a non-domicile State's health insurance licensure laws pursuant to this subparagraph, shall be terminated upon the occurrence of either of the following:

''(I) APPROVAL OR DENIAL OF APPLICATION.—The approval of denial of an insurer's licensure application, following the laws and regulations of the non-domicile State with respect to licensure.

''(II) DETERMINATION OF MATERIAL VIOLATION.—A determination by a non-domicile State that an insurer operating in a non-domicile State pursuant to the preemption provided for in this subparagraph is in material violation of the insurance laws (other than licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits added by the Health Insurance Marketplace Modernization and Affordability Act of 2006)) of such State.

''(B) NO PROHIBITION ON PROMOTION.—Nothing in this paragraph shall be construed to prohibit a small business health plan or an insurer from promoting coverage prior to the expiration of the 90-day period provided for in subparagraph (A), except that no enrollment or collection of contributions shall occur before the expiration of such 90-day period.

''(C) LICENSURE.—Except with respect to the application of the temporary preemption provision of this paragraph, nothing in this part shall be construed to limit the requirement that insurers issuing coverage to small business health plans shall be licensed in each State in which the small business health plans operate.

''(D) SERVICING BY LICENSED INSURERS.—Notwithstanding subparagraph (C), the requirements of this subsection may also be satisfied if the participating employers of a small business health plan are serviced by a licensed insurer in that State, even where such insurer is not the insurer of such small business health plan in the State in which such small business health plan is domiciled.

''SEC. 806. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), a small business health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to small business health plans.

''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

''(1) IDENTIFYING INFORMATION.—The names and addresses of—

''(A) the sponsor; and

''(B) the members of the board of trustees of the plan.

''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan, health insurance issuer, and contract administrators and other service providers.

''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to a small business health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which the small business health plans operate.

''(d) NOTICE OF MATERIAL CHANGES.—In the case of any small business health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

''SEC. 807. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

''A small business health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

''(3) submits such plan in writing to the applicable authority.

Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

''SEC. 808. DEFINITIONS AND RULES OF CONSTRUCTION.

''(a) DEFINITIONS.—For purposes of this part—

''(1) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor, or

''(B) in the case of a sponsor with members which consist of associations, a person who is a member or employee of any such association and elects an affiliated status with the sponsor.

''(2) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary of Labor, except that, in connection with any exercise of the Secretary's authority with respect to which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

''(3) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

''(4) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1), except that such term shall not include excepted benefits (as defined in section 733(c)).

''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

''(7) INDIVIDUAL MARKET.—

''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

''(B) TREATMENT OF VERY SMALL GROUPS.—

''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

''(8) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

''(9) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with a small business health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

''(10) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, a small employer as defined in section 2791(e)(4).

''(11) TRADE ASSOCIATION AND PROFESSIONAL ASSOCIATION.—The terms 'trade association' and 'professional association' mean an entity that meets the requirements of section 1.501(c)(6)-1 of title 26, Code of Federal Regulations (as in effect on the date of enactment of this Act).

''(b) RULE OF CONSTRUCTION.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is a small business health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

''(1) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

''(2) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.

''(c) RENEWAL.—Notwithstanding any provision of law to the contrary, a participating employer in a small business health plan shall not be deemed to be a plan sponsor in applying requirements relating to coverage renewal.

''(d) HEALTH SAVINGS ACCOUNTS.—Nothing in this part shall be construed to inhibit the development of health savings accounts pursuant to section 223 of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

''(E) The preceding subparagraphs of this paragraph do not apply with respect to any State law in the case of a small business health plan which is certified under part 8.''.

(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

(C) by redesignating subsection (d) as subsection (e); and

(D) by inserting after subsection (c) the following new subsection:

''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude a health insurance issuer from offering health insurance coverage in connection with a small business health plan which is certified under part 8.

''(2) In any case in which health insurance coverage of any policy type is offered under a small business health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may establish rating and benefit requirements that would otherwise apply to such coverage, provided the requirements of subtitle A of title XXIX of the Public Health Service Act (as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006) (concerning health plan rating and benefits) are met.''.

(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of a small business health plan under part 8.''.

(d) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

(e) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''801. Small business health plans.
''802. Certification of small business health plans.
''803. Requirements relating to sponsors and boards of trustees.
''804. Participation and coverage requirements.
''805. Other requirements relating to plan documents, contribution rates, and benefit options.
''806. Requirements for application and related requirements.
''807. Notice requirements for voluntary termination.
''808. Definitions and rules of construction.''.

SEC. 102. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

''(d) CONSULTATION WITH STATES WITH RESPECT TO SMALL BUSINESS HEALTH PLANS.—

''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to a small business health plan regarding the exercise of—

''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

''(B) the Secretary's authority to certify small business health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

''(2) RECOGNITION OF DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular small business health plan, as the State with which consultation is required. In carrying out this paragraph such State shall be the domicile State, as defined in section 805(c).''.

SEC. 103. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect 12 months after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this title within 6 months after the date of the enactment of this Act.

(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 808(a)(2) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of trustees which—

(i) is elected by the participating employers, with each employer having one vote; and

(ii) has complete fiscal control over the arrangement and which is responsible for all operations of the arrangement;

(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement or at such time that the arrangement provides coverage to participants and beneficiaries in any State other than the States in which coverage is provided on such date of enactment.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 808 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''small business health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

TITLE II—MARKET RELIEF

SEC. 201. MARKET RELIEF.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH CARE INSURANCE MARKETPLACE MODERNIZATION

''SEC. 2901. GENERAL INSURANCE DEFINITIONS.

''In this title, the terms 'health insurance coverage', 'health insurance issuer', 'group health plan', and 'individual health insurance' shall have the meanings given such terms in section 2791.

''Subtitle A—Market Relief

''PART I—RATING REQUIREMENTS

''SEC. 2911. DEFINITIONS.

''(a) GENERAL DEFINITIONS.—In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that, with respect to the small group market, has enacted either the Model Small Group Rating Rules or, if applicable to such State, the Transitional Model Small Group Rating Rules, each in their entirety and as the exclusive laws of the State that relate to rating in the small group insurance market.

''(2) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the insurance laws of such State.

''(3) BASE PREMIUM RATE.—The term 'base premium rate' means, for each class of business with respect to a rating period, the lowest premium rate charged or that could have been charged under a rating system for that class of business by the small employer carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage

''(4) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Model Small Group Rating Rules or, as applicable, transitional small group rating rules in a State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage in that State consistent with the Model Small Group Rating Rules, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency); and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Model Small Group Rating Rules and an affirmation that such Rules are included in the terms of such contract.

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the small group health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(6) INDEX RATE.—The term 'index rate' means for each class of business with respect to the rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

''(7) MODEL SMALL GROUP RATING RULES.—The term ' Model Small Group Rating Rules' means the rules set forth in subsection (b).

''(8) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(9) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(10) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''(b) DEFINITION RELATING TO MODEL SMALL GROUP RATING RULES.—The term 'Model Small Group Rating Rules' means adapted rating rules drawn from the Adopted Small Employer Health Insurance Availability Model Act of 1993 of the National Association of Insurance Commissioners consisting of the following:

''(1) PREMIUM RATES.—Premium rates for health benefit plans to which this title applies shall be subject to the following provisions relating to premiums:

''(A) INDEX RATE.—The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than 20 percent.

''(B) CLASS OF BUSINESSES.—With respect to a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage or the rates that could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than 25 percent of the index rate under subparagraph (A).

''(C) INCREASES FOR NEW RATING PERIODS.—The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

''(i) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, except that such change shall not exceed, on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers.

''(ii) Any adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less then 1 year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business involved.

''(iii) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

''(D) UNIFORM APPLICATION OF ADJUSTMENTS.—Adjustments in premium rates for claim experience, health status, or duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

''(E) USE OF INDUSTRY AS A CASE CHARACTERISTIC.—A small employer carrier may utilize industry as a case characteristic in establishing premium rates, so long as the highest rate factor associated with any industry classification does not exceed the lowest rate factor associated with any industry classification by more than 15 percent.

''(F) CONSISTENT APPLICATION OF FACTORS.—Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by the amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

''(G) TREATMENT OF PLANS AS HAVING SAME RATING PERIOD.—A small employer carrier shall treat all health benefit plans issued or renewed in the same calendar month as having the same rating period.

''(H) RESTRICTED NETWORK PROVISIONS.—For purposes of this subsection, a health benefit plan that contains a restricted network provision shall not be considered similar coverage to a health benefit plan that does not contain a similar provision if the restriction of benefits to network providers results in substantial differences in claims costs.

''(I) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTICS.—The small employer carrier shall not use case characteristics other than age, gender, industry, geographic area, family composition, group size, and participation in wellness programs without prior approval of the applicable State authority.

''(J) REQUIRE COMPLIANCE.—Premium rates for small business health benefit plans shall comply with the requirements of this subsection notwithstanding any assessments paid or payable by a small employer carrier as required by a State's small employer carrier reinsurance program.

''(2) ESTABLISHMENT OF SEPARATE CLASS OF BUSINESS.—Subject to paragraph (3), a small employer carrier may establish a separate class of business only to reflect substantial differences in expected claims experience or administrative costs related to the following:

''(A) The small employer carrier uses more than one type of system for the marketing and sale of health benefit plans to small employers.

''(B) The small employer carrier has acquired a class of business from another small employer carrier.

''(C) The small employer carrier provides coverage to one or more association groups that meet the requirements of this title.

''(3) LIMITATION.—A small employer carrier may establish up to 9 separate classes of business under paragraph (2), excluding those classes of business related to association groups under this title.

''(4) ADDITIONAL GROUPINGS.—The applicable State authority may approve the establishment of additional distinct groupings by small employer carriers upon the submission of an application to the applicable State authority and a finding by the applicable State authority that such action would enhance the efficiency and fairness of the small employer insurance marketplace.

''(5) LIMITATION ON TRANSFERS.—A small employer carrier shall not transfer a small employer involuntarily into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration of coverage since issue.

''(6) SUSPENSION OF THE RULES.—The applicable State authority may suspend, for a specified period, the application of paragraph (1) to the premium rates applicable to one or more small employers included within a class of business of a small employer carrier for one or more rating periods upon a filing by the small employer carrier and a finding by the applicable State authority either that the suspension is reasonable when considering the financial condition of the small employer carrier or that the suspension would enhance the efficiency and fairness of the marketplace for small employer health insurance.

''SEC. 2912. RATING RULES.

''(a) IMPLEMENTATION OF MODEL SMALL GROUP RATING RULES.—Not later than 6 months after the enactment of this title, the Secretary shall promulgate regulations implementing the Model Small Group Rating Rules pursuant to section 2911(b).

''(b) TRANSITIONAL MODEL SMALL GROUP RATING RULES.—

''(1) IN GENERAL.—Not later than 6 months after the date of enactment of this title and to the extent necessary to provide for a graduated transition to the Model Small Group Rating Rules, the Secretary, in consultation with the NAIC, shall promulgate Transitional Model Small Group Rating Rules in accordance with this subsection, which shall be applicable with respect to certain non-adopting States for a period of not to exceed 5 years from the date of the promulgation of the Model Small Group Rating Rules pursuant to subsection (a). After the expiration of such 5-year period, the transitional model small group rating rules shall expire, and the Model Small Group Rating Rules shall then apply with respect to all non-adopting States pursuant to the provisions of this part.

''(2) PREMIUM VARIATION DURING TRANSITION.—

''(A) TRANSITION STATES.—During the transition period described in paragraph (1), small group health insurance coverage offered in a non-adopting State that had in place premium rating band requirements or premium limits that varied by less than 12.5 percent from the index rate within a class of business on the date of enactment of this title, shall not be subject to the premium variation provision of section 2911(b)(1) of the Model Small Group Rating Rules and shall instead be subject to the Transitional Model Small Group Rating Rules as promulgated by the Secretary pursuant to paragraph (1).

''(B) NON-TRANSITION STATES.—During the transition period described in paragraph (1), and thereafter, small group health insurance coverage offered in a non-adopting State that had in place premium rating band requirements or premium limits that varied by more than 12.5 percent from the index rate within a class of business on the date of enactment of this title, shall not be subject to the Transitional Model Small Group Rating Rules as promulgated by the Secretary pursuant to paragraph (1), and instead shall be subject to the Model Small Group Rating Rules effective beginning with the first plan year or calendar year following the promulgation of such Rules, at the election of the eligible insurer.

''(3) TRANSITIONING OF OLD BUSINESS.—In developing the transitional model small group rating rules under paragraph (1), the Secretary shall, after consultation with the National Association of Insurance Commissioners and representatives of insurers operating in the small group health insurance market, promulgate special transition standards and timelines with respect to independent rating classes for old and new business, to the extent reasonably necessary to protect health insurance consumers and to ensure a stable and fair transition for old and new market entrants.

''(4) OTHER TRANSITIONAL AUTHORITY.—In developing the Transitional Model Small Group Rating Rules under paragraph (1), the Secretary shall provide for the application of the Transitional Model Small Group Rating Rules in transition States as the Secretary may determine necessary for a an effective transition.

''(c) MARKET RE-ENTRY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that has voluntarily withdrawn from providing coverage in the small group market prior to the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006 shall not be excluded from re-entering such market on a date that is more than 180 days after such date of enactment.

''(2) TERMINATION.—The provision of this subsection shall terminate on the date that is 24 months after the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''SEC. 2913. APPLICATION AND PREEMPTION.

''(a) SUPERSEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws of a non-adopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle) relate to rating in the small group insurance market as applied to an eligible insurer, or small group health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small employer through a small business health plan, in a State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle)—

''(A) prohibit an eligible insurer from offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting states.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers that offer small group health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law in a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Model Small Group Rating Rules or transitional model small group rating rules.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(c) EFFECTIVE DATE.—This section shall apply, at the election of the eligible insurer, beginning in the first plan year or the first calendar year following the issuance of the final rules by the Secretary under the Model Small Group Rating Rules or, as applicable, the Transitional Model Small Group Rating Rules, but in no event earlier than the date that is 12 months after the date of enactment of this title.

''SEC. 2914. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2913.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2915. ONGOING REVIEW.

''Not later than 5 years after the date on which the Model Small Group Rating Rules are issued under this part, and every 5 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the Model Small Group Rating Rules on access, cost, and market functioning in the small group market. Such report may, if the Secretary, in consultation with the National Association of Insurance Commissioners, determines such is appropriate for improving access, costs, and market functioning, contain legislative proposals for recommended modification to such Model Small Group Rating Rules.

''PART II—AFFORDABLE PLANS

''SEC. 2921. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the Benefit Choice Standards in their entirety and as the exclusive laws of the State that relate to benefit, service, and provider mandates in the group and individual insurance markets.

''(2) BENEFIT CHOICE STANDARDS.—The term 'Benefit Choice Standards' means the Standards issued under section 2922.

''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Benefit Choice Standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the Benefit Choice Standards, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Benefit Choice Standards and that adherence to such Standards is included as a term of such contract.

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the group or individual health insurance markets, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(6) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(7) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''SEC. 2922. OFFERING AFFORDABLE PLANS.

''(a) BENEFIT CHOICE OPTIONS.—

''(1) DEVELOPMENT.—Not later than 6 months after the date of enactment of this title, the Secretary shall issue, by interim final rule, Benefit Choice Standards that implement the standards provided for in this part.

''(2) BASIC OPTIONS.—The Benefit Choice Standards shall provide that a health insurance issuer in a State, may offer a coverage plan or plan in the small group market, individual market, large group market, or through a small business health plan, that does not comply with one or more mandates regarding covered benefits, services, or category of provider as may be in effect in such State with respect to such market or markets (either prior to or following the date of enactment of this title), if such issuer also offers in such market or markets an enhanced option as provided for in paragraph (3).

''(3) ENHANCED OPTION.—A health insurance issuer issuing a basic option as provided for in paragraph (2) shall also offer to purchasers (including, with respect to a small business health plan, the participating employers of such plan) an enhanced option, which shall at a minimum include such covered benefits, services, and categories of providers as are covered by a State employee coverage plan in one of the 5 most populous States as are in effect in the calendar year in which such enhanced option is offered.

''(4) PUBLICATION OF BENEFITS.—Not later than 3 months after the date of enactment of this title, and on the first day of every calendar year thereafter, the Secretary shall publish in the Federal Register such covered benefits, services, and categories of providers covered in that calendar year by the State employee coverage plans in the 5 most populous States.

''(b) EFFECTIVE DATES.—

''(1) SMALL BUSINESS HEALTH PLANS.—With respect to health insurance provided to participating employers of small business health plans, the requirements of this part (concerning lower cost plans) shall apply beginning on the date that is 12 months after the date of enactment of this title.

''(2) NON-ASSOCIATION COVERAGE.—With respect to health insurance provided to groups or individuals other than participating employers of small business health plans, the requirements of this part shall apply beginning on the date that is 15 months after the date of enactment of this title.

''SEC. 2923. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws insofar as such laws relate to mandates relating to covered benefits,

services, or categories of provider in the health insurance market as applied to an eligible insurer, or health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as such laws—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards, as provided for in section 2922(a); or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Benefit Choice Standards.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''SEC. 2924. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2923.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2925. RULES OF CONSTRUCTION.

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a health insurance issuer in an adopting State or an eligible insurer in a non-adopting State may amend its existing policies to be consistent with the terms of this subtitle (concerning rating and benefits).

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to inhibit the development of health savings accounts pursuant to section 223 of the Internal Revenue Code of 1986.''.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

SEC. 301. HEALTH INSURANCE STANDARDS HARMONIZATION.

Title XXIX of the Public Health Service Act (as added by section 201) is amended by adding at the end the following:

''Subtitle B—Standards Harmonization

''SEC. 2931. DEFINITIONS.

''In this subtitle:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the harmonized standards adopted under this subtitle in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the harmonized standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the harmonized standards published pursuant to section 2932(d), and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such health coverage) and filed with the State pursuant to subparagraph (B), a description of the harmonized standards published pursuant to section 2932(g)(2) and an affirmation that such standards are a term of the contract.

''(3) HARMONIZED STANDARDS.—The term 'harmonized standards' means the standards certified by the Secretary under section 2932(d).

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that fails to enact, within 18 months of the date on which the Secretary certifies the harmonized standards under this subtitle, the harmonized standards in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''SEC. 2932. HARMONIZED STANDARDS.

''(a) BOARD.—

''(1) ESTABLISHMENT.—Not later than 3 months after the date of enactment of this title, the Secretary, in consultation with the NAIC, shall establish the Health Insurance Consensus Standards Board (referred to in this subtitle as the 'Board') to develop recommendations that harmonize inconsistent State health insurance laws in accordance with the procedures described in subsection (b).

''(2) COMPOSITION.—

''(A) IN GENERAL.—The Board shall be composed of the following voting members to be appointed by the Secretary after considering the recommendations of professional organizations representing the entities and constituencies described in this paragraph:

''(i) Four State insurance commissioners as recommended by the National Association of Insurance Commissioners, of which 2 shall be Democrats and 2 shall be Republicans, and of which one shall be designated as the chairperson and one shall be designated as the vice chairperson.

''(ii) Four representatives of State government, two of which shall be governors of States and two of which shall be State legislators, and two of which shall be Democrats and two of which shall be Republicans.

''(iii) Four representatives of health insurers, of which one shall represent insurers that offer coverage in the small group market, one shall represent insurers that offer coverage in the large group market, one shall represent insurers that offer coverage in the individual market, and one shall represent carriers operating in a regional market.

''(iv) Two representatives of insurance agents and brokers.

''(v) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

''(B) EX OFFICIO MEMBER.—A representative of the Secretary shall serve as an ex officio member of the Board.

''(3) ADVISORY PANEL.—The Secretary shall establish an advisory panel to provide advice to the Board, and shall appoint its members after considering the recommendations of professional organizations representing the entities and constituencies identified in this paragraph:

''(A) Two representatives of small business health plans.

''(B) Two representatives of employers, of which one shall represent small employers and one shall represent large employers.

''(C) Two representatives of consumer organizations.

''(D) Two representatives of health care providers.

''(4) QUALIFICATIONS.—The membership of the Board shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health plans, providers of health services, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

''(5) ETHICAL DISCLOSURE.—The Secretary shall establish a system for public disclosure by members of the Board of financial and other potential conflicts of interest relating to such members. Members of the Board shall be treated as employees of Congress for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95–521).

''(6) DIRECTOR AND STAFF.—Subject to such review as the Secretary deems necessary to assure the efficient administration of the Board, the chair and vice-chair of the Board may—

''(A) employ and fix the compensation of an Executive Director (subject to the approval of the Comptroller General) and such other personnel as may be necessary to carry out its duties (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service);

''(B) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies;

''(C) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Board (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5));

''(D) make advance, progress, and other payments which relate to the work of the Board;

''(E) provide transportation and subsistence for persons serving without compensation; and

''(F) prescribe such rules as it deems necessary with respect to the internal organization and operation of the Board.

''(7) TERMS.—The members of the Board shall serve for the duration of the Board. Vacancies in the Board shall be filled as needed in a manner consistent with the composition described in paragraph (2).

''(b) DEVELOPMENT OF HARMONIZED STANDARDS.—

''(1) IN GENERAL.—In accordance with the process described in subsection (c), the Board shall identify and recommend nationally harmonized standards for each of the following process categories:

''(A) FORM FILING AND RATE FILING.—Form and rate filing standards shall be established which promote speed to market and include the following defined areas for States that require such filings:

''(i) Procedures for form and rate filing pursuant to a streamlined administrative filing process.

''(ii) Timeframes for filings to be reviewed by a State if review is required before they are deemed approved.

''(iii) Timeframes for an eligible insurer to respond to State requests following its review.

''(iv) A process for an eligible insurer to self-certify.

''(v) State development of form and rate filing templates that include only non-preempted State law and Federal law requirements for eligible insurers with timely updates.

''(vi) Procedures for the resubmission of forms and rates.

''(vii) Disapproval rationale of a form or rate filing based on material omissions or violations of non-preempted State law or Federal law with violations cited and explained.

''(viii) For States that may require a hearing, a rationale for hearings based on violations of non-preempted State law or insurer requests.

''(B) MARKET CONDUCT REVIEW.—Market conduct review standards shall be developed which provide for the following:

''(i) Mandatory participation in national databases.

''(ii) The confidentiality of examination materials.

''(iii) The identification of the State agency with primary responsibility for examinations.

''(iv) Consultation and verification of complaint data with the eligible insurer prior to State actions.

''(v) Consistency of reporting requirements with the recordkeeping and administrative practices of the eligible insurer.

''(vi) Examinations that seek to correct material errors and harmful business practices rather than infrequent errors.

''(vii) Transparency and publishing of the State's examination standards.

''(viii) Coordination of market conduct analysis.

''(ix) Coordination and nonduplication between State examinations of the same eligible insurer.

''(x) Rationale and protocols to be met before a full examination is conducted.

''(xi) Requirements on examiners prior to beginning examinations such as budget planning and work plans.

''(xii) Consideration of methods to limit examiners' fees such as caps, competitive bidding, or other alternatives.

''(xiii) Reasonable fines and penalties for material errors and harmful business practices.

''(C) PROMPT PAYMENT OF CLAIMS.—The Board shall establish prompt payment standards for eligible insurers based on standards similar to those applicable to the Social Security Act as set forth in section 1842(c)(2) of such Act (42 U.S.C. 1395u(c)(2)). Such prompt payment standards shall be consistent with the timing and notice requirements of the claims procedure rules to be specified under subparagraph (D), and shall include appropriate exceptions such as for fraud, nonpayment of premiums, or late submission of claims.

''(D) INTERNAL REVIEW.—The Board shall establish standards for claims procedures for eligible insurers that are consistent with the requirements relating to initial claims for benefits and appeals of claims for benefits under the Employee Retirement Income Security Act of 1974 as set forth in section 503 of such Act (29 U.S.C. 1133) and the regulations thereunder.

''(2) RECOMMENDATIONS.—The Board shall recommend harmonized standards for each element of the categories described in subparagraph (A) through (D) of paragraph (1) within each such market. Notwithstanding the previous sentence, the Board shall not recommend any harmonized standards that disrupt, expand, or duplicate the benefit, service, or provider mandate standards provided in the Benefit Choice Standards pursuant to section 2922(a).

''(c) PROCESS FOR IDENTIFYING HARMONIZED STANDARDS.—

''(1) IN GENERAL.—The Board shall develop recommendations to harmonize inconsistent State insurance laws with respect to each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(2) REQUIREMENTS.—In adopting standards under this section, the Board shall consider the following:

''(A) Any model acts or regulations of the National Association of Insurance Commissioners in each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(B) Substantially similar standards followed by a plurality of States, as reflected in existing State laws, relating to the specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(C) Any Federal law requirement related to specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(D) In the case of the adoption of any standard that differs substantially from those referred to in subparagraphs (A), (B), or (C), the Board shall provide evidence to the Secretary that such standard is necessary to protect health insurance consumers or promote speed to market or administrative efficiency.

''(E) The criteria specified in clauses (i) through (iii) of subsection (d)(2)(B).

''(d) RECOMMENDATIONS AND CERTIFICATION BY SECRETARY.—

''(1) RECOMMENDATIONS.—Not later than 18 months after the date on which all members of the Board are selected under subsection (a), the Board shall recommend to the Secretary the certification of the harmonized standards identified pursuant to subsection (c).

''(2) CERTIFICATION.—

''(A) IN GENERAL.—Not later than 120 days after receipt of the Board's recommendations under paragraph (1), the Secretary shall certify the recommended harmonized standards as provided for in subparagraph (B), and issue such standards in the form of an interim final regulation.

''(B) CERTIFICATION PROCESS.—The Secretary shall establish a process for certifying the recommended harmonized standard, by category, as recommended by the Board under this section. Such process shall—

''(i) ensure that the certified standards for a particular process area achieve regulatory harmonization with respect to health plans on a national basis;

''(ii) ensure that the approved standards are the minimum necessary, with regard to substance and quantity of requirements, to protect health insurance consumers and maintain a competitive regulatory environment; and

''(iii) ensure that the approved standards will not limit the range of group health plan designs and insurance products, such as catastrophic coverage only plans, health savings accounts, and health maintenance organizations, that might otherwise be available to consumers.

''(3) EFFECTIVE DATE.—The standards certified by the Secretary under paragraph (2) shall be effective on the date that is 18 months after the date on which the Secretary certifies the harmonized standards.

''(e) TERMINATION.—The Board shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

''(f) ONGOING REVIEW.—Not earlier than 3 years after the termination of the Board under subsection (e), and not earlier than every 3 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the harmonized standards on access, cost, and health insurance market functioning. The Secretary may, based on such report and applying the process established for certification under subsection (d)(2)(B), in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, update the harmonized standards through notice and comment rulemaking.

''(g) PUBLICATION.—

''(1) LISTING.—The Secretary shall maintain an up to date listing of all harmonized standards certified under this section on the Internet website of the Department of Health and Human Services.

''(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish on the Internet website of the Department of Health and Human Services sample contract language that incorporates the harmonized standards certified under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

''(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 18 months after the certification by the Secretary of harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

''SEC. 2933. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—The harmonized standards certified under this subtitle shall supersede any and all State laws of a non-adopting State insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the harmonized standards; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the harmonized standards under this subtitle.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the harmonized standards under this subtitle.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this subtitle be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this subtitle be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 18 months after the date on harmonized standards are certified by the Secretary under this subtitle.

''SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The district courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2933.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2935. AUTHORIZATION OF APPROPRIATIONS; RULE OF CONSTRUCTION.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to inhibit the development of health savings accounts pursuant to section 223 of the Internal Revenue Code of 1986.''.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. With the authorization of the majority of the HELP Committee members, I ask that the committee substitute be modified with the changes that are at the desk.

The PRESIDING OFFICER. The substitute is so modified.

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

(Purpose: In the nature of a substitute)

Strike all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Health Insurance Marketplace Modernization and Affordability Act of 2006''.

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

Sec. 1. Short title; table of contents; purposes.

TITLE I—SMALL BUSINESS HEALTH PLANS

Sec. 101. Rules governing small business health plans.

Sec. 102. Cooperation between Federal and State authorities.

Sec. 103. Effective date and transitional and other rules.

TITLE II—MARKET RELIEF

Sec. 201. Market relief.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

Sec. 301. Health Insurance Standards Harmonization.

(c) PURPOSES.—It is the purpose of this Act to—

(1) make more affordable health insurance options available to small businesses, working families, and all Americans;

(2) assure effective State regulatory protection of the interests of health insurance consumers; and

(3) create a more efficient and affordable health insurance marketplace through collaborative development of uniform regulatory standards.

TITLE I—SMALL BUSINESS HEALTH PLANS

SEC. 101. RULES GOVERNING SMALL BUSINESS HEALTH PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''SEC. 801. SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—For purposes of this part, the term 'small business health plan' means a fully insured group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue Code of 1986)), for substantial purposes other than that of obtaining medical care;

''(2) is established as a permanent entity which receives the active support of its members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership;

''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation; and

''(4) does not condition membership on the basis of a minimum group size.

Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), (3), and (4) shall be deemed to be a sponsor described in this subsection.

''SEC. 802. CERTIFICATION OF SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—Not later than 6 months after the date of enactment of this part, the applicable authority shall prescribe by interim final rule a procedure under which the applicable authority shall certify small business health plans which apply for certification as meeting the requirements of this part.

''(b) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—A small business health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

''(c) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of small business health plans under this part. Such regulation shall provide for the revocation of a certification if the applicable authority finds that the small business health plan involved is failing to comply with the requirements of this part.

''(d) EXPEDITED AND DEEMED CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary fails to act on an application for certification under this section within 90 days of receipt of such application, the applying small business health plan shall be deemed certified until such time as the Secretary may deny for cause the application for certification.

''(2) CIVIL PENALTY.—The Secretary may assess a civil penalty against the board of trustees and plan sponsor (jointly and severally) of a small business health plan that is deemed certified under paragraph (1) of up to $500,000 in the event the Secretary determines that the application for certification of such small business health plan was willfully or with gross negligence incomplete or inaccurate.

''SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

''(a) SPONSOR.—The requirements of this subsection are met with respect to a small business health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to a small business health plan if the following requirements are met:

''(1) FISCAL CONTROL.—The plan is operated, pursuant to a plan document, by a board of trustees which pursuant to a trust

agreement has complete fiscal control over the plan and which is responsible for all operations of the plan.

''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

''(A) BOARD MEMBERSHIP.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

''(ii) LIMITATION.—

''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to a small business health plan which is in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with insurers.

''(c) TREATMENT OF FRANCHISES.—In the case of a group health plan which is established and maintained by a franchiser for a franchisor or for its franchisees—

''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchisor were deemed to be the sponsor referred to in section 801(b) and each franchisee were deemed to be a member (of the sponsor) referred to in section 801(b); and

''(2) the requirements of section 804(a)(1) shall be deemed met.

For purposes of this subsection the terms 'franchisor' and 'franchisee' shall have the meanings given such terms for purposes of sections 436.2(a) through 436.2(c) of title 16, Code of Federal Regulations (including any such amendments to such regulation after the date of enactment of this part).

''SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan—

''(1) each participating employer must be—

''(A) a member of the sponsor;

''(B) the sponsor; or

''(C) an affiliated member of the sponsor, except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

''(2) all individuals commencing coverage under the plan after certification under this part must be—

''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

''(B) the dependents of individuals described in subparagraph (A).

''(b) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

''(c) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to a small business health plan if—

''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

''(2) information regarding all coverage options available under the plan is made readily available to any employer eligible to participate; and

''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

''SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

''(a) IN GENERAL.—The requirements of this section are met with respect to a small business health plan if the following requirements are met:

''(1) CONTENTS OF GOVERNING INSTRUMENTS.—

''(A) IN GENERAL.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

''(i) provides that the board of trustees serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A)); and

''(ii) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)).

''(B) DESCRIPTION OF MATERIAL PROVISIONS.—The terms of the health insurance coverage (including the terms of any individual certificates that may be offered to individuals in connection with such coverage) describe the material benefit and rating, and other provisions set forth in this section and such material provisions are included in the summary plan description.

''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

''(A) IN GENERAL.—The contribution rates for any participating small employer shall not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and shall not vary on the basis of the type of business or industry in which such employer is engaged, subject to subparagraph (B) and the terms of this title.

''(B) EFFECT OF TITLE.—Nothing in this title or any other provision of law shall be construed to preclude a health insurance issuer offering health insurance coverage in connection with a small business health plan that meets the requirements of this part, and at the request of such small business health plan, from—

''(i) setting contribution rates for the small business health plan based on the claims experience of the small business health plan so long as any variation in such rates for participating small employers complies with the requirements of clause (ii), except that small business health plans shall not be subject, in non-adopting states, to subparagraphs (A)(ii) and (C) of section 2912(a)(2) of the Public Health Service Act, and in adopting states, to any State law that would have the effect of imposing requirements as outlined in such subparagraphs (A)(ii) and (C); or

''(ii) varying contribution rates for participating small employers in a small business health plan in a State to the extent that such rates could vary using the same methodology employed in such State for regulating small group premium rates, subject to the terms of part I of subtitle A of title XXIX of the Public Health Service Act (relating to rating requirements), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(3) EXCEPTIONS REGARDING SELF-EMPLOYED AND LARGE EMPLOYERS.—

''(A) SELF EMPLOYED.—

''(i) IN GENERAL.—Small business health plans with participating employers who are self-employed individuals (and their dependents) shall enroll such self-employed participating employers in accordance with rating rules that do not violate the rating rules for self-employed individuals in the State in which such self-employed participating employers are located.

''(ii) GUARANTEE ISSUE.—Small business health plans with participating employers who are self-employed individuals (and their dependents) may decline to guarantee issue to such participating employers in States in which guarantee issue is not otherwise required for the self-employed in that State.

''(B) LARGE EMPLOYERS.—Small business health plans with participating employers that are larger than small employers (as defined in section 808(a)(10)) shall enroll such large participating employers in accordance with rating rules that do not violate the rating rules for large employers in the State in which such large participating employers are located.

''(4) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

''(b) ABILITY OF SMALL BUSINESS HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude a small business health plan or a health insurance issuer offering health insurance coverage in connection with a small business health plan from exercising its sole discretion in selecting the specific benefits and services consisting of medical care to be included as benefits under such plan or coverage, except that such benefits and services must meet the terms and specifications of part II of subtitle A of title

XXIX of the Public Health Service Act (relating to lower cost plans), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(c) DOMICILE AND NON-DOMICILE STATES.—

''(1) DOMICILE STATE.—Coverage shall be issued to a small business health plan in the State in which the sponsor's principal place of business is located.

''(2) NON-DOMICILE STATES.—With respect to a State (other than the domicile State) in which participating employers of a small business health plan are located but in which the insurer of the small business health plan in the domicile State is not yet licensed, the following shall apply:

''(A) TEMPORARY PREEMPTION.—If, upon the expiration of the 90-day period following the submission of a licensure application by such insurer (that includes a certified copy of an approved licensure application as submitted by such insurer in the domicile State) to such State, such State has not approved or denied such application, such State's health insurance licensure laws shall be temporarily preempted and the insurer shall be permitted to operate in such State, subject to the following terms:

''(i) APPLICATION OF NON-DOMICILE STATE LAW.—Except with respect to licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits as added by the Health Insurance Marketplace Modernization and Affordability Act of 2006), the laws and authority of the non-domicile State shall remain in full force and effect.

''(ii) REVOCATION OF PREEMPTION.—The preemption of a non-domicile State's health insurance licensure laws pursuant to this subparagraph, shall be terminated upon the occurrence of either of the following:

''(I) APPROVAL OR DENIAL OF APPLICATION.—The approval of denial of an insurer's licensure application, following the laws and regulations of the non-domicile State with respect to licensure.

''(II) DETERMINATION OF MATERIAL VIOLATION.—A determination by a non-domicile State that an insurer operating in a non-domicile State pursuant to the preemption provided for in this subparagraph is in material violation of the insurance laws (other than licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits added by the Health Insurance Marketplace Modernization and Affordability Act of 2006)) of such State.

''(B) NO PROHIBITION ON PROMOTION.—Nothing in this paragraph shall be construed to prohibit a small business health plan or an insurer from promoting coverage prior to the expiration of the 90-day period provided for in subparagraph (A), except that no enrollment or collection of contributions shall occur before the expiration of such 90-day period.

''(C) LICENSURE.—Except with respect to the application of the temporary preemption provision of this paragraph, nothing in this part shall be construed to limit the requirement that insurers issuing coverage to small business health plans shall be licensed in each State in which the small business health plans operate.

''(D) SERVICING BY LICENSED INSURERS.—Notwithstanding subparagraph (C), the requirements of this subsection may also be satisfied if the participating employers of a small business health plan are serviced by a licensed insurer in that State, even where such insurer is not the insurer of such small business health plan in the State in which such small business health plan is domiciled.

''SEC. 806. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), a small business health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to small business health plans.

''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

''(1) IDENTIFYING INFORMATION.—The names and addresses of—

''(A) the sponsor; and

''(B) the members of the board of trustees of the plan.

''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan, health insurance issuer, and contract administrators and other service providers.

''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to a small business health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which the small business health plans operate.

''(d) NOTICE OF MATERIAL CHANGES.—In the case of any small business health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

''SEC. 807. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

''A small business health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

''(3) submits such plan in writing to the applicable authority.

Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

''SEC. 808. DEFINITIONS AND RULES OF CONSTRUCTION.

''(a) DEFINITIONS.—For purposes of this part—

''(1) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor, or

''(B) in the case of a sponsor with members which consist of associations, a person who is a member or employee of any such association and elects an affiliated status with the sponsor.

''(2) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary of Labor, except that, in connection with any exercise of the Secretary's authority with respect to which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

''(3) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

''(4) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1), except that such term shall not include excepted benefits (as defined in section 733(c)).

''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

''(7) INDIVIDUAL MARKET.—

''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

''(B) TREATMENT OF VERY SMALL GROUPS.—

''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

''(8) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

''(9) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with a small business health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

''(10) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, a small employer as defined in section 2791(e)(4).

''(11) TRADE ASSOCIATION AND PROFESSIONAL ASSOCIATION.—The terms 'trade association' and 'professional association' mean an entity that meets the requirements of section 1.501(c)(6)-1 of title 26, Code of Federal Regulations (as in effect on the date of enactment of this Act).

''(b) RULE OF CONSTRUCTION.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is a small business health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

''(1) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

''(2) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.

''(c) RENEWAL.—Notwithstanding any provision of law to the contrary, a participating employer in a small business health plan shall not be deemed to be a plan sponsor in applying requirements relating to coverage renewal.

''(d) HEALTH SAVINGS ACCOUNTS.—Nothing in this part shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

''(E) The preceding subparagraphs of this paragraph do not apply with respect to any State law in the case of a small business health plan which is certified under part 8.''.

(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

(C) by redesignating subsection (d) as subsection (e); and

(D) by inserting after subsection (c) the following new subsection:

''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude a health insurance issuer from offering health insurance coverage in connection with a small business health plan which is certified under part 8.

''(2) In any case in which health insurance coverage of any policy type is offered under a small business health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may establish rating and benefit requirements that would otherwise apply to such coverage, provided the requirements of subtitle A of title XXIX of the Public Health Service Act (as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006) (concerning health plan rating and benefits) are met.''.

(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of a small business health plan under part 8.''.

(d) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

(e) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''801. Small business health plans.
''802. Certification of small business health plans.
''803. Requirements relating to sponsors and boards of trustees.
''804. Participation and coverage requirements.
''805. Other requirements relating to plan documents, contribution rates, and benefit options.
''806. Requirements for application and related requirements.
''807. Notice requirements for voluntary termination.
''808. Definitions and rules of construction.''.

SEC. 102. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

''(d) CONSULTATION WITH STATES WITH RESPECT TO SMALL BUSINESS HEALTH PLANS.—

''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to a small business health plan regarding the exercise of—

''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

''(B) the Secretary's authority to certify small business health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

''(2) RECOGNITION OF DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular small business health plan, as the State with which consultation is required. In carrying out this paragraph such State shall be the domicile State, as defined in section 805(c).''.

SEC. 103. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect 12 months after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this title within 6 months after the date of the enactment of this Act.

(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 808(a)(2) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of trustees which has control over the arrangement;

(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement or at such time that the arrangement provides coverage to participants and beneficiaries in any State other than the States in which coverage is provided on such date of enactment.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 808 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''small business health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

TITLE II—MARKET RELIEF

SEC. 201. MARKET RELIEF.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH CARE INSURANCE MARKETPLACE MODERNIZATION

''SEC. 2901. GENERAL INSURANCE DEFINITIONS.

''In this title, the terms 'health insurance coverage', 'health insurance issuer', 'group health plan', and 'individual health insurance' shall have the meanings given such terms in section 2791.

''Subtitle A—Market Relief

''PART I—RATING REQUIREMENTS

''SEC. 2911. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that, with respect to the small group market, has enacted small group rating rules that meet the minimum standards set forth in section 2912(a)(1) or, as applicable, transitional small group rating rules set forth in section 2912(b).

''(2) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the insurance laws of such State.

''(3) BASE PREMIUM RATE.—The term 'base premium rate' means, for each class of business with respect to a rating period, the lowest premium rate charged or that could have been charged under a rating system for that class of business by the small employer carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage

''(4) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer

intends to offer health insurance coverage consistent with the Model Small Group Rating Rules or, as applicable, transitional small group rating rules in a State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage in that State consistent with the Model Small Group Rating Rules, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency); and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Model Small Group Rating Rules and an affirmation that such Rules are included in the terms of such contract.

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the small group health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(6) INDEX RATE.—The term 'index rate' means for each class of business with respect to the rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

''(7) MODEL SMALL GROUP RATING RULES.—The term ' Model Small Group Rating Rules' means the rules set forth in section 2912(a)(2).

''(8) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(9) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(10) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''(11) VARIATION LIMITS.—

''(A) COMPOSITE VARIATION LIMIT.—

''(i) IN GENERAL.—The term 'composite variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on the following factors or case characteristics:

''(I) Age.

''(II) Duration of coverage.

''(III) Claims experience.

''(IV) Health status.

''(ii) USE OF FACTORS.—With respect to the use of the factors described in clause (i) in setting premium rates, a health insurance issuer shall use one or both of the factors described in subclauses (I) or (IV) of such clause and may use the factors described in subclauses (II) or (III) of such clause.

''(B) TOTAL VARIATION LIMIT.—The term 'total variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on all factors and case characteristics (as described in section 2912(a)(1)).

''SEC. 2912. RATING RULES.

''(a) ESTABLISHMENT OF MINIMUM STANDARDS FOR PREMIUM VARIATIONS AND MODEL SMALL GROUP RATING RULES.—Not later than 6 months after the date of enactment of this title, the Secretary shall promulgate regulations establishing the following Minimum Standards and Model Small Group Rating Rules:

''(1) MINIMUM STANDARDS FOR PREMIUM VARIATIONS.—

''(A) COMPOSITE VARIATION LIMIT.—The composite variation limit shall not be less than 3:1.

''(B) TOTAL VARIATION LIMIT.—The total variation limit shall not be less than 5:1.

''(C) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTICS.—For purposes of this paragraph, in calculating the total variation limit, the State shall not use case characteristics other than those used in calculating the composite variation limit and industry, geographic area, group size, participation rate, class of business, and participation in wellness programs.

''(2) MODEL SMALL GROUP RATING RULES.—The following apply to an eligible insurer in a non-adopting State:

''(A) PREMIUM RATES.—Premium rates for small group health benefit plans to which this title applies shall comply with the following provisions relating to premiums, except as provided for under subsection (b):

''(i) VARIATION IN PREMIUM RATES.—The plan may not vary premium rates by more than the minimum standards provided for under paragraph (1).

''(ii) INDEX RATE.—The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than 20 percent, excluding those classes of business related to association groups under this title.

''(iii) CLASS OF BUSINESSES.—With respect to a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage or the rates that could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than 25 percent of the index rate under clause (ii).

''(iv) INCREASES FOR NEW RATING PERIODS.—The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

''(I) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, except that such change shall not exceed, on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers.

''(II) Any adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less then 1 year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business involved.

''(III) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

''(v) UNIFORM APPLICATION OF ADJUSTMENTS.—Adjustments in premium rates for claim experience, health status, or duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

''(vi) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTIC.—A small employer carrier shall not utilize case characteristics, other than those permitted under paragraph (1)(C), without the prior approval of the applicable State authority.

''(vii) CONSISTENT APPLICATION OF FACTORS.—Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by the amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

''(viii) TREATMENT OF PLANS AS HAVING SAME RATING PERIOD.—A small employer carrier shall treat all health benefit plans issued or renewed in the same calendar month as having the same rating period.

''(ix) REQUIRE COMPLIANCE.—Premium rates for small business health benefit plans shall comply with the requirements of this subsection notwithstanding any assessments paid or payable by a small employer carrier as required by a State's small employer carrier reinsurance program.

''(B) ESTABLISHMENT OF SEPARATE CLASS OF BUSINESS.—Subject to subparagraph (C), a small employer carrier may establish a separate class of business only to reflect substantial differences in expected claims experience or administrative costs related to the following:

''(i) The small employer carrier uses more than one type of system for the marketing and sale of health benefit plans to small employers.

''(ii) The small employer carrier has acquired a class of business from another small employer carrier.

''(iii) The small employer carrier provides coverage to one or more association groups that meet the requirements of this title.

''(C) LIMITATION.—A small employer carrier may establish up to 9 separate classes of business under subparagraph (B), excluding those classes of business related to association groups under this title.

''(D) LIMITATION ON TRANSFERS.—A small employer carrier shall not transfer a small employer involuntarily into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration of coverage since issue.

''(b) TRANSITIONAL MODEL SMALL GROUP RATING RULES.—

''(1) IN GENERAL.—Not later than 6 months after the date of enactment of this title and to the extent necessary to provide for a graduated transition to the minimum standards for premium variation as provided for in subsection (a)(1), the Secretary, in consultation with the National Association of Insurance Commissioners (NAIC), shall promulgate State-specific transitional small group rating rules in accordance with this subsection, which shall be applicable with respect to non-adopting States and eligible insurers operating in such States for a period of not to exceed 3 years from the date of the promulgation of the minimum standards for premium variation pursuant to subsection (a).

''(2) COMPLIANCE WITH TRANSITIONAL MODEL SMALL GROUP RATING RULES.—During the transition period described in paragraph (1), a State that, on the date of enactment of this title, has in effect a small group rating rules methodology that allows for a variation that is less than the variation provided

for under subsection (a)(1) (concerning minimum standards for premium variation), shall be deemed to be an adopting State if the State complies with the transitional small group rating rules as promulgated by the Secretary pursuant to paragraph (1).

''(3) TRANSITIONING OF OLD BUSINESS.—

''(A) IN GENERAL.—In developing the transitional small group rating rules under paragraph (1), the Secretary shall, after consultation with the National Association of Insurance Commissioners and representatives of insurers operating in the small group health insurance market in non-adopting States, promulgate special transition standards with respect to independent rating classes for old and new business, to the extent reasonably necessary to protect health insurance consumers and to ensure a stable and fair transition for old and new market entrants.

''(B) PERIOD FOR OPERATION OF INDEPENDENT RATING CLASSES.—In developing the special transition standards pursuant to subparagraph (A), the Secretary shall permit a carrier in a non-adopting State, at its option, to maintain independent rating classes for old and new business for a period of up to 5 years, with the commencement of such 5-year period to begin at such time, but not later than the date that is 3 years after the date of enactment of this title, as the carrier offers a book of business meeting the minimum standards for premium variation provided for in subsection (a)(1) or the transitional small group rating rules under paragraph (1).

''(4) OTHER TRANSITIONAL AUTHORITY.—In developing the transitional small group rating rules under paragraph (1), the Secretary shall provide for the application of the transitional small group rating rules in transition States as the Secretary may determine necessary for a an effective transition.

''(c) MARKET RE-ENTRY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that has voluntarily withdrawn from providing coverage in the small group market prior to the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006 shall not be excluded from re-entering such market on a date that is more than 180 days after such date of enactment.

''(2) TERMINATION.—The provision of this subsection shall terminate on the date that is 24 months after the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''SEC. 2913. APPLICATION AND PREEMPTION.

''(a) SUPERSEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws of a non-adopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle) relate to rating in the small group insurance market as applied to an eligible insurer, or small group health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small employer through a small business health plan, in a State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle)—

''(A) prohibit an eligible insurer from offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting states.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers that offer small group health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law in a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Model Small Group Rating Rules or transitional model small group rating rules.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO RATING.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State rating rules that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply, at the election of the eligible insurer, beginning in the first plan year or the first calendar year following the issuance of the final rules by the Secretary under the Model Small Group Rating Rules or, as applicable, the Transitional Model Small Group Rating Rules, but in no event earlier than the date that is 12 months after the date of enactment of this title.

''SEC. 2914. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2913.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2915. ONGOING REVIEW.

''Not later than 5 years after the date on which the Model Small Group Rating Rules are issued under this part, and every 5 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the Model Small Group Rating Rules on access, cost, and market functioning in the small group market. Such report may, if the Secretary, in consultation with the National Association of Insurance Commissioners, determines such is appropriate for improving access, costs, and market functioning, contain legislative proposals for recommended modification to such Model Small Group Rating Rules.

''PART II—AFFORDABLE PLANS

''SEC. 2921. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the Benefit Choice Standards in their entirety and as the exclusive laws of the State that relate to benefit, service, and provider mandates in the group and individual insurance markets.

''(2) BENEFIT CHOICE STANDARDS.—The term 'Benefit Choice Standards' means the Standards issued under section 2922.

''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Benefit Choice Standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the Benefit Choice Standards, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Benefit Choice Standards and that adherence to such Standards is included as a term of such contract.

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the group or individual health insurance markets, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(6) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall

have the meaning given the term 'small group market' in section 2791(e)(5).

''(7) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

"SEC. 2922. OFFERING AFFORDABLE PLANS.

''(a) BENEFIT CHOICE OPTIONS.—

''(1) DEVELOPMENT.—Not later than 6 months after the date of enactment of this title, the Secretary shall issue, by interim final rule, Benefit Choice Standards that implement the standards provided for in this part.

''(2) BASIC OPTIONS.—The Benefit Choice Standards shall provide that a health insurance issuer in a State, may offer a coverage plan or plan in the small group market, individual market, large group market, or through a small business health plan, that does not comply with one or more mandates regarding covered benefits, services, or category of provider as may be in effect in such State with respect to such market or markets (either prior to or following the date of enactment of this title), if such issuer also offers in such market or markets an enhanced option as provided for in paragraph (3).

''(3) ENHANCED OPTION.—A health insurance issuer issuing a basic option as provided for in paragraph (2) shall also offer to purchasers (including, with respect to a small business health plan, the participating employers of such plan) an enhanced option, which shall at a minimum include such covered benefits, services, and categories of providers as are covered by a State employee coverage plan in one of the 5 most populous States as are in effect in the calendar year in which such enhanced option is offered.

''(4) PUBLICATION OF BENEFITS.—Not later than 3 months after the date of enactment of this title, and on the first day of every calendar year thereafter, the Secretary shall publish in the Federal Register such covered benefits, services, and categories of providers covered in that calendar year by the State employee coverage plans in the 5 most populous States.

''(b) EFFECTIVE DATES.—

''(1) SMALL BUSINESS HEALTH PLANS.—With respect to health insurance provided to participating employers of small business health plans, the requirements of this part (concerning lower cost plans) shall apply beginning on the date that is 12 months after the date of enactment of this title.

''(2) NON-ASSOCIATION COVERAGE.—With respect to health insurance provided to groups or individuals other than participating employers of small business health plans, the requirements of this part shall apply beginning on the date that is 15 months after the date of enactment of this title.

"SEC. 2923. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws insofar as such laws relate to mandates relating to covered benefits, services, or categories of provider in the health insurance market as applied to an eligible insurer, or health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as such laws—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards, as provided for in section 2922(a); or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Benefit Choice Standards.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO BENEFITS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State mandates regarding covered benefits, services, or categories of providers that would otherwise apply to eligible insurers.

"SEC. 2924. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2923.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

"SEC. 2925. RULES OF CONSTRUCTION.

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a health insurance issuer in an adopting State or an eligible insurer in a non-adopting State may amend its existing policies to be consistent with the terms of this subtitle (concerning rating and benefits).

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

SEC. 301. HEALTH INSURANCE STANDARDS HARMONIZATION.

Title XXIX of the Public Health Service Act (as added by section 201) is amended by adding at the end the following:

"Subtitle B—Standards Harmonization

"SEC. 2931. DEFINITIONS.

''In this subtitle:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the harmonized standards adopted under this subtitle in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the harmonized standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the harmonized standards published pursuant to section 2932(d), and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such health coverage) and filed with the State pursuant to subparagraph (B), a description of the harmonized standards published pursuant to section 2932(g)(2) and an affirmation that such standards are a term of the contract.

''(3) HARMONIZED STANDARDS.—The term 'harmonized standards' means the standards certified by the Secretary under section 2932(d).

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that fails to enact, within 18 months of the date on which the Secretary certifies the harmonized standards under this subtitle, the harmonized standards in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

"SEC. 2932. HARMONIZED STANDARDS.

''(a) BOARD.—

''(1) ESTABLISHMENT.—Not later than 3 months after the date of enactment of this title, the Secretary, in consultation with the NAIC, shall establish the Health Insurance Consensus Standards Board (referred to in this subtitle as the 'Board') to develop recommendations that harmonize inconsistent State health insurance laws in accordance with the procedures described in subsection (b).

''(2) COMPOSITION.—

''(A) IN GENERAL.—The Board shall be composed of the following voting members to be appointed by the Secretary after considering the recommendations of professional organizations representing the entities and constituencies described in this paragraph:

''(i) Four State insurance commissioners as recommended by the National Association of Insurance Commissioners, of which 2 shall be Democrats and 2 shall be Republicans, and of which one shall be designated as the chairperson and one shall be designated as the vice chairperson.

''(ii) Four representatives of State government, two of which shall be governors of States and two of which shall be State legislators, and two of which shall be Democrats and two of which shall be Republicans.

''(iii) Four representatives of health insurers, of which one shall represent insurers that offer coverage in the small group market, one shall represent insurers that offer coverage in the large group market, one shall represent insurers that offer coverage in the individual market, and one shall represent carriers operating in a regional market.

''(iv) Two representatives of insurance agents and brokers.

''(v) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

''(B) EX OFFICIO MEMBER.—A representative of the Secretary shall serve as an ex officio member of the Board.

''(3) ADVISORY PANEL.—The Secretary shall establish an advisory panel to provide advice to the Board, and shall appoint its members after considering the recommendations of professional organizations representing the entities and constituencies identified in this paragraph:

''(A) Two representatives of small business health plans.

''(B) Two representatives of employers, of which one shall represent small employers and one shall represent large employers.

''(C) Two representatives of consumer organizations.

''(D) Two representatives of health care providers.

''(4) QUALIFICATIONS.—The membership of the Board shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health plans, providers of health services, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

''(5) ETHICAL DISCLOSURE.—The Secretary shall establish a system for public disclosure by members of the Board of financial and other potential conflicts of interest relating to such members. Members of the Board shall be treated as employees of Congress for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95–521).

''(6) DIRECTOR AND STAFF.—Subject to such review as the Secretary deems necessary to assure the efficient administration of the Board, the chair and vice-chair of the Board may—

''(A) employ and fix the compensation of an Executive Director (subject to the approval of the Comptroller General) and such other personnel as may be necessary to carry out its duties (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service);

''(B) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies;

''(C) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Board (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5));

''(D) make advance, progress, and other payments which relate to the work of the Board;

''(E) provide transportation and subsistence for persons serving without compensation; and

''(F) prescribe such rules as it deems necessary with respect to the internal organization and operation of the Board.

''(7) TERMS.—The members of the Board shall serve for the duration of the Board. Vacancies in the Board shall be filled as needed in a manner consistent with the composition described in paragraph (2).

''(b) DEVELOPMENT OF HARMONIZED STANDARDS.—

''(1) IN GENERAL.—In accordance with the process described in subsection (c), the Board shall identify and recommend nationally harmonized standards for each of the following process categories:

''(A) FORM FILING AND RATE FILING.—Form and rate filing standards shall be established which promote speed to market and include the following defined areas for States that require such filings:

''(i) Procedures for form and rate filing pursuant to a streamlined administrative filing process.

''(ii) Timeframes for filings to be reviewed by a State if review is required before they are deemed approved.

''(iii) Timeframes for an eligible insurer to respond to State requests following its review.

''(iv) A process for an eligible insurer to self-certify.

''(v) State development of form and rate filing templates that include only non-preempted State law and Federal law requirements for eligible insurers with timely updates.

''(vi) Procedures for the resubmission of forms and rates.

''(vii) Disapproval rationale of a form or rate filing based on material omissions or violations of non-preempted State law or Federal law with violations cited and explained.

''(viii) For States that may require a hearing, a rationale for hearings based on violations of non-preempted State law or insurer requests.

''(B) MARKET CONDUCT REVIEW.—Market conduct review standards shall be developed which provide for the following:

''(i) Mandatory participation in national databases.

''(ii) The confidentiality of examination materials.

''(iii) The identification of the State agency with primary responsibility for examinations.

''(iv) Consultation and verification of complaint data with the eligible insurer prior to State actions.

''(v) Consistency of reporting requirements with the recordkeeping and administrative practices of the eligible insurer.

''(vi) Examinations that seek to correct material errors and harmful business practices rather than infrequent errors.

''(vii) Transparency and publishing of the State's examination standards.

''(viii) Coordination of market conduct analysis.

''(ix) Coordination and nonduplication between State examinations of the same eligible insurer.

''(x) Rationale and protocols to be met before a full examination is conducted.

''(xi) Requirements on examiners prior to beginning examinations such as budget planning and work plans.

''(xii) Consideration of methods to limit examiners' fees such as caps, competitive bidding, or other alternatives.

''(xiii) Reasonable fines and penalties for material errors and harmful business practices.

''(C) PROMPT PAYMENT OF CLAIMS.—The Board shall establish prompt payment standards for eligible insurers based on standards similar to those applicable to the Social Security Act as set forth in section 1842(c)(2) of such Act (42 U.S.C. 1395u(c)(2)). Such prompt payment standards shall be consistent with the timing and notice requirements of the claims procedure rules to be specified under subparagraph (D), and shall include appropriate exceptions such as for fraud, nonpayment of premiums, or late submission of claims.

''(D) INTERNAL REVIEW.—The Board shall establish standards for claims procedures for eligible insurers that are consistent with the requirements relating to initial claims for benefits and appeals of claims for benefits under the Employee Retirement Income Security Act of 1974 as set forth in section 503 of such Act (29 U.S.C. 1133) and the regulations thereunder.

''(2) RECOMMENDATIONS.—The Board shall recommend harmonized standards for each element of the categories described in subparagraph (A) through (D) of paragraph (1) within each such market. Notwithstanding the previous sentence, the Board shall not recommend any harmonized standards that disrupt, expand, or duplicate the covered benefit, service, or category of provider mandate standards provided for in section 2922.

''(c) PROCESS FOR IDENTIFYING HARMONIZED STANDARDS.—

''(1) IN GENERAL.—The Board shall develop recommendations to harmonize inconsistent State insurance laws with respect to each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(2) REQUIREMENTS.—In adopting standards under this section, the Board shall consider the following:

''(A) Any model acts or regulations of the National Association of Insurance Commissioners in each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(B) Substantially similar standards followed by a plurality of States, as reflected in existing State laws, relating to the specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(C) Any Federal law requirement related to specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(D) In the case of the adoption of any standard that differs substantially from those referred to in subparagraphs (A), (B), or (C), the Board shall provide evidence to the Secretary that such standard is necessary to protect health insurance consumers or promote speed to market or administrative efficiency.

''(E) The criteria specified in clauses (i) through (iii) of subsection (d)(2)(B).

''(d) RECOMMENDATIONS AND CERTIFICATION BY SECRETARY.—

''(1) RECOMMENDATIONS.—Not later than 18 months after the date on which all members of the Board are selected under subsection (a), the Board shall recommend to the Secretary the certification of the harmonized standards identified pursuant to subsection (c).

''(2) CERTIFICATION.—

''(A) IN GENERAL.—Not later than 120 days after receipt of the Board's recommendations under paragraph (1), the Secretary shall certify the recommended harmonized standards as provided for in subparagraph (B), and issue such standards in the form of an interim final regulation.

''(B) CERTIFICATION PROCESS.—The Secretary shall establish a process for certifying the recommended harmonized standard, by category, as recommended by the Board under this section. Such process shall—

''(i) ensure that the certified standards for a particular process area achieve regulatory harmonization with respect to health plans on a national basis;

''(ii) ensure that the approved standards are the minimum necessary, with regard to substance and quantity of requirements, to protect health insurance consumers and maintain a competitive regulatory environment; and

''(iii) ensure that the approved standards will not limit the range of group health plan designs and insurance products, such as catastrophic coverage only plans, health savings accounts, and health maintenance organizations, that might otherwise be available to consumers.

''(3) EFFECTIVE DATE.—The standards certified by the Secretary under paragraph (2) shall be effective on the date that is 18 months after the date on which the Secretary certifies the harmonized standards.

''(e) TERMINATION.—The Board shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

''(f) ONGOING REVIEW.—Not earlier than 3 years after the termination of the Board under subsection (e), and not earlier than every 3 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the harmonized standards on access, cost, and health insurance market functioning. The Secretary may, based on such report and applying the process established for certification under subsection (d)(2)(B), in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, update the harmonized standards through notice and comment rulemaking.

''(g) PUBLICATION.—

''(1) LISTING.—The Secretary shall maintain an up to date listing of all harmonized standards certified under this section on the Internet website of the Department of Health and Human Services.

''(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish on the Internet website of the Department of Health and Human Services sample contract language that incorporates the harmonized standards certified under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

''(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 18 months after the certification by the Secretary of harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

''SEC. 2933. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—The harmonized standards certified under this subtitle shall supersede any and all State laws of a non-adopting State insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the harmonized standards; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the harmonized standards under this subtitle.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supersede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the harmonized standards under this subtitle.

''(4) NON-APPLICATION WHERE CONSISTENT WITH MARKET CONDUCT EXAMINATION HARMONIZED STANDARD.—Subsection (a)(1) shall not supersede any State law of a nonadopting State that relates to the harmonized standards issued under section 2932(b)(1)(B) to the extent that the State agency responsible for regulating insurance (or other applicable State agency) exercises its authority under State law consistent with the harmonized standards issued under section 2932(b)(1)(B).

''(5) NO EFFECT ON PREEMPTION.—In no case shall this subtitle be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this subtitle be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(6) PREEMPTION LIMITED TO HARMONIZED STANDARDS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State requirements for form and rate filing, market conduct reviews, prompt payment of claims, or internal reviews that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 18 months after the date on harmonized standards are certified by the Secretary under this subtitle.

''SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2933.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2935. AUTHORIZATION OF APPROPRIATIONS; RULE OF CONSTRUCTION.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

AMENDMENT NO. 3886

Mr. FRIST. I send a first-degree amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment No. 3886 to S. 1955, as modified.

Mr. FRIST. I ask unanimous consent that reading of the amendment be with dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the modified amendment add the following:

''This act shall become effective 1 day after enactment.''

Mr. FRIST. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 3887 TO AMENDMENT NO. 3886

Mr. FRIST. I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment numbered 3887 to amendment No. 3886.

Mr. FRIST. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, I haven't had an opportunity to see the amendment. I want to cooperate, but I would like to have reading of the amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

In the amendment strike ''1'' day and insert ''2'' days.

Mr. KENNEDY. I have no objection to waiving the reading.

Mr. FRIST. Was that the second-degree amendment?

The PRESIDING OFFICER. The second-degree amendment has been read.

AMENDMENT NO. 3888 TO MOTION TO RECOMMIT

Mr. FRIST. I now move to recommit the bill to the HELP Committee, and I send that motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] moves to recommit the bill to the Committee on Health, Education, Labor, and Pensions with instructions to report back forthwith with the following:

(Purpose: In the nature of a substitute)

Strike all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Health Insurance Marketplace Modernization and Affordability Act of 2006''.

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

Sec. 1. Short title; table of contents; purposes.

TITLE I—SMALL BUSINESS HEALTH PLANS

Sec. 101. Rules governing small business health plans.

Sec. 102. Cooperation between Federal and State authorities.

Sec. 103. Effective date and transitional and other rules.

TITLE II—MARKET RELIEF

Sec. 201. Market relief.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

Sec. 301. Health Insurance Standards Harmonization.

(c) PURPOSES.—It is the purpose of this Act to—

(1) make more affordable health insurance options available to small businesses, working families, and all Americans;

(2) assure effective State regulatory protection of the interests of health insurance consumers; and

(3) create a more efficient and affordable health insurance marketplace through collaborative development of uniform regulatory standards.

TITLE I—SMALL BUSINESS HEALTH PLANS

SEC. 101. RULES GOVERNING SMALL BUSINESS HEALTH PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''SEC. 801. SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—For purposes of this part, the term 'small business health plan' means a fully insured group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue Code of 1986)), for substantial purposes other than that of obtaining medical care;

''(2) is established as a permanent entity which receives the active support of its members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership;

''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation; and

''(4) does not condition membership on the basis of a minimum group size.

Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), (3), and (4) shall be deemed to be a sponsor described in this subsection.

''SEC. 802. CERTIFICATION OF SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—Not later than 6 months after the date of enactment of this part, the applicable authority shall prescribe by interim final rule a procedure under which the applicable authority shall certify small business health plans which apply for certification as meeting the requirements of this part.

''(b) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—A small business health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

''(c) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of small business health plans under this part. Such regulation shall provide for the revocation of a certification if the applicable authority finds that the small business health plan involved is failing to comply with the requirements of this part.

''(d) EXPEDITED AND DEEMED CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary fails to act on an application for certification under this section within 90 days of receipt of such application, the applying small business health plan shall be deemed certified until such time as the Secretary may deny for cause the application for certification.

''(2) CIVIL PENALTY.—The Secretary may assess a civil penalty against the board of trustees and plan sponsor (jointly and severally) of a small business health plan that is deemed certified under paragraph (1) of up to $500,000 in the event the Secretary determines that the application for certification of such small business health plan was willfully or with gross negligence incomplete or inaccurate.

''SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

''(a) SPONSOR.—The requirements of this subsection are met with respect to a small business health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to a small business health plan if the following requirements are met:

''(1) FISCAL CONTROL.—The plan is operated, pursuant to a plan document, by a board of trustees which pursuant to a trust agreement has complete fiscal control over the plan and which is responsible for all operations of the plan.

''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

''(A) BOARD MEMBERSHIP.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

''(ii) LIMITATION.—

''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to a small business health plan which is in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with insurers.

''(c) TREATMENT OF FRANCHISES.—In the case of a group health plan which is established and maintained by a franchiser for a franchisor or for its franchisees—

''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchisor were deemed to be the sponsor referred to in section 801(b) and each franchisee were deemed to be a member (of the sponsor) referred to in section 801(b); and

''(2) the requirements of section 804(a)(1) shall be deemed met.

For purposes of this subsection the terms 'franchisor' and 'franchisee' shall have the meanings given such terms for purposes of sections 436.2(a) through 436.2(c) of title 16, Code of Federal Regulations (including any such amendments to such regulation after the date of enactment of this part).

''SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan—

''(1) each participating employer must be—

''(A) a member of the sponsor;

''(B) the sponsor; or

''(C) an affiliated member of the sponsor, except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

''(2) all individuals commencing coverage under the plan after certification under this part must be—

''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

''(B) the dependents of individuals described in subparagraph (A).

''(b) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

''(c) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to a small business health plan if—

''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

''(2) information regarding all coverage options available under the plan is made readily available to any employer eligible to participate; and

''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

''SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

''(a) IN GENERAL.—The requirements of this section are met with respect to a small business health plan if the following requirements are met:

''(1) CONTENTS OF GOVERNING INSTRUMENTS.—

''(A) IN GENERAL.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

''(i) provides that the board of trustees serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A)); and

''(ii) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)).

''(B) DESCRIPTION OF MATERIAL PROVISIONS.—The terms of the health insurance coverage (including the terms of any individual certificates that may be offered to individuals in connection with such coverage) describe the material benefit and rating, and other provisions set forth in this section and such material provisions are included in the summary plan description.

''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

''(A) IN GENERAL.—The contribution rates for any participating small employer shall not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and shall not vary on the basis of the type of business or industry in which such employer is engaged, subject to subparagraph (B) and the terms of this title.

''(B) EFFECT OF TITLE.—Nothing in this title or any other provision of law shall be construed to preclude a health insurance issuer offering health insurance coverage in connection with a small business health plan that meets the requirements of this part, and at the request of such small business health plan, from—

''(i) setting contribution rates for the small business health plan based on the claims experience of the small business health plan so long as any variation in such rates for participating small employers complies with the requirements of clause (ii), except that small business health plans shall not be subject, in non-adopting states, to subparagraphs (A)(ii) and (C) of section 2912(a)(2) of the Public Health Service Act, and in adopting states, to any State law that would have the effect of imposing requirements as outlined in such subparagraphs (A)(ii) and (C); or

''(ii) varying contribution rates for participating small employers in a small business health plan in a State to the extent that such rates could vary using the same methodology employed in such State for regulating small group premium rates, subject to the terms of part I of subtitle A of title XXIX of the Public Health Service Act (relating to rating requirements), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(3) EXCEPTIONS REGARDING SELF-EMPLOYED AND LARGE EMPLOYERS.—

''(A) SELF EMPLOYED.—

''(i) IN GENERAL.—Small business health plans with participating employers who are self-employed individuals (and their dependents) shall enroll such self-employed participating employers in accordance with rating rules that do not violate the rating rules for self-employed individuals in the State in which such self-employed participating employers are located.

''(ii) GUARANTEE ISSUE.—Small business health plans with participating employers who are self-employed individuals (and their dependents) may decline to guarantee issue to such participating employers in States in which guarantee issue is not otherwise required for the self-employed in that State.

''(B) LARGE EMPLOYERS.—Small business health plans with participating employers that are larger than small employers (as defined in section 808(a)(10)) shall enroll such large participating employers in accordance with rating rules that do not violate the rating rules for large employers in the State in which such large participating employers are located.

''(4) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

''(b) ABILITY OF SMALL BUSINESS HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude a small business health plan or a health insurance issuer offering health insurance coverage in connection with a small business health plan from exercising its sole discretion in selecting the specific benefits and services consisting of medical care to be included as benefits under such plan or coverage, except that such benefits and services must meet the terms and specifications of part II of subtitle A of title XXIX of the Public Health Service Act (relating to lower cost plans), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(c) DOMICILE AND NON-DOMICILE STATES.—

''(1) DOMICILE STATE.—Coverage shall be issued to a small business health plan in the State in which the sponsor's principal place of business is located.

''(2) NON-DOMICILE STATES.—With respect to a State (other than the domicile State) in which participating employers of a small business health plan are located but in which the insurer of the small business health plan in the domicile State is not yet licensed, the following shall apply:

''(A) TEMPORARY PREEMPTION.—If, upon the expiration of the 90-day period following the submission of a licensure application by such insurer (that includes a certified copy of an approved licensure application as submitted by such insurer in the domicile State) to such State, such State has not approved or denied such application, such State's health insurance licensure laws shall be temporarily preempted and the insurer shall be permitted to operate in such State, subject to the following terms:

''(i) APPLICATION OF NON-DOMICILE STATE LAW.—Except with respect to licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits as added by the Health Insurance Marketplace Modernization and Affordability Act of 2006), the laws and authority of the non-domicile State shall remain in full force and effect.

''(ii) REVOCATION OF PREEMPTION.—The preemption of a non-domicile State's health insurance licensure laws pursuant to this subparagraph, shall be terminated upon the occurrence of either of the following:

''(I) APPROVAL OR DENIAL OF APPLICATION.—The approval of denial of an insurer's licensure application, following the laws and regulations of the non-domicile State with respect to licensure.

''(II) DETERMINATION OF MATERIAL VIOLATION.—A determination by a non-domicile State that an insurer operating in a non-domicile State pursuant to the preemption provided for in this subparagraph is in material violation of the insurance laws (other than licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits added by the Health Insurance Marketplace Modernization and Affordability Act of 2006)) of such State.

''(B) NO PROHIBITION ON PROMOTION.—Nothing in this paragraph shall be construed to prohibit a small business health plan or an insurer from promoting coverage prior to the expiration of the 90-day period provided for in subparagraph (A), except that no enrollment or collection of contributions shall occur before the expiration of such 90-day period.

''(C) LICENSURE.—Except with respect to the application of the temporary preemption provision of this paragraph, nothing in this part shall be construed to limit the requirement that insurers issuing coverage to small business health plans shall be licensed in each State in which the small business health plans operate.

''(D) SERVICING BY LICENSED INSURERS.—Notwithstanding subparagraph (C), the requirements of this subsection may also be satisfied if the participating employers of a small business health plan are serviced by a licensed insurer in that State, even where such insurer is not the insurer of such small business health plan in the State in which such small business health plan is domiciled.

''SEC. 806. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), a small business health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to small business health plans.

''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

''(1) IDENTIFYING INFORMATION.—The names and addresses of—

''(A) the sponsor; and

''(B) the members of the board of trustees of the plan.

''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan, health insurance issuer, and contract administrators and other service providers.

''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to a small business health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which the small business health plans operate.

''(d) NOTICE OF MATERIAL CHANGES.—In the case of any small business health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

''SEC. 807. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

''A small business health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

''(3) submits such plan in writing to the applicable authority.

Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

''SEC. 808. DEFINITIONS AND RULES OF CONSTRUCTION.

''(a) DEFINITIONS.—For purposes of this part—

''(1) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor, or

''(B) in the case of a sponsor with members which consist of associations, a person who is a member or employee of any such association and elects an affiliated status with the sponsor.

''(2) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary of Labor, except that, in connection with any exercise of the Secretary's authority with respect to which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

''(3) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

''(4) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1), except that such term shall not include excepted benefits (as defined in section 733(c)).

''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

''(7) INDIVIDUAL MARKET.—

''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

''(B) TREATMENT OF VERY SMALL GROUPS.—

''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

''(8) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

''(9) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with a small business health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

''(10) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, a small employer as defined in section 2791(e)(4).

''(11) TRADE ASSOCIATION AND PROFESSIONAL ASSOCIATION.—The terms 'trade association' and 'professional association' mean an entity that meets the requirements of section 1.501(c)(6)-1 of title 26, Code of Federal Regulations (as in effect on the date of enactment of this Act).

''(b) RULE OF CONSTRUCTION.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is a small business health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

''(1) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

''(2) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.

''(c) RENEWAL.—Notwithstanding any provision of law to the contrary, a participating employer in a small business health plan shall not be deemed to be a plan sponsor in applying requirements relating to coverage renewal.

''(d) HEALTH SAVINGS ACCOUNTS.—Nothing in this part shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

''(E) The preceding subparagraphs of this paragraph do not apply with respect to any

State law in the case of a small business health plan which is certified under part 8.''.

(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

(C) by redesignating subsection (d) as subsection (e); and

(D) by inserting after subsection (c) the following new subsection:

''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude a health insurance issuer from offering health insurance coverage in connection with a small business health plan which is certified under part 8.

''(2) In any case in which health insurance coverage of any policy type is offered under a small business health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may establish rating and benefit requirements that would otherwise apply to such coverage, provided the requirements of subtitle A of title XXIX of the Public Health Service Act (as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006) (concerning health plan rating and benefits) are met.''.

(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of a small business health plan under part 8.''.

(d) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

(e) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''801. Small business health plans.
''802. Certification of small business health plans.
''803. Requirements relating to sponsors and boards of trustees.
''804. Participation and coverage requirements.
''805. Other requirements relating to plan documents, contribution rates, and benefit options.
''806. Requirements for application and related requirements.
''807. Notice requirements for voluntary termination.
''808. Definitions and rules of construction.''.

SEC. 102. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

''(d) CONSULTATION WITH STATES WITH RESPECT TO SMALL BUSINESS HEALTH PLANS.—

''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to a small business health plan regarding the exercise of—

''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

''(B) the Secretary's authority to certify small business health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

''(2) RECOGNITION OF DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular small business health plan, as the State with which consultation is required. In carrying out this paragraph such State shall be the domicile State, as defined in section 805(c).''.

SEC. 103. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect 12 months after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this title within 6 months after the date of the enactment of this Act.

(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 808(a)(2) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of trustees which has control over the arrangement;

(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement or at such time that the arrangement provides coverage to participants and beneficiaries in any State other than the States in which coverage is provided on such date of enactment.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 808 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''small business health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

TITLE II—MARKET RELIEF

SEC. 201. MARKET RELIEF.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH CARE INSURANCE MARKETPLACE MODERNIZATION

''SEC. 2901. GENERAL INSURANCE DEFINITIONS.

''In this title, the terms 'health insurance coverage', 'health insurance issuer', 'group health plan', and 'individual health insurance' shall have the meanings given such terms in section 2791.

''Subtitle A—Market Relief

''PART I—RATING REQUIREMENTS

''SEC. 2911. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that, with respect to the small group market, has enacted small group rating rules that meet the minimum standards set forth in section 2912(a)(1) or, as applicable, transitional small group rating rules set forth in section 2912(b).

''(2) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the insurance laws of such State.

''(3) BASE PREMIUM RATE.—The term 'base premium rate' means, for each class of business with respect to a rating period, the lowest premium rate charged or that could have been charged under a rating system for that class of business by the small employer carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage

''(4) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Model Small Group Rating Rules or, as applicable, transitional small group rating rules in a State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage in that State consistent with the Model Small Group Rating Rules, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency); and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Model Small Group Rating Rules and an affirmation that such Rules are included in the terms of such contract.

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the small group health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(6) INDEX RATE.—The term 'index rate' means for each class of business with respect to the rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

''(7) MODEL SMALL GROUP RATING RULES.—The term ' Model Small Group Rating Rules' means the rules set forth in section 2912(a)(2).

''(8) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(9) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(10) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''(11) VARIATION LIMITS.—

''(A) COMPOSITE VARIATION LIMIT.—

''(i) IN GENERAL.—The term 'composite variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on the following factors or case characteristics:

''(I) Age.

''(II) Duration of coverage.

''(III) Claims experience.

''(IV) Health status.

''(ii) USE OF FACTORS.—With respect to the use of the factors described in clause (i) in setting premium rates, a health insurance issuer shall use one or both of the factors described in subclauses (I) or (IV) of such clause and may use the factors described in subclauses (II) or (III) of such clause.

''(B) TOTAL VARIATION LIMIT.—The term 'total variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on all factors and case characteristics (as described in section 2912(a)(1)).

''SEC. 2912. RATING RULES.

''(a) ESTABLISHMENT OF MINIMUM STANDARDS FOR PREMIUM VARIATIONS AND MODEL SMALL GROUP RATING RULES.—Not later than 6 months after the date of enactment of this title, the Secretary shall promulgate regulations establishing the following Minimum Standards and Model Small Group Rating Rules:

''(1) MINIMUM STANDARDS FOR PREMIUM VARIATIONS.—

''(A) COMPOSITE VARIATION LIMIT.—The composite variation limit shall not be less than 3:1.

''(B) TOTAL VARIATION LIMIT.—The total variation limit shall not be less than 5:1.

''(C) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTICS.—For purposes of this paragraph, in calculating the total variation limit, the State shall not use case characteristics other than those used in calculating the composite variation limit and industry, geographic area, group size, participation rate, class of business, and participation in wellness programs.

''(2) MODEL SMALL GROUP RATING RULES.—The following apply to an eligible insurer in a non-adopting State:

''(A) PREMIUM RATES.—Premium rates for small group health benefit plans to which this title applies shall comply with the following provisions relating to premiums, except as provided for under subsection (b):

''(i) VARIATION IN PREMIUM RATES.—The plan may not vary premium rates by more than the minimum standards provided for under paragraph (1).

''(ii) INDEX RATE.—The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than 20 percent, excluding those classes of business related to association groups under this title.

''(iii) CLASS OF BUSINESSES.—With respect to a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage or the rates that could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than 25 percent of the index rate under clause (ii).

''(iv) INCREASES FOR NEW RATING PERIODS.—The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

''(I) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, except that such change shall not exceed, on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers.

''(II) Any adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less then 1 year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business involved.

''(III) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

''(v) UNIFORM APPLICATION OF ADJUSTMENTS.—Adjustments in premium rates for claim experience, health status, or duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

''(vi) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTIC.—A small employer carrier shall not utilize case characteristics, other than those permitted under paragraph (1)(C), without the prior approval of the applicable State authority.

''(vii) CONSISTENT APPLICATION OF FACTORS.—Small employer carriers shall apply rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by the amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

''(viii) TREATMENT OF PLANS AS HAVING SAME RATING PERIOD.—A small employer carrier shall treat all health benefit plans issued or renewed in the same calendar month as having the same rating period.

''(ix) REQUIRE COMPLIANCE.—Premium rates for small business health benefit plans shall comply with the requirements of this subsection notwithstanding any assessments paid or payable by a small employer carrier as required by a State's small employer carrier reinsurance program.

''(B) ESTABLISHMENT OF SEPARATE CLASS OF BUSINESS.—Subject to subparagraph (C), a small employer carrier may establish a separate class of business only to reflect substantial differences in expected claims experience or administrative costs related to the following:

''(i) The small employer carrier uses more than one type of system for the marketing and sale of health benefit plans to small employers.

''(ii) The small employer carrier has acquired a class of business from another small employer carrier.

''(iii) The small employer carrier provides coverage to one or more association groups that meet the requirements of this title.

''(C) LIMITATION.—A small employer carrier may establish up to 9 separate classes of business under subparagraph (B), excluding those classes of business related to association groups under this title.

''(D) LIMITATION ON TRANSFERS.—A small employer carrier shall not transfer a small employer involuntarily into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration of coverage since issue.

''(b) TRANSITIONAL MODEL SMALL GROUP RATING RULES.—

''(1) IN GENERAL.—Not later than 6 months after the date of enactment of this title and to the extent necessary to provide for a graduated transition to the minimum standards for premium variation as provided for in subsection (a)(1), the Secretary, in consultation with the National Association of Insurance Commissioners (NAIC), shall promulgate State-specific transitional small group rating rules in accordance with this subsection, which shall be applicable with respect to non-adopting States and eligible insurers operating in such States for a period of not to exceed 3 years from the date of the promulgation of the minimum standards for premium variation pursuant to subsection (a).

''(2) COMPLIANCE WITH TRANSITIONAL MODEL SMALL GROUP RATING RULES.—During the transition period described in paragraph (1), a State that, on the date of enactment of this title, has in effect a small group rating rules methodology that allows for a variation that is less than the variation provided for under subsection (a)(1) (concerning minimum standards for premium variation), shall be deemed to be an adopting State if the State complies with the transitional small group rating rules as promulgated by the Secretary pursuant to paragraph (1).

''(3) TRANSITIONING OF OLD BUSINESS.—

''(A) IN GENERAL.—In developing the transitional small group rating rules under paragraph (1), the Secretary shall, after consultation with the National Association of Insurance Commissioners and representatives of insurers operating in the small group health insurance market in non-adopting States, promulgate special transition standards with respect to independent rating classes for old and new business, to the extent reasonably necessary to protect health insurance consumers and to ensure a stable and fair transition for old and new market entrants.

''(B) PERIOD FOR OPERATION OF INDEPENDENT RATING CLASSES.—In developing the special transition standards pursuant to subparagraph (A), the Secretary shall permit a carrier in a non-adopting State, at its option, to maintain independent rating classes for old and new business for a period of up to 5 years, with the commencement of such 5-year period to begin at such time, but not later than the date that is 3 years after the date of enactment of this title, as the carrier offers a book of business meeting the minimum standards for premium variation provided for in subsection (a)(1) or the transitional small group rating rules under paragraph (1).

''(4) OTHER TRANSITIONAL AUTHORITY.—In developing the transitional small group rating rules under paragraph (1), the Secretary

shall provide for the application of the transitional small group rating rules in transition States as the Secretary may determine necessary for a an effective transition.

''(c) MARKET RE-ENTRY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that has voluntarily withdrawn from providing coverage in the small group market prior to the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006 shall not be excluded from re-entering such market on a date that is more than 180 days after such date of enactment.

''(2) TERMINATION.—The provision of this subsection shall terminate on the date that is 24 months after the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''SEC. 2913. APPLICATION AND PREEMPTION.

''(a) SUPERSEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws of a non-adopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle) relate to rating in the small group insurance market as applied to an eligible insurer, or small group health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small employer through a small business health plan, in a State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle)—

''(A) prohibit an eligible insurer from offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting states.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers that offer small group health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law in a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Model Small Group Rating Rules or transitional model small group rating rules.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO RATING.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State rating rules that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply, at the election of the eligible insurer, beginning in the first plan year or the first calendar year following the issuance of the final rules by the Secretary under the Model Small Group Rating Rules or, as applicable, the Transitional Model Small Group Rating Rules, but in no event earlier than the date that is 12 months after the date of enactment of this title.

''SEC. 2914. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2913.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2915. ONGOING REVIEW.

''Not later than 5 years after the date on which the Model Small Group Rating Rules are issued under this part, and every 5 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the Model Small Group Rating Rules on access, cost, and market functioning in the small group market. Such report may, if the Secretary, in consultation with the National Association of Insurance Commissioners, determines such is appropriate for improving access, costs, and market functioning, contain legislative proposals for recommended modification to such Model Small Group Rating Rules.

''PART II—AFFORDABLE PLANS

''SEC. 2921. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the Benefit Choice Standards in their entirety and as the exclusive laws of the State that relate to benefit, service, and provider mandates in the group and individual insurance markets.

''(2) BENEFIT CHOICE STANDARDS.—The term 'Benefit Choice Standards' means the Standards issued under section 2922.

''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Benefit Choice Standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the Benefit Choice Standards, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Benefit Choice Standards and that adherence to such Standards is included as a term of such contract.

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the group or individual health insurance markets, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(6) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(7) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''SEC. 2922. OFFERING AFFORDABLE PLANS.

''(a) BENEFIT CHOICE OPTIONS.—

''(1) DEVELOPMENT.—Not later than 6 months after the date of enactment of this title, the Secretary shall issue, by interim final rule, Benefit Choice Standards that implement the standards provided for in this part.

''(2) BASIC OPTIONS.—The Benefit Choice Standards shall provide that a health insurance issuer in a State, may offer a coverage plan or plan in the small group market, individual market, large group market, or through a small business health plan, that does not comply with one or more mandates regarding covered benefits, services, or category of provider as may be in effect in such State with respect to such market or markets (either prior to or following the date of enactment of this title), if such issuer also offers in such market or markets an enhanced option as provided for in paragraph (3).

''(3) ENHANCED OPTION.—A health insurance issuer issuing a basic option as provided for in paragraph (2) shall also offer to purchasers (including, with respect to a small business health plan, the participating employers of such plan) an enhanced option, which shall at a minimum include such covered benefits, services, and categories of providers as are

covered by a State employee coverage plan in one of the 5 most populous States as are in effect in the calendar year in which such enhanced option is offered.

''(4) PUBLICATION OF BENEFITS.—Not later than 3 months after the date of enactment of this title, and on the first day of every calendar year thereafter, the Secretary shall publish in the Federal Register such covered benefits, services, and categories of providers covered in that calendar year by the State employee coverage plans in the 5 most populous States.

''(b) EFFECTIVE DATES.—

''(1) SMALL BUSINESS HEALTH PLANS.—With respect to health insurance provided to participating employers of small business health plans, the requirements of this part (concerning lower cost plans) shall apply beginning on the date that is 12 months after the date of enactment of this title.

''(2) NON-ASSOCIATION COVERAGE.—With respect to health insurance provided to groups or individuals other than participating employers of small business health plans, the requirements of this part shall apply beginning on the date that is 15 months after the date of enactment of this title.

''SEC. 2923. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws insofar as such laws relate to mandates relating to covered benefits, services, or categories of provider in the health insurance market as applied to an eligible insurer, or health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as such laws—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards, as provided for in section 2922(a); or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Benefit Choice Standards.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO BENEFITS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State mandates regarding covered benefits, services, or categories of providers that would otherwise apply to eligible insurers.

''SEC. 2924. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2923.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2925. RULES OF CONSTRUCTION.

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a health insurance issuer in an adopting State or an eligible insurer in a non-adopting State may amend its existing policies to be consistent with the terms of this subtitle (concerning rating and benefits).

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

SEC. 301. HEALTH INSURANCE STANDARDS HARMONIZATION.

Title XXIX of the Public Health Service Act (as added by section 201) is amended by adding at the end the following:

''Subtitle B—Standards Harmonization

''SEC. 2931. DEFINITIONS.

''In this subtitle:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the harmonized standards adopted under this subtitle in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the harmonized standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the harmonized standards published pursuant to section 2932(d), and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such health coverage) and filed with the State pursuant to subparagraph (B), a description of the harmonized standards published pursuant to section 2932(g)(2) and an affirmation that such standards are a term of the contract.

''(3) HARMONIZED STANDARDS.—The term 'harmonized standards' means the standards certified by the Secretary under section 2932(d).

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that fails to enact, within 18 months of the date on which the Secretary certifies the harmonized standards under this subtitle, the harmonized standards in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''SEC. 2932. HARMONIZED STANDARDS.

''(a) BOARD.—

''(1) ESTABLISHMENT.—Not later than 3 months after the date of enactment of this title, the Secretary, in consultation with the NAIC, shall establish the Health Insurance Consensus Standards Board (referred to in this subtitle as the 'Board') to develop recommendations that harmonize inconsistent State health insurance laws in accordance with the procedures described in subsection (b).

''(2) COMPOSITION.—

''(A) IN GENERAL.—The Board shall be composed of the following voting members to be appointed by the Secretary after considering the recommendations of professional organizations representing the entities and constituencies described in this paragraph:

''(i) Four State insurance commissioners as recommended by the National Association of Insurance Commissioners, of which 2 shall be Democrats and 2 shall be Republicans, and of which one shall be designated as the chairperson and one shall be designated as the vice chairperson.

''(ii) Four representatives of State government, two of which shall be governors of States and two of which shall be State legislators, and two of which shall be Democrats and two of which shall be Republicans.

''(iii) Four representatives of health insurers, of which one shall represent insurers

that offer coverage in the small group market, one shall represent insurers that offer coverage in the large group market, one shall represent insurers that offer coverage in the individual market, and one shall represent carriers operating in a regional market.

''(iv) Two representatives of insurance agents and brokers.

''(v) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

''(B) EX OFFICIO MEMBER.—A representative of the Secretary shall serve as an ex officio member of the Board.

''(3) ADVISORY PANEL.—The Secretary shall establish an advisory panel to provide advice to the Board, and shall appoint its members after considering the recommendations of professional organizations representing the entities and constituencies identified in this paragraph:

''(A) Two representatives of small business health plans.

''(B) Two representatives of employers, of which one shall represent small employers and one shall represent large employers.

''(C) Two representatives of consumer organizations.

''(D) Two representatives of health care providers.

''(4) QUALIFICATIONS.—The membership of the Board shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health plans, providers of health services, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

''(5) ETHICAL DISCLOSURE.—The Secretary shall establish a system for public disclosure by members of the Board of financial and other potential conflicts of interest relating to such members. Members of the Board shall be treated as employees of Congress for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95–521).

''(6) DIRECTOR AND STAFF.—Subject to such review as the Secretary deems necessary to assure the efficient administration of the Board, the chair and vice-chair of the Board may—

''(A) employ and fix the compensation of an Executive Director (subject to the approval of the Comptroller General) and such other personnel as may be necessary to carry out its duties (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service);

''(B) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies;

''(C) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Board (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5));

''(D) make advance, progress, and other payments which relate to the work of the Board;

''(E) provide transportation and subsistence for persons serving without compensation; and

''(F) prescribe such rules as it deems necessary with respect to the internal organization and operation of the Board.

''(7) TERMS.—The members of the Board shall serve for the duration of the Board. Vacancies in the Board shall be filled as needed in a manner consistent with the composition described in paragraph (2).

''(b) DEVELOPMENT OF HARMONIZED STANDARDS.—

''(1) IN GENERAL.—In accordance with the process described in subsection (c), the Board shall identify and recommend nationally harmonized standards for each of the following process categories:

''(A) FORM FILING AND RATE FILING.—Form and rate filing standards shall be established which promote speed to market and include the following defined areas for States that require such filings:

''(i) Procedures for form and rate filing pursuant to a streamlined administrative filing process.

''(ii) Timeframes for filings to be reviewed by a State if review is required before they are deemed approved.

''(iii) Timeframes for an eligible insurer to respond to State requests following its review.

''(iv) A process for an eligible insurer to self-certify.

''(v) State development of form and rate filing templates that include only non-preempted State law and Federal law requirements for eligible insurers with timely updates.

''(vi) Procedures for the resubmission of forms and rates.

''(vii) Disapproval rationale of a form or rate filing based on material omissions or violations of non-preempted State law or Federal law with violations cited and explained.

''(viii) For States that may require a hearing, a rationale for hearings based on violations of non-preempted State law or insurer requests.

''(B) MARKET CONDUCT REVIEW.—Market conduct review standards shall be developed which provide for the following:

''(i) Mandatory participation in national databases.

''(ii) The confidentiality of examination materials.

''(iii) The identification of the State agency with primary responsibility for examinations.

''(iv) Consultation and verification of complaint data with the eligible insurer prior to State actions.

''(v) Consistency of reporting requirements with the recordkeeping and administrative practices of the eligible insurer.

''(vi) Examinations that seek to correct material errors and harmful business practices rather than infrequent errors.

''(vii) Transparency and publishing of the State's examination standards.

''(viii) Coordination of market conduct analysis.

''(ix) Coordination and nonduplication between State examinations of the same eligible insurer.

''(x) Rationale and protocols to be met before a full examination is conducted.

''(xi) Requirements on examiners prior to beginning examinations such as budget planning and work plans.

''(xii) Consideration of methods to limit examiners' fees such as caps, competitive bidding, or other alternatives.

''(xiii) Reasonable fines and penalties for material errors and harmful business practices.

''(C) PROMPT PAYMENT OF CLAIMS.—The Board shall establish prompt payment standards for eligible insurers based on standards similar to those applicable to the Social Security Act as set forth in section 1842(c)(2) of such Act (42 U.S.C. 1395u(c)(2)). Such prompt payment standards shall be consistent with the timing and notice requirements of the claims procedure rules to be specified under subparagraph (D), and shall include appropriate exceptions such as for fraud, nonpayment of premiums, or late submission of claims.

''(D) INTERNAL REVIEW.—The Board shall establish standards for claims procedures for eligible insurers that are consistent with the requirements relating to initial claims for benefits and appeals of claims for benefits under the Employee Retirement Income Security Act of 1974 as set forth in section 503 of such Act (29 U.S.C. 1133) and the regulations thereunder.

''(2) RECOMMENDATIONS.—The Board shall recommend harmonized standards for each element of the categories described in subparagraph (A) through (D) of paragraph (1) within each such market. Notwithstanding the previous sentence, the Board shall not recommend any harmonized standards that disrupt, expand, or duplicate the covered benefit, service, or category of provider mandate standards provided for in section 2922.

''(c) PROCESS FOR IDENTIFYING HARMONIZED STANDARDS.—

''(1) IN GENERAL.—The Board shall develop recommendations to harmonize inconsistent State insurance laws with respect to each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(2) REQUIREMENTS.—In adopting standards under this section, the Board shall consider the following:

''(A) Any model acts or regulations of the National Association of Insurance Commissioners in each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(B) Substantially similar standards followed by a plurality of States, as reflected in existing State laws, relating to the specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(C) Any Federal law requirement related to specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(D) In the case of the adoption of any standard that differs substantially from those referred to in subparagraphs (A), (B), or (C), the Board shall provide evidence to the Secretary that such standard is necessary to protect health insurance consumers or promote speed to market or administrative efficiency.

''(E) The criteria specified in clauses (i) through (iii) of subsection (d)(2)(B).

''(d) RECOMMENDATIONS AND CERTIFICATION BY SECRETARY.—

''(1) RECOMMENDATIONS.—Not later than 18 months after the date on which all members of the Board are selected under subsection (a), the Board shall recommend to the Secretary the certification of the harmonized standards identified pursuant to subsection (c).

''(2) CERTIFICATION.—

''(A) IN GENERAL.—Not later than 120 days after receipt of the Board's recommendations under paragraph (1), the Secretary shall certify the recommended harmonized standards as provided for in subparagraph (B), and issue such standards in the form of an interim final regulation.

''(B) CERTIFICATION PROCESS.—The Secretary shall establish a process for certifying the recommended harmonized standard, by category, as recommended by the Board under this section. Such process shall—

''(i) ensure that the certified standards for a particular process area achieve regulatory harmonization with respect to health plans on a national basis;

''(ii) ensure that the approved standards are the minimum necessary, with regard to substance and quantity of requirements, to protect health insurance consumers and maintain a competitive regulatory environment; and

''(iii) ensure that the approved standards will not limit the range of group health plan

designs and insurance products, such as catastrophic coverage only plans, health savings accounts, and health maintenance organizations, that might otherwise be available to consumers.

''(3) EFFECTIVE DATE.—The standards certified by the Secretary under paragraph (2) shall be effective on the date that is 18 months after the date on which the Secretary certifies the harmonized standards.

''(e) TERMINATION.—The Board shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

''(f) ONGOING REVIEW.—Not earlier than 3 years after the termination of the Board under subsection (e), and not earlier than every 3 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the harmonized standards on access, cost, and health insurance market functioning. The Secretary may, based on such report and applying the process established for certification under subsection (d)(2)(B), in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, update the harmonized standards through notice and comment rulemaking.

''(g) PUBLICATION.—

''(1) LISTING.—The Secretary shall maintain an up to date listing of all harmonized standards certified under this section on the Internet website of the Department of Health and Human Services.

''(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish on the Internet website of the Department of Health and Human Services sample contract language that incorporates the harmonized standards certified under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

''(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 18 months after the certification by the Secretary of harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

''SEC. 2933. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—The harmonized standards certified under this subtitle shall supersede any and all State laws of a non-adopting State insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the harmonized standards; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the harmonized standards under this subtitle.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supersede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the harmonized standards under this subtitle.

''(4) NON-APPLICATION WHERE CONSISTENT WITH MARKET CONDUCT EXAMINATION HARMONIZED STANDARD.—Subsection (a)(1) shall not supersede any State law of a nonadopting State that relates to the harmonized standards issued under section 2932(b)(1)(B) to the extent that the State agency responsible for regulating insurance (or other applicable State agency) exercises its authority under State law consistent with the harmonized standards issued under section 2932(b)(1)(B).

''(5) NO EFFECT ON PREEMPTION.—In no case shall this subtitle be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this subtitle be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(6) PREEMPTION LIMITED TO HARMONIZED STANDARDS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State requirements for form and rate filing, market conduct reviews, prompt payment of claims, or internal reviews that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 18 months and one day after the date on harmonized standards are certified by the Secretary under this subtitle.

''SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2933.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2935. AUTHORIZATION OF APPROPRIATIONS; RULE OF CONSTRUCTION.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

Mr. FRIST. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 3889

Mr. FRIST. I send a first-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment numbered 3889 to the instructions to the motion to recommit.

Mr. FRIST. I ask unanimous consent that reading of the amendment be dispensed with.

Mr. KENNEDY. Mr. President, until I have a chance to see the amendment, I will have to object.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read as follows:

In the amendment strike the number ''3'' and insert the number ''4''

Mr. KENNEDY. I withdraw my objection.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 3890 TO AMENDMENT NO. 3889

Mr. FRIST. I now send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment numbered 3890 to amendment No. 3889.

Mr. FRIST. I ask unanimous consent that reading of amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following;

''This act shall become effective 3 days after enactment.''

Mr. FRIST. Mr. President, let me summarize or attempt to summarize where we are in terms of what we just did and where we have been. After a 96-to-2 vote on invoking cloture on the motion to proceed, we have now finally proceeded to the small business health plans bill. We are now at a point that we can begin debating the substance of this bill.

Chairman ENZI is here and is ready for relevant amendments to come forward and be debated. He will have more to say on that shortly.

What is clear is that there have been attempts or suggestions that we use this bill as a Christmas tree for all sorts of amendments, as well intended as they might be, but amendments that don't relate to the underlying bill.

Earlier this week, we began to address and tried to address issues surrounding medical liability. We were unable to do so. We have now proceeded to the small business bill, and it is my intention to stay on that bill, with amendments related to the bill. This bill should have strong, bipartisan support. As it plays out, we will see how strong that bipartisan support may be.

Mr. DURBIN. Will the majority leader yield for a question?

Mr. FRIST. Yes.

Mr. DURBIN. I ask the majority leader to clarify something in his remarks. He referred to amendments as ''Christmas tree amendments.'' There is one amendment on this side of the aisle that he supports on stem cell research. If this is Health Care Week, it would seem that this is a related issue. Does the majority leader characterize that amendment as a ''Christmas tree amendment''?

Mr. FRIST. Mr. President, the issue of stem cells is a very important issue. As my colleague knows, I am very committed to addressing that particular issue.

What is very clear to me, as we started discussing health care on Friday of last week—and it is now Wednesday—is that we need to systematically take an issue, one by one, that is important to the American people, that I have clearly laid out, starting with medical liability, and then proceed to another medical liability bill and proceed to small business, without jumping to other important issues. There is a whole range of issues that affect cost, quality, research, and affect people's lives and affect access to health care. But the only way we are going to be able to address those in an intelligent, effective, step-wise way is to take them one at a time, like medical liability. We were unsuccessful there. We are now moving to small business and focusing on that. There will be amendments, and we welcome them. The chairman is here and ready to talk substance on those amendments. Let's dispose of those and stay on small business. Then we will go and look at a whole range of other issues on health care at an appropriate time.

My intention is to go step-wise through this, with relevant amendments. The chairman is willing to address that and address the issue of small business health plans. We have 46 million people out there who are uninsured today. This doesn't solve the problem, but it fits very nicely with allowing the people out there who don't have access to health care today, who work in small businesses, to have for the first time the opportunity to get the reasonable, affordable health care they simply don't have today. There are a million people—if we pass this bill and it is signed by the President—who are uninsured who will have the opportunity to have insurance.

Let me yield to our chairman because I do encourage our Members on both sides of the aisle to come forward so that we can have substantive debate on the small business health insurance issues out there, without trying—because I know the other side wants to address many other issues, as has been expressed over the last several days, which are their priorities that they want to put before small business health reform plans. But we are simply not going to do that.

Mr. KENNEDY. Well, Mr. President, I say with the greatest respect that it is kind of interesting that the majority leader presents a proposal to the Chamber on behalf of the human resources committee—and as we know, under the Senate rules, that is entirely appropriate—and then in the same breath he asks us to recommit the legislation back to the committee, after he has just spoken for the committee, which suggests that there is a parliamentary maneuver, which is now quite apparent to all of us, that we are not going to have the opportunity to even get a debate on small business assistance, because we have on this side of the aisle the Durbin legislation dealing with relief for small business which effectively we are precluded from having an opportunity to offer.

If I understand the last sentence of the leader, he said we are going to have to dispose of this and go this route before we consider any other amendments. As I understand it from our Democratic leader, we could have reduced those to four or five different amendments that deal with the emergency penalties that some 8 million seniors are going to pay on the prescription drug program, the issue of the ability of Medicare to be able to negotiate lower prices, and the stem cell issue, which my friend has commented on, and Senator HARKIN and Senator FEINSTEIN, and I know the Senator from Tennessee understands the full potential of this. But effectively, as I understand it, this is Wednesday at 3 o'clock; we were here Wednesday morning. I have been effectively here since 10 o'clock in the morning, and we have Wednesday and Thursday and a full week where we can deal with these issues.

It just is troubling to many of us, when we went through this whole argument a week or 10 days ago on the immigration issue, where we were listening to those on that side of the aisle say: Let's have some amendments. Now we hear from them that, no, we cannot. We want lots of amendments on that, but we refuse to have amendments on this.

I daresay that the Senate rules permit debate on different amendments. We have a set of rules out there. You can have an amendment in the first or second degree, and you can have ultimate judgments and decisions. I just want to mention at this time that the action that has been taken now by the leader is effectively going to foreclose an opportunity at this time, when we are having our health care debate, to debate either stem cell research or relief for our senior citizens, who will be paying the penalty because of the requirements of the prescription drug program. We will be denied an opportunity to consider reimportation or negotiation for lower prices. Those are effectively issues that I think most Americans can understand. Certainly these are issues which Members of this body are familiar with and not new issues. We have not been able to get an opportunity.

I certainly regret that is the case because I think, with all respect, as the CBO talks about, there are 48 million Americans without health insurance. According to CBO, this is going to help solve it for 600,000, where we have the option with the Durbin proposal to solve it for millions in small business. But we are denied that opportunity. It is difficult for me to follow that kind of rationale, but we are where we are. I regret that judgment and decision, but that is where we are.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I wish to comment a little bit on that. I think there is plenty of blame to go around for any delays that are happening around here. When we are talking about incorporating in this bill, which deals with small business health plans, an opportunity to give small businessmen a chance at negotiating in the market to bring down costs, with an alternative being proposed—when we are being asked to incorporate into this and put all the weight of the stem cell debate or drug reimportation or Medicare Part D on top of this as a full-blown debate, everybody in this body knows that any one of those would easily take up not just a full week but probably 3 weeks because there would be other kinds of motions and parliamentary objections and processes that would drag any one of those out for that time.

The difficulty with being able to debate anything around here is the

length of time as a result of the right to offer any amendments that anybody wants on any topic. So we do make some efforts to try to keep them relevant. If we do cloture, then they are germane. Germane is a much tougher test, but relevant is not any health care idea in the whole world that could be amended and amended and amended and debated and have processes put in against it that would keep us from ever getting to a decision on small business health plans.

So we are trying to stay with small business health plans. I know Senators DURBIN and LINCOLN have an alternate approach. The alternate approach ought to be voted on, but the alternate approach should not be voted on to the exclusion of ever getting to a vote on this. So we don't want to have just one of them vote and one side feel very good because they got a vote for that one and the other side never gets to their vote. We are trying to find a way to make sure there are votes on both sides on the issues and that not just one side is taking the tough votes but that we do something so we can get to a conclusion for small business. Yes, we are trying to focus this on the problems of small business.

I would like to speak a little bit on the managers' amendment that is before us because there are some changes to the bill that I think the other side of the aisle will like. In most respects, this amendment corresponds very closely to the underlying bill reported out of the HELP Committee in March. It enables small businesses to pool together to save costs and increase access. It allows small business health plans and other plans to offer more affordable coverage options. It will also help streamline the current hodgepodge of health insurance regulation. However, the managers' amendment does make a number of new and important changes to the bill, most importantly in the area of premium rating.

Before I address the managers' amendment, I want to first emphasize, as I have throughout this debate, that I am eager to start sorting the amendments my colleagues might want to offer. As we start the amendment process, I look forward to debating all amendments from my colleagues on both sides of the aisle that are relevant—I mean relevant to the goal of more affordable health insurance for small business owners and their employees and their families.

I have reviewed some of the amendments Members have filed and want to offer. There are many that don't have any place on this bill and only serve to obstruct or delay passage of the bill—amendments addressing the energy efficiency of hybrid cars, Medicare benefits, hate crimes, and environmental air standards. They don't have any place on this bill. This bill is about health insurance for small business owners and their families and their employees and their families. I stand ready and willing to debate all relevant amendments to this bill.

For instance, Senator SNOWE will file an amendment on the issue of benefit mandates. Her amendment would ensure that benefits and services which have been mandated by a majority of States would continue to apply to small business health plans and other insurers. I know there is a lot of strong feeling on all sides of this issue, and I look forward to a lively and serious debate on it. I will have more to say about the Snowe amendment later.

For now, I will focus on what we have done in the managers' amendment to address the concerns raised by many Members of this Chamber. The main change we have made is related to how health insurance premiums are priced for small business. Most States do have rating laws. Those laws limit the amount of variation between premiums charged to different small businesses. Some States allow a great variation; some States allow very little variation.

During debate on this bill yesterday, I heard my Democratic colleagues make a number of speeches on this issue. They expressed their concern about how the bill, as reported from our committee, would affect the health insurance market in their States. They expressed concerns about how the rating rules in our bill might affect businesses with older workers or workers who have serious or chronic illnesses. I also heard these concerns in private conversations with a number of my colleagues over the past few weeks. I don't believe everybody should have to pay exactly the same amount for health insurance. Rules like that hurt young families and lower income workers. They get hurt because they get priced out of the affordable health insurance market.

But I have listened to my colleagues. I have also consulted with some of my colleagues on our committee and with Senator NELSON of Nebraska, who coauthored this bill with me. I value his perspective as a former State insurance commissioner. I also reviewed the bill Senators DURBIN and LINCOLN have offered. I have talked with experts in the insurance markets and insurance regulation, and they don't think the bill Senators DURBIN and LINCOLN have offered would create new and affordable options. In fact, some of those experts think that bill would make things worse, not better.

I will speak some other time in more detail on that. I prefer to go in the direction that we know can work. We know small business health plans will work because they worked in the past before the thicket of conflicting State laws made it too cumbersome to offer such plans.

Our committee heard testimony on this last year, but Senator NELSON and I looked at the Durbin-Lincoln bill anyway to see if there were some ideas we could harvest, some ideas we could incorporate.

After talking with Senator NELSON and my colleagues on the committee, we have developed an amendment that should address the concerns of most of my colleagues on the issue of rating.

The managers' amendment would do two things: First, it would permit States to limit the allowable variation in premiums to a much narrower ratio between the highest and the lowest rates as compared to the bill my committee originally reported.

Second, it would allow States to continue to require community rating of the health insurance policies. What that means is that the bill would allow States to prohibit small business health plans or insurance companies from using the health status of a group of workers as a factor in determining the group's premium.

If States want to allow health status as a factor, they can allow it; if they don't, they can disallow it. This means two things: First of all, most States would be unaffected by the new rating threshold of the managers' amendment. As a matter of fact, we estimate the rating provisions would have no impact on approximately 40 States. The vast majority of those States have reasonably competitive markets, although those markets would be even more competitive if we allow for the creation of small business health plans, allowing small business to band together across State lines to increase their leverage and to cut administrative costs. That is a huge factor.

Second, the managers' amendment preserves much of our original intent to create greater affordability for low-wage workers and for younger workers and their families, but it also allows States to retain reasonable limits on what high-risk groups can be charged. The managers' amendment sets a different threshold for allowable variation in premiums.

The new threshold is similar to the model act published by the National Association of Insurance Commissioners and updated in 2000, its most recent model, and it is what Senators DURBIN and LINCOLN used as the basis of their bill.

So under the managers' amendment, the States use community rating and could continue to use community rating. That means these States could still prohibit the use of health status as a rating factor as long as their system is adjusted to the point that it maintains affordability for low-wage workers and young people and families.

Under the managers' amendment, States would also be permitted to limit small business health plans and other insurers from setting rates that vary by more than a 5-to-1 ratio. In other words, the highest rate for a group in a particular insurance pool could not be more than five times the lowest rate. That would ensure that the insurance pool has a better and more stable balance of risks in the pool while ensuring meaningful limits on premiums for higher risk groups. This is an adjusted community rating standard used in the bill authored by Senators DURBIN and LINCOLN.

Again, just like the Durbin-Lincoln bill, the managers' amendment follows the most recent model from the National Association of Insurance Commissioners. The Durbin-Lincoln standard works out to the same 5-to-1 ratio between lowest and highest rating. So I hope my colleagues understand that here is an area where we have tried to strike a compromise, where we tried to work with them.

I should point out that most States don't use community rating. They use what is known as rating bands. These bands allow for a variety of factors to be used in setting premiums, including health status. We will allow States that use rating bands to continue to use rating bands. None of these States would be required to use community rating if they don't want to. They can continue to allow greater premium variation than the 5-to-1 ratio if they choose. It is a very important point.

The managers' amendment allows States to continue the use of two systems for rating health insurance policies. They can use either the community rating or what is known as rating bands. All the managers' amendment asks is that community-rated States follow the model set forth in the Durbin-Lincoln bill. At least if some reasonable variation in premiums is allowed, young families and lower wage workers may be able to find affordable policies. Of course, affordability would be enhanced if their State markets became competitive enough to attract small business health plans. So we are saying in 10 States it may not attract small business health plans.

I know the rating is extremely complex. This is a very difficult issue to talk about. I kind of enjoy it as an accountant. But the bottom line is very simple. First, we need to maintain a minimum level of affordability in how premiums are set across the country. Young families and lower wage workers in certain States deserve access to affordable health insurance and, therefore, affordable health care, and they deserve the ability to join together with other employees as part of a pool of small business workers through the association in their industries.

Ensuring that all the States have competitive health insurance markets will enable small business health plans to create truly national pools so they can maximize the full size of their membership as they negotiate for better benefits and for better prices.

This is a major area of compromise, and I hope my colleagues recognize it. We have taken a major concept from the bill authored by Senators DURBIN and LINCOLN and we have incorporated it in the managers' amendment. We have done this because Senator NELSON and I and the other cosponsors of the bill are working in good faith to find common ground.

While rating is the most significant issue that we revised in the managers' amendment, it is not the only one. For example, the managers' amendment includes several provisions to make it clear that the scope of the bill's preemption of State law is very narrowly tailored to only three areas. Those three areas are rating, as I have already discussed, benefits, to enable small business health plans to offer national benefit packages, and administrative functions, to reduce some unnecessary costs of health insurance regulation.

It has been a key priority for my Democratic cosponsor, Senator BEN NELSON, that State oversight authority be retained to the maximum extent possible. We have a few former State insurance commissioners in the Senate, and I know they share Senator NELSON's opinion on that. There are also a few former attorneys general in the Senate, and I have listened to them. I have also listened to some of our current attorneys general who have voiced their concerns recently.

I mention that some of their concerns refer more to the House-associated health plans bill, and it is important for people to know this is different from that bill.

We have listened and done these appropriate changes. We have added new provisions that make it very clear that this bill does not preempt, affect, or even disrupt traditional State authority regarding consumer protection, plan solvency, and insurance oversight. That stays with the State.

Most importantly, it would be crystal clear that the bill does not limit in any way a consumer's right to petition their State insurance commissioner or the State courts. That is a very important point. I want to repeat that. It should be crystal clear that it does not limit in any way a consumer's right to petition the State insurance commissioner or their State courts.

The managers' amendment before the Senate represents a significant effort to find common ground. It addresses the issue of rating, which is one of the two major concerns that Senator NELSON and I have heard from colleagues. Senator SNOWE's amendment with respect to State-mandated benefits is an attempt to address the other major concern.

So Members who have raised concerns about these two issues ought to see we are willing to work toward a compromise. There should be no reason we can't arrive at a solution over the next couple of days. Small business owners and working families I don't think are going to accept excuses.

The matter at hand is small business health plans. It is not stem cell research, it is not drug importation, and it is not Medicare. The matter at hand is about creating more affordable health insurance options for small business, and it is an issue that I think can be covered this week or a very small part of next week.

As a manager of this bill, I am willing to entertain any germane amendments. With the consent of my colleagues, I will even go further than that. I will consider relevant amendments. But stem cell research is not relevant to this bill. Drug importation is not relevant to this bill. Medicare is not relevant to this bill. What is relevant to this bill is amendments that address the 27 million Americans without health insurance who work for or depend on small businesses.

If my colleagues have amendments like that, Senator NELSON and I are more than willing to discuss them. Let's focus on the matter at hand. Let's take a meaningful step forward to give America's small business owners and working families more affordable health care.

In regard to some of the comments that have been made, as an accountant, I do remind my colleagues that this is not a case of subtraction. This insurance plan is addition. It will be bringing in newly insured people. When you go to the dry cleaners tonight to pick up your laundry, can you look that person in the eye and say: I don't think you deserve health insurance because you might not demand enough for yourself, so I saved you from yourself? Can you look them in the eye and say to the mom and pop running the business down the street from your home: You don't deserve health insurance either; you don't have it now, we're not going to make it more affordable for you; too bad, we had other things we wanted to discuss?

As you go home today, after you leave the Hill, think about the people around you, the regular people—the cab driver, the worker at the dry cleaner, the person in your neighborhood restaurant, all those people you may not notice who really make the world operate. Many of them don't have any insurance. Some may even own a little business just around the corner, be the owners of it, and still not be able to have insurance.

I am not talking about deluxe insurance, I am talking about any insurance. We are not talking about the employees at the big hotel chains or the big chain restaurants. We are not talking about the employees at Wal-Mart. We already said to them: You can form whatever benefits package you want. You don't have to answer to any State. You don't even have to have review or oversight by insurance commissioners. You don't have to meet any State requirements. We already said that to big business, and big business has done that. They haven't left out critical things. They said: Let's see, this is a competitive market. We have to be competitive. We want to have employees. And you know what. I think they included almost everything that has been talked about here. They did it because they wanted to compete.

Small business isn't any different. They need good employees. They want good employees. They know that if they are going to have good employees they have to do as much as they can afford.

Oh, yes, and when they are doing that, they can also pick up some insurance for themselves, and what they do for themselves, they do for their employees. We hear the estimates of how much this will or will not save. I would like to make a couple of comments on that. We have already seen that the big businesses, instead of paying 35 percent in administrative costs—35 percent—remember, each 1 percent of insurance costs drives 200,000 to 300,000 people out of the market. We are talking about 35 percent administrative costs. But those big businesses that we gave permission to do whatever they wanted to, theirs runs about 8 percent. Do you think they would be more competitive than the small businesses? What keeps the small businesses in business is their flexibility and how much less they make.

So I am not talking about deluxe insurance; I am talking about any insurance. Did you know that in several States there is only deluxe insurance? Did you know that in some States there may only be one insurance provider? Others have been driven out of the market. No, it hasn't been the competition that has driven them out; it could be well-meaning legislators wanting to make sure that everybody has everything they need.

There is a lot with our bodies that we ought to be doing on a regular basis. We ought to be taking care of our body like we take care of our car—well, maybe not like we take care of our car. But the way we usually take care of our body is similar to a rental car. We drive it until something goes wrong and then we take it into the shop. But there are regular services that we ought to provide for our own bodies, and we can do that.

The big companies get to do that tax deductible. It would be nice if the small businesses were able to do that tax deductible as well, and we can get into several of those issues later. We do have a plan here. We are willing to make modifications to it. We are willing to take relevant amendments. We do want to be sure that we get a vote on this bill, if we vote on an alternative measure. I think that is fair.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, let me say at the outset that I salute Senator ENZI from Wyoming. He has shown extraordinary leadership and political courage to bring this issue to the floor. The last time we had a serious conversation about health care for American families and businesses was in that one brief shining moment when the Democrats were in control and brought the Patients' Bill of Rights to the floor; otherwise, during the time that I have served in the Senate, we have run away from this issue. I salute Senator ENZI. Although I disagree with his bill, and I will explain why, I admire his political courage and vision to report a bill from his committee and bring the issue to the floor. I have said that before the press, I have said it at home, and I want to say it on the floor on the RECORD. Although we may disagree on approach, I respect him very much for being willing to bring this complex and politically controversial issue to the floor.

I think if you put it up for a vote as to when a week ends in America, we might not reach a consensus. There are some people who would argue: Why, a week ends on Friday night. That is the end of the week. Others say: No, a week ends on Sunday night. But what we have found is that Health Care Week in the Senate ends at 2:30 on Wednesday afternoon because that is when the Republican majority leader came to the floor and filled the tree, which means closed down amendments on the health care debate.

The Republican majority leader felt there were only two issues relevant to health care in America. The first was the issue of medical malpractice and preempting the States that traditionally regulate medical malpractice. For I believe the fourth time, Senator FRIST offered the medical malpractice bills at the beginning of the week, and they failed again, this time failing to even attract a majority of the Senators supporting either bill that he brought. Then the Senator moved to the health care issue before us: small business health insurance. Then the majority leader came today, having given us all of about a day and a half to consider this issue, and said that is the end of the story. No more amendments. We are not going to consider any other health care amendments in the bill before us. We are closing down the Senate when it comes to health care issues.

That is interesting because what the Republicans have done is to close down debate on stem cell research. Senator FRIST came to the floor and said: We don't want Christmas tree amendments. Christmas tree amendments—stem cell research. I don't know if Senator FRIST has been back in his State. I have. They have roundtable discussions about stem cell research. They sit at a table surrounded by men and women who have their hopes pinned on medical research, those who are suffering from juvenile diabetes and the serious problems that come with it—a mother who gets up several times during the course of the night to wake her young daughter and to test her blood to see if she needs insulin, if she needs to eat something; another family with a young man with Lou Gehrig's disease who has reached the point now where he cannot communicate. All he can do is sit in his wheelchair, this young man in his 20s, with tears rolling down his face, as his mother says: Senator, please, please do something about stem cell research. It may not save him, but it may save someone else. Parkinson's disease—to have my colleague and closest friend in Congress, Lane Evans, a young man stricken with Parkinson's, forced to end his congressional career, who had the strength to come to the floor last year in the House and beg for stem cell research and others suffering from Parkinson's and spinal cord injuries. Think of those people whose lives have been compromised and slowed down because of these injuries. All they want is a chance for a vote on stem cell research.

This President has prohibited stem cell research beyond a single line of available stem cells and has virtually closed it down as a Federal undertaking. We have decided, as a matter of Federal policy, that we will not do this research. We have been asking for over a year for a vote on the floor of the Senate on stem cell research. We were heartened when the Senate majority leader, Senator FRIST, came to the floor in July of last year and said: I may be switching my position, he said, but I am going to support stem cell research. It meant so much because we respect him, a heart transplant surgeon, a man with his medical credentials, to break from the President on this issue, on stem cell research and say he would join us in the fight. But how disheartening to hear today as the Senator from Wyoming and the Senator from Tennessee refer to debate on stem cell research as not relevant to health care. Not relevant. It may not be relevant to their lives, but it is relevant to the lives of thousands of Americans.

We in the Senate know what is at stake. If we don't bring this matter up for a vote this week on stem cell research, the chances of seeing the bill before the end of the year are slim to none. When we think of all of the families counting on us to step up for stem cell research, I want to ask you, Mr. President, isn't this worth a fight? Isn't this worth a fight on the floor of the Senate, to make sure that we get a vote this week on stem cell research, for the people who are counting on us, whose lives are compromised and broken because of disease and illness? Isn't this worth a fight in Health Care Week? Obviously, not on the other side of the aisle. They have declared stem cell research not relevant to Health Care Week.

And what else? They have decided that Medicare prescription Part D is not an important part of Health Care Week. Medicare prescription Part D, where some 9 million Americans in 5 days, if they don't sign up for this program, will face a lifetime penalty. Medicare prescription Part D is a program written by pharmaceutical companies and insurance companies, a program which has been one of the worst that has ever been dreamed up on Capitol Hill. When we want to take a few moments to fix some basics and take the penalty off seniors, the Republican leadership says, now, wait a minute. That is not relevant to a Health Care Week debate. Prescription drugs for 9 million seniors, that is not relevant to a health care debate.

Of course, we have heard Senator DORGAN of North Dakota repeatedly

asking for the opportunity to reimport drugs into the United States so that people have a fighting chance to pay for the drugs that keep them alive. He has been stopped by the Bush administration. He has fought for this opportunity to bring this issue to the floor time and again and insists on it this week in Health Care Week, and the Republican leadership has said, affordable prescription drugs coming in from foreign countries is not relevant to Health Care Week.

So, Mr. President, I think you can understand why many of us come to the floor at this point disappointed. First, we were encouraged by Senator ENZI's decision to bring this matter forward, and then when Senator FRIST said we are going to make it not just the Enzi bill, it will be Health Care Week, we finally said: Here is our chance, a chance for all of the people who have been waiting on us and who have been counting on us. Well, that chance was snuffed out at 2:30 this afternoon with Senator FRIST's procedural motion. Health Care Week turned out to be too good to be true.

It is interesting as well when we consider the basic underlying issue of health insurance. Do you know what the two competing issues are on health insurance? It is very basic. I don't have to explain it to my colleagues in the Senate, and I will tell you why. The proposal that I and Senator BLANCHE LINCOLN have brought to the floor of the Senate to make available to every business across America is exactly the same health insurance that Members of Congress have. If it is good enough for Members of Congress, we think it is good enough for American families. But I listen as Senator ENZI and Republicans stand up and talk about what a terrible idea this would be, to offer to every American the same kind of health insurance that Members of Congress and Federal employees have. Well, if it is so bad, I wonder how many of them have decided not to sign up for it themselves. My guess is they have all signed up for it.

Do you know why it is so good? It is not a government plan. It is a plan administered by the Government at less than 1 percent administrative cost that offers private insurance plans to Federal employees and their families, retirees, and Members of Congress. Private insurance offered by the Government. It is so good that it has worked for 40 years.

Now we have the Republicans coming to the floor, Senator ENZI and others, saying what a terrible idea this is, the same health insurance that protects the Senator arguing against it. You have to ask yourself why, if it is so good for us, can't we offer it to American families? Instead, Senator ENZI has come forward with a plan which makes dramatic changes, not to the health insurance we might offer to the uninsured but in reducing protection, reducing coverage, and increasing costs for people who are already insured. If you thought to yourself for a moment, that is an interesting debate on health insurance, but I am not worried about it, I already have my plan, think twice, because the Enzi bill which he brings before us is going to make your health care less valuable, less protection, and more cost. That is the Enzi plan. That is unnecessary and unfair.

Let me tell you what two organizations have to say about Senator ENZI's proposal, his health insurance plan. You might expect I am going to read something that has some political ring to it. Who is this organization that Senator DURBIN is quoting? They must have some political agenda. I would like to quote from a letter, dated May 10—today—from the American Cancer Society. The American Cancer Society is hardly a political organization. How do they describe the Enzi bill before us?

It is our view that the basic construct of this legislation is fatally flawed and therefore, we ask you to oppose it, regardless of the amendment process on the Senate floor. Consumers will be at the risk of losing important cancer-related protections such as guaranteed insurance coverage of colorectal cancer screening and clinical trial participation.

They go on to say:

It is our view that the Enzi bill will not result in increased access to quality care for most people.

That is from the American Cancer Society.

Now let me go to another letter, and you decide whether this is a political organization. It is the American Diabetes Association. The American Diabetes Association believes that:

The proposed approach in the Enzi bill is fundamentally flawed and must be opposed in all forms in order to protect your constituents with diabetes. Any preemption or weakening of State laws is a major threat to the well-being and lives of people with diabetes and should not be acceptable to the Senate.

And listen to these statistics: Every 24 hours, 4,100 people in America are diagnosed with diabetes—4,100 every 24 hours. There are 230 amputations from diabetes every day in America. There are 120 people entering end-stage kidney disease programs, and 55 people go blind every day from diabetes. We lose 613 Americans daily and 225,000 annually due to this epidemic. Diabetes continues to grow by more than 8 percent each year. And listen to this: One in three of our children will be diagnosed with diabetes in their lifetime—one in three of our children will be diagnosed with diabetes in their lifetime.

They go on to say:

. . . we cannot allow for any loss of ground in this battle.

Signed by the chairman of the board and the chief executive officer. They say:

Accordingly, we ask you to stand with us in full opposition to [the Enzi legislation], no matter which cosmetic changes may be proposed on the floor.

This is a stark and clear choice for the Members of the Senate, what we offer to small businesses and Americans presently uninsured: the same quality health insurance that protects our families as Members of Congress have or we offered them a watered down health insurance program that has been rejected by the American Cancer Society, the American Diabetes Association, the American Association of Retired Persons, the AFL/CIO, AMA, the American Nurses Association—I could go on for three pages of health groups in America that reject the Enzi approach because it will reduce coverage.

We know what the problem is. It has been a long time since we have even taken up this issue. During that period of time, we have seen the number of uninsured Americans grow from 37 million in 1993 to 46 million today—46 million uninsured Americans. But this is the wrong medicine. This Enzi bill will put the insurance companies, not the doctors, in charge of health care. People will be worse off, with less protection.

Yesterday, Senator KENNEDY and I went down to a press conference a few blocks from here. A beautiful young lady came up. She was from Cleveland, OH. She brought her guide dog with her and she told the story about how her diabetes, untreated, resulted in her blindness—young, beautiful lady. She said: I didn't have coverage for it in my health insurance, and as a result my life is much different. She said: I almost died. I am lucky to be alive and thankful to be alive. But when you talk about diabetes protection, you are talking about that young woman and others who could be just like her.

Another young woman came to speak to us and told us how she was a young mother, healthy as could be, but tired from raising those three little kids. Somebody suggested to her to get a mammogram. She thought about it because she had a history of breast cancer in her family, but she said to herself: How much is it going to cost?

They said: $250.

She said: We don't have that. I need $250 for my kids.

She said to her husband: Check the health insurance and see if it covers mammograms.

Her husband called her the next day and said: You can get the test the next day for free.

This beautiful young woman went to get a mammogram and learned within 24 hours that she had the earliest stage of breast cancer. They did a lumpectomy. She went through months of chemotherapy.

She said: I lost my hair, but I got through it all and I am here and I am alive and I am safe and I am going to be a mother for these kids for a long time to come.

So when we talk about cancer screening in health insurance, I don't think that is deluxe care. I don't think that is luxury care. I don't think that is going overboard. Whether it is prostate screening, colorectal screening, or

mammograms, that is basic preventive medicine that saves lives and spares suffering and cuts the cost of health care.

Unfortunately, many of those benefits are casualties in the Enzi approach. As I travel around Illinois, health insurance is the No. 1 issue and has been for years for businesses large and small, labor unions, individuals, families, parents whose kids reach the age of 23 and they finally realize: They are not going to be under my policy. How are they going to be covered?

Between 1993 and 2003, annual premiums Americans paid for health insurance in that 10-year period increased by 79 percent. Employer contributions to their employee insurance increased by 90 percent. These premium increases make it tough for businesses to survive and offer health care protection.

Let be me give an example of one family I know, Jim and Carole Britton. They own the Express Personnel Services in my home town of Springfield, IL. They are good folks, good hardworking businesspeople. They have 24 employees. They pay 85 percent of their employees' premiums. They want to keep doing it. They really believe it is the right thing to do.

Like many small business owners they shop for a small business policy every year because premium costs keep going through the roof. They have been forced to raise the deductible to keep premiums manageable. Last year, the deductible doubled from $500 to $1,000. To save money, Jim and Carole offered a health savings account, which many on the other side of the aisle think is the salvation, a health savings account. I won't go into it in detail, but it is a perfect health insurance plan if you are wealthy and never expect to get sick. They offered it. One of their employees decided they would sign up for a health savings account. That employee now regrets the choice because his wife is pregnant and he wishes he had better, real health insurance coverage.

To those who say solving the health insurance problem is too complicated or too expensive, look beyond the obvious. We already have the Federal Employees Health Benefit Program. It has worked for 40 years for every Member of Congress and 8 million Federal workers. Small business owners and their employees deserve nothing less.

I, along with my colleague from Arkansas, Senator BLANCHE LINCOLN, have introduced legislation to give small businesses affordable choices among private health insurance plans and expanded access to coverage. We call it the Small Employers Health Benefits Plan. We presented it to Senator ENZI. It has been a while now, a few months ago, that we said to him: Take a look at it. You know what this plan is all about. You live with it. We all live with it. We love it. It is a wonderful plan that has competition and real choice from private insurance.

We didn't convince him. I am sorry we didn't. Maybe someday we will. We will keep working on it. But let me tell you why we think it is important, why there are many advantages to the Federal employees program model. This chart spells them out.

Nationwide availability. It covers Federal employees from one coast to the other. Young and old, rich and poor, black, white, and brown, healthy and sick, every Federal employee is covered by it.

Consumer choice. There are more than 278 private insurance companies that bid for this Federal employee coverage. For these private insurance companies, they believe this is a good deal, to get in a pool of people this large.

Group purchasing discounts for small employers: In our bill, we create one nationwide purchasing pool of small employers and self-employed people, which means they can fight for premium discounts just like the Federal Government.

Low administrative costs: Do you know what it costs the Government to run the health insurance program for 8 million Federal employees? Less than 1 percent a year. Some of these plans we are talking about that private businesses have to turn to charge 25 to 30 percent administrative costs each year. You wonder why the costs go up? They are making more money, charging for administration. We don't have the administrative overhead. We use private insurance plans already there.

There is strict oversight and regulation in the Federal Employees Health Benefit Program. We know it works. We like it so much that every single one of us is protected by it.

Two economists have examined our proposal, Dr. Len Nichols of the nonpartisan New America Foundation, and Dr. John Gruber, Ph.D, from MIT. They estimate that our bill could save small businesses between 27 percent and 37 percent on health care premium costs every year, just offering to these small businesses the same health insurance deal that Members of Congress and Federal employees currently receive.

That means Jim and Carole, whom I mentioned earlier, currently offering a policy for a family of four that costs $10,000 a year and paying $8,500 of the premium, could save anywhere from $3,000 to $3,100 as employers and $400 to $500 for each employee. That is before any tax credit, which we propose in our bill, for low-wage workers.

Under our plan, premiums would not be government subsidized, but employers will receive an annual tax credit for contributions made on behalf of workers making $25,000 or less per year.

There is a big debate in this town about tax cuts. If you read the morning paper, you may have noticed the chart on the front page of the Washington Post. The new tax cut proposal from the Bush administration, when it comes to capital gains and dividend incomes, is a very generous proposal to a very small group of Americans. Let me tell you what I mean.

If you are making less than $75,000 a year, the Bush tax cut proposal, warmly embraced by the Republican majority in the House and Senate, means about $100 a year in tax breaks. There is that old $100 check they wanted to give you last week for your gas bill. Here it comes again. That is your tax cut if you are making less than $75,000.

But the same Bush Republican tax cut proposal which will come through Congress now gives to those who are making $1 million a year in income almost $42,000 in tax cuts. I don't recall receiving a single letter from a millionaire saying: Would you please give me a tax cut?

They are insistent on it. We must do this. We have to give them a break. But when Senator LINCOLN and I suggest giving a tax cut to a business that offers health insurance to low-income employees: Oh, that is a terrible Federal subsidy. How could you consider doing that?

Senator THUNE from South Dakota came to the floor yesterday and said it was going to cost us $78 billion over 10 years. Today he came and said it would cost $73 billion. We are gaining some ground. But the bottom line is there is no estimate in that range, anywhere near that range. My challenge to my colleagues on both sides of the aisle, if you believe in tax cuts, why wouldn't you believe in tax cuts for small businesses that provide health insurance for their employees? Isn't that closer to the American dream than a $42,000 tax cut for somebody making $1 million a year? I think it is fairly clear. Obviously they don't.

There are more than 26 million Americans making less than $25,000 a year working in small businesses; 12 million, 40 percent of them, have no health insurance. Is it valuable for America that these people who get up and go to work every day in the small shops and small businesses across our country have health insurance.

I go around Illionis and talk to all kinds of different groups—downstate in my home area, small towns, rural areas, the big city of Chicago. Whenever I say to people: Wouldn't it be part of the American dream that every American had health insurance, it never fails to get a round of applause. That is really an aspiration and a dream which many of us share. We can't reach that dream if we insist on giving tax cuts to millionaires who aren't asking for them and don't provide a helping hand to businesses that are doing the right thing, providing health insurance to low-wage employees.

The tax credit we propose would equal 25 percent of the cost to that business for self-only policies, 30 percent for employees who are either married or single with a child, and 25 percent for family policies. So if a family of four working for Jim and Carole in Springfield make less than $25,000 a

year, there would be an additional savings of $1,874 to $2,172.

Under the Durbin-Lincoln bill, private insurance plans would compete to offer insurance to small businesses, just like they do in the Federal employees program. This chart shows the potential savings that come from the current system and what might occur under the Small Employers Health Benefit Program that Senator LINCOLN and I will offer. Currently, many of these businesses, like the one I described, pay 85 percent of insurance costs, so on a $10,000 policy they are paying $8,500.

Look at how it drops for family coverage under the plan we are proposing—to $3,230 for family coverage. It shows the dramatic savings for each business and the opportunity for them to offer real health care.

A lot of people say: Are you talking about a government insurance plan? Let me show you the choices that my wife, Loretta, and I had when it came to health insurance this year as Federal employees and Members of Congress. Look at these plans: There are 13 plans that we had to choose from as Federal employees.

I will tell you what happened to one of my employees. She chose a plan 1 year, didn't like the way they treated her, and when open enrollment came the following September she dropped them and picked up another plan. What a luxury, real competition. You don't treat me right, you don't get my business next year. It is like shopping for a car and having some real choices.

Most small businesses and most Americans have no real choices, so when we come up with this plan, the Federal employees model plan, and those on the other side of the aisle dismiss it as unrealistic, unfair, deluxe, it is exactly the same health insurance coverage they are living with right now.

If it is good enough for us, why isn't it good enough for the rest of America? That is the bottom line.

All Federal employees receive a booklet every year about the choices that are available for coverage. If you want to take an expensive plan, they will take more out of your paycheck. For the basic plan they take less.

I have a lot of young people on my staff. Krista Donahue, my staffer on this issue, gets up and swims every morning. She picks her health plan. She signed up for a very cheap HMO. My wife and I, maybe not in the same physical condition, sign up for more coverage. That is our choice.

That is everyone's choice in the Senate and the House of Representatives and throughout the Federal Government.

What is wrong with giving that choice to America? Senator ENZI's plan does not give that choice to America. This bill we are proposing has been supported by many groups. It isn't just a matter of Senator LINCOLN and I coming together.

Look at some of the groups that have endorsed the Lincoln-Durbin plan, or the Durbin-Lincoln plan, depending on whether you are from Arkansas or Illinois: The American Academy of Family Physicians, the American Academy of Pediatricians, the American Cancer Society, the American Medical Association, the American Osteopathic Association, the American Psychological Association, Consumers Union, Families USA, Federation of American Hospitals, International Chiropractors, March of Dimes, the National Association of Community Health Centers—the list goes on and on.

And the indication is that these men and women and groups that focus their professional lives on health care reject the Enzi approach which offers less coverage and less protection and believe, as I do, that the plan being offered to Federal employees should be offered to businesses across America.

Sadly, the Enzi plan will wipe out benefit requirements.

I will concede that what I am about to say may have changed somewhat in the managers' amendment. To his credit, as Senator ENZI has realized the weaknesses of his legislation, he has added more protection. If I am going to cite something that has been changed in the managers' amendment, I apologize and will stand corrected on the RECORD. But what I am about to read is based on our best knowledge of what was in the Enzi bill. Maybe it has been changed. I want to give the Senator a chance to correct me, if I misread it.

The Enzi bill will wipe out benefit requirements, including diabetes supplies, mental health coverage, cancer screening, maternity coverage, and child immunizations for 84 million Americans. That includes almost 4 million people in the State of Illinois. The number of Americans who will lose benefit protection under the Enzi plan, S. 1955, each one of these ''stick'' pictures represents 1 million Americans who will lose benefit protection. These are not people who currently have no health insurance. These are people who are gathered here and watching this and have health insurance who think they are part of this debate. Surprise. The Enzi bill has brought you into this debate. Your health insurance is about to be reduced in coverage. The things that you thought you had signed up for, the things that you had bargained for as part of your union that you believe were covered in your plan will be reduced. The coverage will be reduced by the Enzi bill.

His belief is, if we can just lower basic health insurance coverage to a lower level, we can say everybody has it. But what good is it to have health insurance if it isn't there when you need it?

That is the point he missed. If we miss the most basic things in terms of protecting Americans and then sit back and fold our arms and say: Well, we took care of that uninsured problem, sure, we took care of it until someone desperately needs health care and can't afford it because their health insurance plan doesn't cover it.

The idea behind Senator ENZI's bill is if you provide less benefits and less coverage and less protection, it should cost less. That is right. It is reasonable. But if the insurance doesn't cover your illness, if you are left exposed to paying for it out of your own packet, what are you going to do?

One of the ladies who came to our press conference yesterday is a perfect illustration. Her husband had bought a health insurance plan that he thought was a good one, one through an association. He even signed up for a chemotherapy rider on the plan because there had been a history of cancer in his family. Guess what happened. Sadly, he developed virulent lung cancer which required a lot of treatment. They went to their health insurance plan, and they said: We are glad we bought that rider.

Then, in the fine print, there was a limitation on how much they would pay. The poor man lived for years and died an agonizing death. His beautiful young wife from California was there yesterday. When he died, she was left with medical bills of $480,000.

Is that deluxe coverage—what we heard earlier—luxury coverage of health insurance? Would you want to find yourself and your family in a situation where you needed cancer therapy to survive and your plan didn't cover it?

Unfortunately, the Enzi bill moves in that direction, and it doesn't have it. All of the benefit cuts result in about 3 percent to 4 percent savings on premium costs. These are not expensive when they are spread across large populations. They are expensive when they are borne by one family. But if there are millions of people being covered, and a small percentage need it, you spread out the cost. That is what insurance is all about. It is a point that is missed in the Enzi legislation. That is not much of a savings—3 or 4 percent—when you are talking about diabetes, maternity coverage.

Maternity coverage. I know a little bit about that, being the father of three. I can tell you that one of the toughest moments in my life was as a law student—I got married in law school. Yes. We used to do that back in the old days. Loretta was pregnant. The baby came along and she had a serious health problem. We had no health insurance. We went to Children's Hospital in Washington. God bless them. They couldn't have treated us better. They finally said after a while: You are not going to be able to afford to pay this, DURBIN. You either sign up for welfare, which you can do because you don't have any income, but get ready to go bankrupt. You won't be able to pay these bills. There is one choice. There is another choice you can consider. You can go to a clinic for people who are uninsured.

Sure enough. I had to leave my law school and cut a class, drive out to

Maryland, pick up my wife and our little baby girl and sit in a clinic for hours to get a doctor in rotation—never knowing who you would see and sure you would never see them again. They would ask you all the same questions. Let's go through the history again. You tell them over and over—you want to give them everything.

That is what life is like when you don't have health insurance.

When it comes to maternity care, you have to be careful. I will tell you why.

Twenty-five years ago when I was an attorney working in the Illinois State Senate, it came to our attention that there was a company selling health insurance in Illinois with maternity benefits, but when you read closely, the maternity benefits did not cover the newborn infant for the first 30 days of life. Do you know what that means? In our case, in my family's situation, a situation just like it, that sick baby dramatically in need of expensive care for the first 30 days wasn't covered. We put a provision in the Illinois State law which said you cannot offer maternity benefits saying you will pay for the delivery of a baby unless you cover that baby from the moment it is born. That is a requirement in law.

It makes sense, doesn't it? It would be wiped out as one of the State requirements under Senator ENZI's approach. You can buy maternity care. You may be on your own the first 30 days. Heaven forbid you are in a situation with a sick child—and I have been there. It is no fun at all. It took us years to pay those medical bills. We were glad to pay them, and they couldn't have been nicer waiting to be paid, but there were a lot of anxious moments when this father sat in that waiting room wondering if he would ever get to see a doctor for his little girl.

There was a study in the New England Journal of Medicine in the years after President Clinton required that the Federal Employees Health Benefits Program cover mental health benefits. I can't go to a town meeting in my State and mention mental health clinic benefits where I don't have the following occur. I can guarantee you that in any large group this will happen: I will say that health insurance ought to cover mental health benefits—and I think it should. Senator Paul Wellstone, that great champion, used to sit in that back row and stand and beg for health care to cover mental health benefits.

If you mention that at a town meeting in my State or any other State, do you know what happens when the meeting ends? Two or three people are going to wait for you. They will want to talk to you privately. It has happened time and again. They say: Senator, we have a teenage son with a serious mental health problem. We don't know where to turn. We can't get health insurance. There is no coverage for him.

Every time you mention mental health, you find that across America there are people in need of mental health benefits.

When it came to mental health benefits, it was one of the first casualties in the Enzi bill. About 42 States currently offer mental health benefits as part of their health insurance. And that State requirement would be wiped away in the Enzi bill.

Is that deluxe coverage? If you have a bipolar teenage son, a schizophrenic daughter, someone suffering from grave depression in your own household, is that deluxe and luxury coverage? I think it is basic. I think it is what we should be about in America: taking away the stigma of mental disease and offer mental health coverage.

We received letters from organizations such as the American Nurses Association—God bless them—the American Cancer Society, AARP, and the American Diabetes Association. They are all opposed to the Enzi watered-down approach.

In a letter to Congress, 41 attorneys general, including my own attorney general, Lisa Madigan, in Illinois, have publicly opposed this bill.

Another way the Bush-Enzi bill would make people worse off is that it sets Federal rules of how insurers can charge people. I will try to explain what I understand Senator ENZI just did.

Right now in America you can charge health insurance premiums based on a number of factors: Are you well? Are you sick? Are you young? Are you old? Where did you live? What is your injury?

You can be charged different health premiums depending on how you answer those questions. The disparity in health insurance premiums between well people and sick people can be 26 times as expensive for sick people as it is for well people.

There are nine States—most of them in New England, except for North Dakota and Oregon—that have community ratings, which means that everybody in the State of Massachusetts represented by my friend, Senator KERRY, is in the same pool, everybody just like the Federal employees pool. So everyone is charged the same premium, young and old, regardless of their medical history. Senator ENZI comes and says: We just want to change this slightly. We want to be able to say that you can charge five times as much for someone who is sick than someone who is well, even in States with community ratings—five times as much.

They tried that in New Hampshire a few years ago, increasing the premiums for sick people. They dropped their coverage, and 21,000 people were dropped. In a year New Hampshire dropped the plan, saying it is not a good idea. It wasn't a good idea in New Hampshire, and it is not a good idea in the Enzi bill.

That is what is being proposed. Let me show you a study. The Lewin Group, a nonpartisan actuarial firm, shows rates would rise dramatically for businesses with a higher number of older Americans or women of childbearing years.

This shows the average premiums for community-rated States, the average cost per contract. You can see this yellow line. What is happening because Senator ENZI is allowing this divergence and differing amounts of premiums to be charged, you can see a dramatic range of increase that could occur in any given State.

So there is no protection on the upside below 5 to 1. There could be a 5-to-1 difference in premiums charged the lowest rated person in the State to the highest rated person. It is a significant difference.

The Lewin study found that small businesses in strictly regulated States are currently paying the average of $7,738 per month for health insurance for their employees. Under the Enzi bill, businesses with a high number of older people or women of childbearing years would see their premiums increase to more than $20,000 a month, while companies that have a disproportionately high number of healthy, young people would see a decrease in their premiums to $3,096 a month.

Finally, the Bush-Enzi bill will not help the self-employed. Self-employed people are the worst off. They are forced to purchase insurance in the individual market which has the least amount of State oversight. The Enzi bill will take away what little protection self-employed people already have in benefit mandates, which means if you are on your own—you own your little business and looking for health insurance, and you at least know when you are offered a policy it has to provide the basic coverage that your State requires—Senator ENZI wipes that away. It will not give self-employed people a way to pool with larger businesses.

The Enzi bill prohibits self-employed people from being pooled with larger businesses, so they miss out on the discounts of the larger groups. Right now, we believe the realtors who are pushing the Enzi bill ought to step back and take a close look at that provision and ask themselves what percentage of the membership of realtors across America is self-employed. The coverage and protection is not there for you. This may sound good for their members until they take a look at the policy and there is no protection.

Individuals would be pooled with other individuals, so they may save on marketing costs, but they will be priced the same way they are today: individually. Under the Enzi bill, self-employed people can still be denied coverage if their State law permits it, and they can be charged exorbitant rates based on their health status, gender, age, or industry.

Diane Ladley of Aurora, IL, is self-employed and has a chronic condition called fibromyalgia, which causes

chronic pain and fatigue. She has been denied insurance in the individual market. She is currently cutting her pills in half because she cannot afford them.

The Bush-Enzi bill will do nothing to help Diane. Even if she joins an association health plan, an insurer could deny her coverage. If she is offered coverage, insurers will still be able to exclude her current condition or charge an amount so high she could not afford it.

The Lincoln-Durbin bill would allow Diane to be pooled with other small businesses in one national pool. She would have access to the same negotiated discounts as all other small businesses in the pool.

We can make health insurance for small businesses more affordable without slashing benefits or charging people who need insurance even higher prices. My bill, with Senator LINCOLN, is an example of how it can be done. It is a reasonable approach.

I will come back to my starting point as I close my remarks because I know there are other Senators in the Senate waiting to speak. This is a matter of simple justice. If Members of the Senate and the House of Representatives take advantage of the Federal Employees Health Benefit Program because they believe it is fair and right for their families, why won't they offer that same opportunity to other Americans who need health insurance? Why should we give ourselves the status of a privileged class when it comes to health insurance? Why should we say that people across America shouldn't have the same protection our wives and our families have? We ought to offer them in good faith an approach that is the same as our own. If this health insurance we use is good enough for Members of Congress, it is good enough for American families.

I yield the floor.

The PRESIDING OFFICER (Mr. COBURN). The Senator from Wyoming.

Mr. ENZI. Mr. President, I would like a chance to answer the 45 minutes of accusations that were made about my bill and also bring up a few things about the Durbin-Lincoln bill that I have not had a chance to talk about yet, but could I inquire how long the Senator from Massachusetts will speak?

Mr. KERRY. Not that long, maybe 15 minutes, something like that. Hard to say entirely.

Mr. ENZI. I almost hate to break the continuity of the debate when we are talking about some very specific things.

Mr. KERRY. I welcome it. It is not often a debate breaks out in the Senate anymore, so I am happy to welcome it. I ask, through the Presiding Officer, how long the Senator from Wyoming might think he would engage in debate?

Mr. ENZI. Probably about as long as it took Senator DURBIN to cover the fallacies and to boost his bill. I ask that I be the next to speaker after the Senator.

Mr. KERRY. I appreciate that. Maybe that will work because I will just add to some of the things the Senator will probably want to answer, and he can take it all in one bundle.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

A unanimous consent has been requested that Senator ENZI speak after the Senator. Without objection, it is so ordered.

Mr. KERRY. I thank the Chair, and I thank my colleague from Wyoming.

I listened carefully, and I hope a lot of other folks did, to the comments of the Senator from Illinois and from other colleagues in the Senate over the course of the last days.

I wish the Senate were engaging in this issue in a serious way that allows Members to debate the merits of individual approaches to small businesses being covered. Regrettably, that is not the choice of our friends on the other side of the aisle. What they have done is come in with a series of amendments, with second-degree amendments, and, in the language of the Senate, filled the legislative tree, which basically means blocked out the ability of Democrats to bring amendments, to have a real choice between plans as to how we approach small businesses. That is point No. 1. That is irrefutable and damaging to the prospects of trying to deal with the health care crisis we face.

Two years ago, when I was traveling the country as a candidate, no matter what State I went to, no matter what town or what size community or what the political definition of that community was, you always felt a profound sense of responsibility was thrown at you by the people you met from all walks of life.

I met people in town meeting halls, in VFW halls, in rope lines at rallies, in visits to factories, in visits to medium-sized businesses, large businesses. A whole bunch of folks would come up and tug at my sleeve, often with tears in their eyes, look at me, and say: Senator, you have to help us on health care. You have to do something to help us be able to afford health care. They would show me a photograph and say: Look, this is my sister, or this is my mom, and they would tell you about a loved one who could not afford the medicine they needed or who lost their health care when a factory shut down or when a business closed or moved overseas. The faces of those people stay with you forever. Their names do, too.

People—many of them Republicans, many of them conservative small businesspeople—were pleading not for a dumbing down of the system, not for an automatic reduction in coverage, but for a way to expand the ability to have the level of coverage they have today and be able to pay for it. They were looking wearily to this city for help.

I met an awful lot of poor folks who obviously do not have any health care, and the numbers are climbing. More importantly, there is a change in the fabric of our society. I met an awful lot of working Americans who are increasingly watching health care costs go up, education costs go up, energy costs go up, and their wages either stay the same or go down. That is not a sustainable equation in our country.

Increasingly, those workers are being pushed out of the middle class into the working poor or downward within the middle class itself. There isn't one of us who has not met a mother of a child who would describe situations in which she would make life choices for that child, about whether to let her kid play football or some other sport—hockey—because she was afraid she could not afford the medical care if her child broke a leg or somehow were injured.

I heard again and again stories from teachers who would tell me about kids who get no preventive care, they do not get routine exams. Schools have cut nurses, so you do not have a nurse in the school now to take care of someone.

I heard instance after instance of kids who had some form of acting-out in the classroom as a consequence of either an earache or some other chronic disorder. Some of them went to the doctor for the first time when they were 9, 10, 12 years old, and it was too late; they discovered they had a permanent hearing impairment as a consequence. I met the head of pediatrics in the State of Washington at an event we did in Seattle for children's health insurance who told me specifically of kids she had examined who had permanent hearing impairment, and now they will be in special needs education because we did not care enough to give them early intervention.

I met a lot of small business owners who would like to be able to provide their employees with health care but cannot afford it and who know the health care costs are so high that they are standing in the way of being able to hire more workers because they do not have the flexibility and the ability to be able to expand the business and try to cover people or pay even a portion of the health care.

In New Hampshire, I met a woman who had breast cancer. I got to know her pretty well. She told me how she had to keep working day after day right through her chemotherapy no matter how sick she felt because she was absolutely terrified of losing her family's health insurance if she did not show up for a day or two.

In Erie, PA, I met a man named Albert Barker who wonders how he is going to pay literally thousands of dollars in medical bills that he cannot afford. And after he suffered a heart attack and he underwent surgery, guess what. His employer just stopped his health coverage because it was too expensive because he had gotten sick. So they cut him off at the moment of need, and he was basically at that time facing bankruptcy as a consequence. His wife said at the time that she was

reduced to hoping and praying that nothing else happened.

In Council Bluffs, IA, I met a woman named Myrtle Walck who at the time did not know what she would do if the price of medicine rose any higher—which it has—and she paid a huge chunk of her Social Security, which was not very big and was her only source of income, her Social Security check, to the drugstore every month just to cover the cost of her two daily prescriptions.

In Jacksonville, FL, Renee Harris, who owns a schoolbus company that was in her family for over 50 years, was forced to sell the company because she could no longer afford to insure her workers and felt compelled to want to be able to do so.

I heard daily about workers' fears of losing coverage because they either could not afford the higher premiums, the deductibles, the copays, or they thought their employers would drop the coverage altogether.

I talked to people who told me what it was like to live knowing they were one medicine bill, one hospital visit away from bankruptcy. That is the real world we are living in today. That is the real world the Senate ought to be debating. All of these problems are in our health care system today. Yet there is so little time devoted in this Congress to finding the common ground, to finding solutions to get something done for those people who want to believe we will do something to help them.

Instead, what do we have? We have a so-called Health Week in the Senate. This is Health Week so that Senators can come to the Senate and give speeches—not legislate but give speeches. We have speech after speech in a stalemate where the whole week is going to go by, and everyone knows what will happen at the end because we are not really legislating because we are not really here to solve problems. The people I have met deserve to have a Congress that insists on a real debate, really getting the job done.

In all the 22 years I have been here, this is one of those peculiarities of a moment in American history where the Senate is about as dysfunctional as it has been in that whole period of time. Serious efforts to try to deal with problems are just not on the table.

What are we going to have? We are going to have one up-or-down vote on a flawed bill with no chance for Democratic amendments. I know the Senator from Wyoming is going to argue it is a good bill—and we will go through some of those details in a minute, et cetera—but what we have been reduced to doing here is spending an awful lot of time trying to stop bad things from happening instead of putting the competent energy of a lot of people who think a lot about these issues, some of whom have extraordinary expertise, into trying to fix them and move toward a positive health care agenda for our Nation.

Right now, we are fighting to fix the devastating changes that have been forced on the Medicaid Program. We need to overturn the rules allowing increased cost sharing that has been imposed on families who cannot afford it. And we need to prevent new rules from tossing out the early periodic screening diagnosis and treatment protections for children on Medicaid.

Who wrote to the Congress and said: ''Kids in America have enough coverage. We ought to cut out early periodic screening''? Every doctor you talk to worth their salt in this country will tell you what we need is more preventive care, wellness. We need to teach wellness in America. We need to be doing preventive care instead of treating people when they finally get sick, at a time when it is far more expensive than if we intervened early.

On diabetes alone, if we had diabetes screening for every person in America, you could probably save $50 billion. You would avoid a lot of amputations. You would avoid a lot of dialysis. And you could treat it in a far less expensive, more easy way. Are we talking about that here?

We also have to fix the Medicare prescription drug debacle and extend that May 15 deadline for signing up without penalties. Why? Because it has been confusing to seniors all across this country. Because the implementation has been exactly what a lot of people predicted. The result is a whole bunch of things that ought to be happening to reduce the cost for seniors are not happening.

A simple thing would be bulk purchasing to negotiate lower prices on prescription drugs. We ought to be simplifying the enrollment procedures. We ought to be making the benefit more comprehensive, by closing the gaps in coverage.

But the bottom line is, it would be a tragedy if all we did was try to stop these bad things from happening, when everybody knows we have a health care system that is increasingly in extremis, a health care system that is in crisis and imploding on itself in many ways.

This bill, I regret to say, because it deregulates in a selective way all of the insurance delivered in the States, is going to create chaos for people as States choose different offerings and the rules go out the window.

I might add, for a group of people who traditionally have come to the floor to defend States rights, they have, in the last years, proven themselves remarkably selective in where and when they want to protect those States rights because State after State across the country has passed a certain standard of health care. Why? Because they know it works. Because they know it reduces costs. Because they know it helps people have greater quality of care and a better quality of life. Instead, this bill is going to open up the opportunity for people to reduce the level of coverage for people.

There are a whole series of real health care initiatives that the Senate ought to be dealing with. I am convinced we can find an ethical way of dealing with the thorny issue—I recognize there are ethical considerations—but we could find, if we wanted to, an ethical way to deal with a host of in vitro embryos who, regrettably, are going to be discarded altogether, thrown out into the garbage and lost, rather than applied to the possibility of saving life. It seems to me there is a way to fully fund, in a limited way, the appropriate research of initiatives at the National Institutes of Health.

We also need to take up real legislation to get at the heart of racial and ethnic health disparities. We need to make it legal to import prescription drugs from Canada. We need to put medical decisions back in the hands of doctors and nurses and patients, not insurance company bureaucrats. We need to address the nursing shortage by fully funding all the programs under the Nurse Reinvestment Act that we fought so hard to enact.

We need mental health parity, which I heard the Senator from Illinois talk about. We need to address our growing childhood obesity problem which is going to increase the cost of health care all across the country. And we definitely need to reauthorize the State Child Health Insurance Program.

But this is Health Week, and we are going to have a Health Week on the floor of the Senate. It is not going to deal with any of those issues. It also avoids giving families and small businesses access to the same private health insurance that Members of Congress give themselves. I heard the Senator from Illinois talk about this.

I raised this all across the country in 2004. What is it about being a representative of the people, elected by the people to come here to represent the interests of the people, that empowers us to abuse that privilege by giving ourselves the best health care in the world, at less expense, with a nice Government match, bigger than what most businesses can afford, and we are not willing to allow that to happen all across the country? What kind of values does that represent for those who run around talking about values?

It seems to me we ought to stand up and make it clear that every single family's health care is as important as any Member's of Congress. We ought to be offering every single person the opportunity to at least buy into it. Why shouldn't they be able to buy into it and get the coverage? Why shouldn't we open up Medicare and let people who are 55 or older buy into Medicare early? That could happen, and a whole bunch of people would get coverage and we would reduce costs to America.

All you have to do is talk to any hospital administrator in America. First of all, they are dipping into their reserves. A lot of them are on the brink of bankruptcy. Many of them get refunded so late and with such difficulty,

it is hard to plan and come up with a business plan for the hospital. Most importantly, none of them can afford the massive investments in technology that would, in and of themselves, reduce the cost of health care and raise the quality of life.

Something like 45,000 to 50,000 to 90,000 people a year die in hospitals because of medical error. And often, that medical error is the result of pain management or pain mismanagement. The VA has a terrific system. I have been in the VA hospitals. I have seen it. Why do they have the system? Because it is the VA. It is a Government health care plan, and the Government made certain they could invest in these pain management computerized systems. The result is, they have reduced the incidence of mistaken pharmaceuticals being taken, people getting the wrong medicine, getting too much, getting it at the wrong time, getting it even when they took it already—all of these kinds of things that happen.

This week, unfortunately, instead of bringing up a bill that would grant real relief to our small businesses, we are considering a bill that 41 attorneys general of the United States have written to say is bad policy and will only exacerbate the problems in States today. Why are we doing that? Attorneys general are looking at the regulatory process. They are looking at the overall ability of a State without regard, in many cases, to the politics of it but to the law and to the implementation of what happens. And 41 attorneys general have written to say this bill is going to exacerbate current troubles. I hope the Senator from Wyoming will address all of the concerns expressed in the letter of the attorneys general of the United States.

We have also seen the numbers. The Kaiser Family Foundation reports that the number of firms offering health benefits has declined from 69 percent in the year 2000 to 60 percent in 2005. Forty-seven percent of firms with fewer than 10 employees offer health insurance, compared to 90 percent of firms with 50 employees or more.

So everybody agrees something ought to be done. The problem is, the plan offered by the Republican leadership today is not going to help the small businesses to be able to gain coverage for their employees, unless, of course, they give up a whole set of things that currently they are covered for and then without regard to what the pricing is going to be for that. It is a wholesale deregulation of insurance markets. And a wholesale deregulation of insurance markets is, in fact, going to put consumers at risk. The studies show the approach we are being offered will, in fact, have a better chance of increasing the numbers of uninsured, rather than offering small businesses a lot of the relief they so desperately need.

The proponents argue prices are going to drop once we get rid of the benefit mandates created and enacted by State legislatures. Well, first of all, that claim, frankly, does not stand up. There are two separate studies that show benefit mandates are estimated to increase health premiums by a small total of about 3 to 5 percent. Juxtaposed against the annual double-digit premium increases that we have been seeing, it is clear a benefit mandate is not at the heart of the problem. If the benefit mandate is only a 3- to 5-percent increase, but we have been seeing double-digit increases over a period of time, something else has happened.

More importantly, why do we have mandates? What happened to the right of a State to make a decision, as Massachusetts has in the last weeks, that they want to make certain every person is going to be covered and to mandate a system by which businesses have agreed and the legislature has agreed they are going to fund it and people are going to be covered?

Now, the people who have often argued about the heavy unfunded mandate hand of the Government—the people who have most objected to the Federal solution for individual States—are now going to come in and literally give this great gift to some small businesses to be able to go out and do whatever they want and take away from States the ability to guarantee a quality of care for their citizens.

Forty-nine States have passed laws mandating that insurers cover mammography services because they are proven to save lives. Twenty-seven States have passed laws requiring cervical cancer screenings because too many women are dying as a result of poor detection. Forty-six States have passed laws requiring diabetes supplies to be covered because 20.8 million Americans are living with this disease and they have a basic need for care.

So the Senate is going to come in and say: Those mandates are not important. You do not have to do that anymore. And companies are going to be able to create this unbelievable morass of different offerings which are going to confuse and, I predict, infuriate the consumers of this country, just the way the prescription drug medicine Part D program has infuriated seniors across the country.

Now, the numbers I cited about cervical cancer and mammograms and screening, those are not just numbers in a report. We have seen, every day in Massachusetts, how those things make a difference.

Kirsten Paragona of Ipswich discovered, in a routine pap test, that she had developed stage 3 cervical cancer. She was 23 years old. And because that pap test was included as a mandatory benefit in her health plan, Kirsten is alive today, with a 2-year-old daughter, instead of living without a reproductive system.

For all those in the Senate who want to talk about a culture of life, that is a culture of life. And that is a culture of life worth fighting for.

And then there is Gracie Bieda Javier of Jamaica Plain. She lost her mother to breast cancer in 1987. Without mandated coverage for treatment, Gracie's mother was unable to afford the service. And now Gracie is dedicated to helping other women avoid her mother's fate. And because Massachusetts now requires mammography and treatment services, Gracie screens and treats more than 800 low-income women a year. That is because it is mandated.

What is going to happen when you open this up to so-called market forces? People who cannot afford it are really going to get hurt. In her own words: ''[Gracie] could not think of a better way to honor [her] mother on Mother's Day than to make sure we maintain these lifesaving mammogram services.''

I think she has it right. It saves lives.

Under this bill, 2.3 million people in Massachusetts alone will lose guaranteed health benefits. So what are we going to do? We are going to go back and tell them: Gee, the Senate, in all of its wisdom, deemed that these things that the State thought were important for you—they are not important for you. And the State does not have to provide them.

Typically, the great thing about a democracy is that if there is a better idea, people get to hear it and they get to perhaps choose it. They get to debate that kind of alternative on the Senate floor and engage in a debate on the merits of each of these approaches. What is so fundamentally frustrating about this week's discussion is that differing approaches are not really allowed to see the light of day except in speeches.

Frankly, there are a lot of ways we could approach the small business issue. Senator SNOWE and I have had hearings in the Small Business Committee. We have worked for a number of years to try to narrow down options on AHPs. A lot of people don't like them because of the mandate issue. We have tried to wrestle with how do you deal with the mandates and still lower costs. There actually is a way to open regional pooling for States and allow a State that doesn't want to lose its mandates to opt out. Why can't we have that discussion on the floor of the Senate? You could create pooling. You could create a regional effort to reduce costs. But you could allow people the right to also choose to hold onto the benefits they want, if they want, and not deprive the States of that option. There were a host of other ideas that we have been working on.

I regret enormously that all of the effort that went into those negotiations and discussions is not going to see the effort of real legislation by voting on those different amendments. We also had hearings which suggested a whole bunch of different ways which we could provide and help small businesses without doing harm to the system. None of that has been incorporated or is going to be incorporated here.

In 2004, I offered America a plan that would provide every single American the same health insurance enjoyed by Members of Congress. Since that time, Senator DURBIN and Senator LINCOLN have taken that idea and turned it into a bill that creates the Small Employers Health Benefits Program which he discussed. I am a sponsor of that. Under that bill, small businesses could join a national pool and could take advantage of the same Federal administrative functions and bargaining power that is enjoyed by 8 million Federal employees across the Nation. Why should we discriminate against them? Those small businesses could have the ability to pool, to come in and negotiate less expensive health care and provide better benefits to their people and do it with the same leverage that the 8 million Federal employees do. Most importantly, it would protect the State mandates that individual States have decided they want to put in.

Republicans argue that that alternative does not provide the savings that small business owners desperately need. The facts tell a different story. We all want savings. We have to reduce the burden of health care on small business. I understand that. That is why Senator SNOWE and I have been working to arrive at a way to do so. But experts predict that premium savings for participating small businesses could reach as high as 50 percent higher in the first 2 years, if it passes. It seems to me there is a way to approach this. If you go with the idea of Senator DURBIN and Senator LINCOLN, we would actually be able to reduce those costs by almost 50 percent.

If this week was actually an effort to provide relief to small businesses, we would be discussing all of the options to provide that relief. I don't think that coming up with a precooked, one-size-fits-all, one-ideology, one-approach, one-party plan is the way to help businesses. It seems to me that what is going to happen is, a lot of our small business owners and about 25 million uninsured Americans who work for them are going to get caught up in this political show of the week. It is obvious there is a partisan disagreement in what is keeping the Senate as divided and as incapable of doing real legislative effort. And that is a shame. It doesn't have to be that way, if we mapped out enough time and actually worked across the aisle to try to find the common ground. This is one of those issues where you have to put the politics aside. That is how you are going to win one for struggling entrepreneurs.

There are a couple of places we ought to be able to find that common ground pretty quickly. First, how about for children in America? The example I gave earlier of a mother who makes a decision about a child not playing a sport or a child who comes up with a permanent impairment is replicated tens of thousands of times over across the country. We have 11 million children who have no health insurance at all. Sure, if they get extremely sick, they will wind up being taken care of in a hospital and somebody will ultimately see them, if it isn't too late. But the fact is, by that early screening and by involving ourselves early in their lives, educators and medical experts tell us that kids who are properly fed, who have good nutritional practices as a consequence of their meeting with doctors and mothers, learning about those kinds of things, do 68 percent better in school and, in fact, reduces the cost in the long run because they begin to learn good health practices as a consequence of that exposure.

Why couldn't we be using Health Week to talk about the most fundamental value of all, which is caring for our children and providing every child in America with health insurance? You would reduce unnecessary hospitalizations by 22 percent, and you would replace expensive critical care and inexpensive preventative care. Obviously, we would do much better in the classroom and much better in families if that were the case. We are the richest Nation on the planet. Yet one in four kids in America goes without immunizations. One in three children with asthma don't get the medicine they need. It is unbelievable to me that there is as much talk about family values as we hear in the political dialog, such as it is in the country, but then you have 11 million children who don't have any health care, and the country is content to let it stand.

You could insure every single child in America for less than it costs to roll back the Bush tax cut for the wealthiest people. That is the choice. Every child in America could be covered with health insurance if people earning more than $1 million a year didn't have to get another tax cut. But Washington chooses the tax break for the few who don't need it instead of health care for the 11 million who need it desperately.

A 2005 Mason-Dixon poll found the following: 82 percent of respondents think that every child in America should be covered by a Federal health program, if their parents can't afford it; 90 percent of voters believe that 11 million uninsured children in America is a serious problem and Congress ought to address it and resolve it; 79 percent agree that it is our moral responsibility to ensure health care for every child and for the Federal Government to invest in such programs.

In addition, the poll found that when voters are presented with a description of Kids First, the specifics of the bill that would provide kids with health care, 75 percent of voters support it and support its passage by a margin of three to one. They have said overwhelmingly that providing health care to kids is more important than providing the next round of the tax cuts and making them permanent.

So Americans know what we need to do. There is no more pressing need than improving health care for our children. That is why nearly 25 national organizations representing over 20 million Americans have endorsed the Kids First proposal. When I first sent an e-mail telling people about the Kids First, within 2 days, over 20,000 parents phoned in with recordings of why the Kids First Health Program is important to their families. Let me share one or two of those with you.

Jennifer from Central Islip, NY, called in and said:

> I have a child who is on medication . . . that costs me $250 or more a month. I have children who can't go to the dentist. You know, it's the worst feeling in the world, as a mother, to know that in order to afford health care, you're not going to be able to afford the home you live in.

Jordan from Reading, PA, called in and said:

> Nalani . . . my 3-year-old . . . was born with cataracts . . . Eventually chances are she will be blind. Unfortunately, times are really hard in my house and we don't have health insurance and I can't afford to give her the surgery that will fix the problem that she has. I just can't imagine growing up knowing that there was a way that you could have helped. But because nobody thought you were important enough and because your parents didn't have enough money for health insurance . . . you went blind.

With calls like this, it is extraordinary to me that Congress continues to offer a blind eye to these cries for help. This program that is being offered, I regret to say, is only going to confound and confuse and make worse the current delivery of health care in America.

I yield the floor.

The PRESIDING OFFICER. Under the previous unanimous consent agreement, the Senator from Wyoming is recognized.

Mr. ENZI. That went a little longer than I anticipated. I have now listened for an hour and 25 minutes to the other side. I ask unanimous consent that our side have that kind of an opportunity.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ENZI. I have an office that is kind of interesting. It is Phil Gramm's old office. He retired from the Senate after several years of mentoring a number of us and was a real force around here. Occasionally, when I am sitting in my office, some phrases will come by that he used. I grab them and I put them in a jar. I figure I will never have an opportunity to use them. But I think today I will pick out of the jar again. He said: When the Democrats talk about health care, they want national health care. The ship of health, they do not care who steers it, as long as it wrecks, and we can have national health care. That is a little bit about what we are talking about today, that plus a combination of saying we are not going to let anybody out there have anything unless they can have everything. That would be nice. I would like for the people of this country to have better insurance than we in the Senate have. That would be my dream.

I wish we could give them better insurance than we have.

Before I came to the Senate, I had better insurance than I have now. When the Democrats say that they want to open up the Federal employee health plans to everybody, they want everybody to have the same thing we have, they don't really mean that. They can't really mean that. I am willing to bet that if we were actually opening up that same pool and letting the Federal employee insurance be used by everybody in the country, the Federal employees would say: Whoa, not on my shift. The Federal unions would say: No, not on my shift. That is a closed pool. That isn't open to everybody. If it was open to everybody, it would be a whole different range of costs. And it is subsidized.

The Democratic alternative, S. 2382, is an open, voluntary pool purchasing agreement. That kind of an arrangement has failed nearly everywhere they have been tried. There is no evidence that they would succeed if they tried it now and would succeed where others have not. Many States have tried this. It is with very little success.

It may look like the Federal Employees Health Benefit Plan, but the Federal employees plan is a closed pool that provides premium support to all eligible individuals. The Democratic alternative is an open pool that would provide a tax subsidy to some of the eligible employers. In other words, it would be apples versus oranges.

A tax subsidy? Let's see, would everybody be able to get a tax subsidy for their health? No, you only get a tax subsidy if you buy the Durbin-Lincoln health plan, a one plan fits all for the United States.

Now, there was some discussion about whether it was $78 billion or $73 billion over 10 years. Let me tell you, they have never scored it, so they have no idea what it would cost. That is what some of the separate actuaries have looked at and said it would score. The Enzi-Nelson-Burns bill would reduce costs and increase coverage, and that is according to respected actuaries. No one can say for sure what that Democratic alternative would do—whether it is tens or hundreds of billions over 10 years.

The Durbin-Lincoln proposal eliminates the ability for national plans in that bill to offer uniform benefit packages. Why is that important? The plan I have put forth—the plan that has come out of committee—allows small businesses to work across State lines to form bigger pools so that they can negotiate effectively against the insurance companies. That is where the savings are. We talk about mandates a lot in here, but the savings come from the ability to have a uniform package so that people in adjoining States can all be bargaining for the same package and have a big enough pool to go up against the insurance companies to be sure they get a better price.

The national plan—the Durbin-Lincoln plan—would still have to meet the requirements of each and every State, even down to the specific particulars of each mandate. Did you know that there are currently 1,700 mandates in the United States? Did you know that those mandates are seldom the same from State to State? They may have the same title, but they are not the same. So how do you put together a package where you say you have to do all of them and be able to go across State boundaries to form bigger pools? You cannot. You would have to do 1,700 mandates if you wanted it to be uniform across the United States.

I need to tell you, too, that some of these mandates we are talking about are screenings. We heard about mammography over there. That is very important. I hope women get mammographies. But did you know that in Wyoming, we really emphasize at this time of year—and I will mention it because Mother's Day is coming up, and this is a huge program in Wyoming to encourage people to buy that for their mother for Mother's Day. It works well. People know exactly what they are buying and exactly how much it costs. It isn't one of many mandates that are in the package that they pay for even though they don't use it.

Somebody said that mandates only add 3 to 4 percent to the bill. No. In the State with the minimum amount in mandates, it adds 5 percent, up to Massachusetts, which adds 22 percent in mandates. Now, I am not suggesting that any of those mandates should not be done. The bill I worked on does set up the ability to have a basic plan. Would people necessarily do the basic plan? They can do the basic plan up to whatever they think is responsible coverage for the people in their association. That doesn't mean nothing; it means they can pick.

You get the impression here that if you allow a basic package, everybody in the country is going to jump on the basic package and say: I can really sock it to my employees; I don't have to provide them with anything anymore. That is not America, and that is particularly not small business America. In small business America, they know they need their employees. Of course, as somebody pointed out, sometimes the only employees are mom and pop. They would like to be insured if they could possibly afford it. So we have to find some way for them to be able to afford it. But this notion that just because there is a mandate out there, everybody will use it, and this notion that just because there is a mandate out there, if we don't require it, it will be dropped—you know, we allow big business in this country to do whatever they want. And do you know what. They provide those basic things.

Now, one of the things which has been mentioned is colorectal cancer screening. Again, the facts suggest that health plans cover important tests like this regardless of State mandate, so it is likely that small business health plans would cover them as well.

In 2004, the Government Accountability Office found that 20 States had laws mandating coverage of colorectal cancer screening tests, which are strongly recommended by the U.S. Preventive Services Task Force for people 50 years or older. Now, the GAO then surveyed 19 small employer plans in 10 of the States without laws mandating this coverage—without laws mandating that. This is an opportunity for those small businessmen, if they are the way they are accused of being here, to just drop it for everybody. Now, despite the absence of State mandates to cover colorectal cancer screening, all 19 small employer plans in those 10 States provided the benefit. Can you believe that? If you have been listening to the discussion this week, you would think they would just drop it. They didn't drop it. They said: Our employees are valuable, and we need to do whatever we can afford to to help them.

Now, how do we help them to afford it better? Let's see. If we could join up with all of the other realtors in the United States—incidentally, the realtors are coming to town next week to their regular annual meeting. As I understand it, 9,000 of them will be here next week, coming to a national convention. Oh, how I wish they would have come 1 week earlier. They could have explained their case. But we have a whole bunch of small businesses out there that really think it is important to be able to band together and get a better deal. It works.

Part of the discussion we have heard today has gone off on some other tangents. That is one of the reasons we are talking about relevant amendments. One of them that we went off on is prescription drug Part D and how, by Monday, people need to sign up for a plan. I really appreciate the coverage we have gotten to get that word out to people across America to make that decision this week. Make it this week. Don't have a penalty because you missed the deadline.

Now, for months I have listened to the Democrats say: This is terrible; this is confusing; this doesn't work; we need to do something different; we have to make it simpler for our seniors. Let's see. Let's just have one Federal plan for them to pick from. It sounds like Phil Gramm again, doesn't it? Ship of state wreck so we can have a national opportunity.

Let me tell you what happened. I was really worried about this prescription drug plan. Wyoming has such a small population—less than 500,000—and we keep hoping we will get off that mark. So far, we have never gotten a city big enough to kind of feed on itself and grow. I said that Wyoming just doesn't have any luck attracting businesses for competition, and we probably won't have any luck on prescription drugs, so I wanted to make sure there was an underlying thing that says if nobody is interested in Wyoming, the Federal Government will take care of it. Do you know what. Wyoming got 41 plans—41 of them. Competition works.

Now, that is what causes the confusion the Democrats keep talking about on prescription drugs. They say that there are too many plans out there for people to make a logical choice. That makes it confusing for seniors. If we infuriate them, we can really get them storming. They have done a pretty good job of that.

You know, I did town meetings, and I tried to help them out. Not only were they appreciative, but a whole bunch of people already signed up and were getting far more benefits than they ever dreamed of. I said: How were you able to make such a critical decision all by yourself? They said: There is this 800 number, and all I needed was to know my prescriptions and the dose and whether I want to buy them locally or do them by mail order, and I got a list of four plans that line up, line by line, that I can make a comparison on. So I know exactly what I am buying, what it is going to cost, and I know what it will be in the long run. How difficult is that?

Oh, but the telephone isn't your only opportunity. You can also go online. There is an online spot that will do the math for you, provide this same kind of list for you to make the comparison. I did it for my mom. Quite frankly, a lot of seniors are going to need help from their kids—kids who are young like me—and they will go through the process and find out how it works. There were things I had questions about, and I got ahold of Health and Human Services and got some changes to make it easier. At first, it looked as if you were signing up before you knew what you were buying, but they changed that so you could get the evaluation first.

Did you know that competition brought down the price by 25 percent even before the first person signed up? That is what those 41 companies who were competing did. Yes, the Democrats say: Wait a minute, there is this penalty and there are a whole bunch of people who don't need any drugs now, so they should not have to sign up now. That is not how insurance works. You buy insurance in case something happens to you. This is a Federal program, so we built in a benefit so that if you had something already happen to you, you can still get low-cost insurance.

In Wyoming, there is a package you can buy for $1.87 a month and avoid all penalties. It gives you assurance that you have coverage in a number of areas. And this is something that would only happen on the Federal level, too. If you come up with something that changes your whole drug prescription thing and it goes up dramatically, every November 15 to December 30 you can change plans. You can go to somebody who will provide all of the benefits you need—the cheapest possible plan. Again, you can have Medicare do the math for you.

So one-size-fits-all doesn't bring prices down. Competition brings prices down. I know that the dream of every person is not to have to sit down with every insurance agent and try to work out something or even understand what their package is. That is where the confusion in the Medicare prescription plan comes in—that possibility of having to sit down with 41 different insurance agents. How many evenings will that take you? There has to be simplification. The simplification we provide in the bill I have been talking about is the ability for your association to work across State lines, build a big pool that is competitive, and to be able to sit down and talk to all of those insurance agents so you can come up with the best possible plan for your association and to save administrative costs.

I am not talking about eliminating the mandate to save the 5 percent to 22 percent—although when they are doing those, they don't only use 25 percent of them, so maybe there is some consideration there. I am not worried about that part. That is not where the savings come in. The savings come in being able to negotiate in a competitive way and reduce administrative costs. Right now, a small businessman pays 35 percent in administrative costs. Big companies that do their own plans pay 8 percent. That is a pretty nice savings, especially if every 1 percent in costs brings 200,000 to 300,000 more people into the market. Let's find a way to bring them into the market. So 35 percent minus 8 percent is a 27-percent savings. Multiply that by 200,000 and see how many people it brings into the market.

We have small businessmen out there—22 million of them—who work in small businesses who are uninsured. That is counting the owners and the employees in the small businesses. We have another 5 million who are self-employed who are uninsured. That is 27 million people in whose lives we can make a difference because they can work through their associations to get better prices—not by eliminating mandates. They want those for their employees. They need those for their employees, to keep their employees; otherwise, they move on to bigger companies. Employees are the heart of the business, and small businessmen realize that more than big businessmen.

But there is another reason the Durbin bill won't work. He has taken away the ability of plans to form these uniform benefits on a national basis, like the national Federal employees plans can do.

So there is not going to be this national pooling because they are not going to be allowed to do what our Federal Employees Health Benefits Plan does because there would not be any insurers who would want to offer a national plan without the same freedom from State mandates that exists for national plans under—get this—the national plans under FEHBP, what we are proposing and what is referred to as the Enzi bill. I like to think about it as the small working peoples bill.

This bill would just create 50 State pools, no true national pools, and all of the 50 State pools will have all the other problems we cited. The Enzi-Nelson-Burns bill trusts small business owners to band together to negotiate for good benefits, while the Democratic alternative gives small business no say in the matter.

They say: The Federal Government is right again; we are going to do what the Federal Government does; oh, but we can't do what the Federal Government does or anything like what the Federal Government does, but that is what you have to settle for.

The Democratic alternative will create a new insurance pool that will operate under a different set of rules which creates the same opportunity for cherry-picking which is adverse selection that Democrats claim the House bill creates. You have to look because the Enzi-Nelson-Burns bill solves that. It solves that cherry-picking. It levels the playing field. It doesn't just grab the best customers from the insurance companies and move them over into the health plans. It allows the insurance companies to compete and also to reinsure, but they have to work with a bigger group.

The Democratic alternative sets up a dual Federal-State regulatory structure that would create confusion for consumers and participating insurers. I will probably cover that a little bit more later. I made a lot of notes on points I ought to cover.

There is one very important one. We were talking about childcare a while ago, and everybody considers childcare to be extremely important. We talked about newborn care. I think everybody considers newborn care to be extremely important. When they talk about eliminating mandates, they like to expand that well beyond what the bill ever allows.

There are requirements in States for who are covered persons. This doesn't change that one bit. Newborns who are covered are not touched—not now, not ever, no intention to do that. So if they are covered now, they will be covered then. It is the law.

I have several other people who would like to use a portion of this time that I just reserved a while ago. I yield time to Senator BURNS who has been very patient. I yield Senator BURNS 15 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my friend from Wyoming, a man who lives south of the 45th parallel from our State, for the work he has done on this legislation.

We have been asked a lot of times what drives us on this legislation. I have been on the Small Business Committee now for three terms. We tried to pass an association health plan for the last 12 to 15 years. Even Senator Bumpers, the senior Senator from Arkansas back in those days, worked on a bill, and his own side wouldn't let him complete that exercise.

The landscape has changed a little bit, and the numbers we are getting

now are much larger than they were, say, 10 years ago: 27 million working Americans are uninsured; 63 percent are either self-employed or work for a small business. For small businesses with 10 or fewer employees, 34 percent of those are uninsured. And for firms with 10 to 24 workers, 27 percent of them are uninsured.

Then I looked at my own State and looked at those numbers, and they are compelling numbers. In Montana, 60 percent of small businesses with fewer than 10 employees do not offer health insurance. That is a big number, 60 percent. Incidentally, most employers in Montana are small businesses. They make up the vast majority of our working force. They are people who run small firms that we typically think of as small business, but there is another small business—and some are a little bit bigger and can be defined as a big business—that we tend to overlook, and they are the people who live on farms and ranches across this country. They have the same desire and same needs for insurance coverage.

As I talk to my folks who live in rural Montana, ranch families simply cannot afford health insurance. Those who can, typically carry a high deductible catastrophic policy and then hope they will be able to weather the health care costs should tragedy strike. Consequently, many ranch families must work second jobs, and do, simply to get health insurance benefits.

Furthermore, very few farm and ranch owners provide their farm workers with health insurance. This isn't because they don't wish to provide that coverage. It is because providing such coverage is unaffordable. One ranch family my staff spoke with currently spends $2,000 a month for coverage of their family of four. As expensive as it is, they can't afford to go without the coverage as one of the members was in a ranch accident which confined him to a wheelchair for the rest of his life.

Consequently, these hard-working Americans are forced to rely on already burdened emergency rooms and health clinics. These small hospitals in rural Montana, some of which we define as critical access hospitals, could not have kept their doors open had it not been for a redefinition of critical access hospitals, telemedicine, and the ability for people to afford health insurance. I fear if we do not begin to seriously address this issue of the uninsured, particularly in rural areas, many of these small critical access facilities cannot survive.

I have heard their argument on the other side. Why would they put at peril health care facilities in rural America? And that is what they would be doing should we continue to do nothing. Therefore, the choice we must make this week could not be clearer. Do we prefer to give small business and individual proprietors the ability to offer their employees health benefits, or do we prefer to continue to limit their ability to offer benefits by Government regulations—mandates?

People like to have a choice. They don't want to go to the store and just buy one brand. It is an easy question for me to answer. The farmers and ranchers and small businesses of Montana—and Senator ENZI has almost the same makeup in his State as we have in our State. Agriculture plays a huge role in Wyoming and Montana. In fact, it contributes more to the GDP than any other industry. So it is not fair to those hard-working folks in rural areas to deny them the benefits that large corporations enjoy or unions and, yes, those of us who serve in this Senate. It is incumbent on us to get these business health plans in place, and now.

As we have no doubt heard, one of the major criticisms of the bill is it allows small business health plans to avoid State-enacted insurance mandates. I don't think that is quite accurate. Specifically, some of the loudest critics allege this bill will cut off coverage for mammograms, childhood immunizations, supplies, colorectal cancer screening, and many other procedures. It is not true. It just isn't true. To use a scare tactic does not do much to further the debate on how we should approach this particular problem.

Studies have shown that health care plans cover these and other services regardless of State mandates. Members of the Senate need look no further than their own health benefits package to know this is the case. Federal employee health benefits plans are not subject to State mandates. Yet these plans provide comprehensive coverage for these services and often provide better coverage than would be covered under most State mandates.

I don't like to see small business characterized as this is a way to save money at the expense of their employees. Small businesspeople are closer to their employees. They understand their responsibilities better than anybody in the world of commerce because they are small, they are a family. That is why the owner has to take the same policy as the employee. You wouldn't even have to mandate that.

I can remember I started a small business and it stayed that way. It wasn't planned, but it did. We insured our employees, and yet my wife and I carried no insurance, and we had a growing family at that time. We did it for economic reasons. But we had the responsibility to protect the folks who worked there.

Most plans cover essential services required by State mandates regardless of whether they are mandated. So why? Because it is not only good policy, but it is good business. For instance, plans generally cover breast cancer screenings regardless of State mandates because it is far cheaper than having to pay for a mastectomy. Plans generally cover screenings for colorectal cancer regardless of State mandates because it is far cheaper to catch it early. Plans cover diabetes treatment regardless of State mandates because it is far less expensive than having to pay for all the maladies that can come about if you are not treated, such as blindness and, yes, amputations.

It is far better to have childhood immunizations in your plan than pay for the more serious diseases that may develop if you are not immunized.

It just makes good sense if you want to keep the employee around and their family that you have grown to know because when you run a small business, it is a personal thing.

We have crafted this approach—and it is not a panacea to cure everything, but at least it is a step in the right direction to cover people who have no insurance today.

It is impossible for small business associations to offer uniform health insurance benefits packages affordably on a regional or national basis. It is hard. If we try to do anything around here, we try to pass legislation that is one size fits all. That is pretty tough to do. Circumstances in Maryland or Virginia are probably a little bit different than they are when you get west of the Mississippi River, especially in my State of Montana.

For instance, what is required for diabetes coverage in Montana is not the same as is required in the States of my friends from Idaho, North Dakota, South Dakota, and Wyoming. Thus, the association that offers benefits to small businesses in this region must adhere to the different mandates in each State. Having to fashion a plan to meet the mandates for each State drives up the cost. What we are trying to do is get our arms around the cost of it. It is impossible to offer a plan without first addressing cost. According to the nonpartisan Congressional Budget Office and the Government Accountability Office, these State-imposed benefit mandates raise the cost of insurance and cause countless Americans to go with no coverage at all.

Moreover, some of those mandates in certain States are for coverage procedures that the vast majority of Americans would not want and probably do not even know are offered. Acupuncture, for example, is a mandated benefit in some States. Some people may benefit from this service, but the vast majority of Americans do not. This is but one example of the hundreds and hundreds of mandates throughout this country for services many do not realize they are covered for and would not avail themselves of if they did. Yet the cost of covering this and other procedures is paid by everyone in that State due to those mandates.

It is a simple thing, insurance. I don't think I have heard it used on the floor since this debate got started. Simply put, when costs go up, coverages go down. It is a simple fact in the underwriting business.

So by allowing the businesses to band together and pool their resources, thereby giving them the same bargaining power large corporations enjoy, this bill, S. 1955, will lower cost

and improve access for millions and millions of Americans who do not have it today. This bill will not create a perfect health plan for all Americans, but that is not what we are talking about. This bill will increase the number of Americans with health insurance. This body can debate endlessly on what the perfect health plan is, but that does little good for the employees of small businesses who currently have none at all. So the choice is clear: Do we increase the amount of working American families with health insurance or do we let partisanship rule the day, as it has for too many years? The American people need better and they deserve better, and this bill will give them better as we move it along.

S. 1955 will lower health costs. All the figures we see tell us that. More importantly, it will give many working Americans affordable health benefits, something they don't have today. My farmers, my ranchers, and the small businesses in small towns across America, which are the backbone of our economy, deserve the same rights as the Fortune 500 companies, unions, and yes, even us, the Government.

It is time to act, even though it may not be perfect. Perfection should never get in the way of doing something for small businesses and their employees.

I thank my friend from Wyoming for allowing me this time.

Mr. CORNYN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming controls the time.

Mr. ENZI. Mr. President, I thank the Senator from Montana. I thank him for all of the work he went through during the past year as we talked with the insurance companies sitting down with us and the insurance commissioners sitting down with us, trying to work out a plan. I appreciate the efforts of those two groups and all of the associations, and I will talk about those a little bit later.

At this time I yield 15 minutes to the Senator from Texas, Mr. CORNYN.

The PRESIDING OFFICER. The Senator from Texas is recognized for 15 minutes.

Mr. CORNYN. Mr. President, I wish to express my wholehearted support for the bill that the chairman of the HELP Committee, the Health, Education, Labor and Pensions Committee, the Senator from Wyoming, Senator ENZI, has shepherded so far through this process, this small business health plan bill. I think it presents an outstanding opportunity for the Senate to do what my constituents tell me they want every time I go back home and I talk to them, and that is to have access to good quality health care.

The fact is this bill will allow small businesses to band together on a national basis and give them the leverage they need to negotiate good terms with insurance companies for their small businesses and for their employees. This bill would let these insurers bypass some of the mandates that are well-intentioned but which have the impact of driving up the cost of health insurance for employers to the point where many people can't afford it.

In my State we have the unfortunate distinction of having one-quarter of the population without health insurance. What that means is that people end up going to the emergency room for their health care, which has a couple of unintended consequences: No. 1, it costs a whole lot more than it should to treat those conditions in places like a clinic or somewhere else where they could be treated on a nonemergency basis. No. 2, it has the consequence of causing emergency rooms to have to go on divert status, and that is when people come with true emergencies to those emergency rooms and they can't be seen because the emergency rooms are full of people who are going there for nonemergency care. It literally endangers the life and certainly the well-being of that individual who needs to be seen in an emergency room. So we have a broken health care system that can be so inefficient and not serve the best interests of the American people.

What this bill does is provides a means for, as I said, small businesses to band together to increase their negotiating leverage. It is anticipated to be able to bring down the price of health insurance by about 12 percent, which will allow more and more people to gain access to health insurance so they don't have to go to the emergency room, so they have more choices, and so they have the peace of mind that comes with having that coverage in a way that allows them to enjoy the benefits that many of us have but which we take for granted.

We have an alternative that has been offered by Senator DURBIN and Senator LINCOLN, and I think it serves a useful purpose, not because I agree with the alternative proposed, but what it does is it demonstrates the competing approaches or visions or principles between this side of the aisle and that side of the aisle when it comes to providing access to health care.

It has become increasingly apparent to me that while we share the goal of access to good quality health care on both sides of the aisle, we approach it in fundamentally different ways. For example, our side of the aisle—and this bill, I think, reflects the fact that we believe there ought to be something other than a government-run health care system; that private insurance companies offering competitive plans to individuals create consumer choice. It creates competition. And we know that competition creates better service and better prices for American consumers.

The alternative being offered is a command-and-control health care system operated by the Federal Government that is neither efficient nor does it offer the sort of choice and competition, lower price and better service that would be offered through private health insurance options. Indeed, I think our friends on the other side of the aisle have, if nothing else, been consistent in their approach to health care. They believe the Government ought to dictate health care choices for the American people, whether it has to do with CHIPS, the Children's Health Insurance Program, the Medicaid Program, the Medicare Program, or whether it is veterans health care. They believe the Federal Government knows best and that bureaucrats in Washington, DC ought to make the choices that I believe ought to be reserved for me and my family when it comes to what is best for us.

As I said, this is an issue I hear about all the time when I talk to my constituents. It is, in fact, the growing cost of health care and the unavailability of health care that is one of the greatest concerns of my constituents in Texas. Rising costs, systemic inefficiencies, barriers to access, and the increasing costs of coverage represent the challenge we have to confront and which this bill directly addresses.

I understand the difficulties that small businesses have in Texas when trying to obtain quality health care coverage for their employees at reasonable prices. One employee of a small business in Addison, TX, for example, had this to say about the disparity in coverage available to small versus big businesses:

> Our February 2006 renewal premium increased by nearly 40 percent. For a group of 4 insured with no major medical issues and no increases in plan benefits, this was difficult to understand. Our course of action was to look for affordable plans with fewer benefits, but that proved to be difficult and the results undesirable. Fortunately, one of our employees decided to waive coverage and join the policy offered by a large corporation that employs her husband. Her premium under our policy would have been $4,740 a year. The price to carry her on her husband's policy was only $700 a year. Now, that is a disparity. If adequate health coverage is to be provided to employees of small businesses, it is going to be vital that small businesses be allowed to pool their employees in order to maximize their leverage and in order to minimize the premiums to which they are now being subjected.

That is exactly why I support this legislation. Because it would allow associations such as trade, industry, professional, chambers of commerce, for other small business associations to offer fully insured health plans to small businesses. I am a proud cosponsor of this legislation, and I believe this bill is an important step toward making health insurance more available and affordable to more Americans.

I thank Chairman ENZI and his committee for their hard work in bringing this bill to the floor.

The goal of this bill is to reduce health care costs and expand access by creating small business plans. As I mentioned, a recent study indicated that the price of health insurance could literally be brought down as much as 12 percent and as many as an additional 1 million working Americans insured who currently are not insured and have no alternative but to go

to the emergency room for their health care.

Recently, the Small Business Health Plan Coalition sent a letter signed by organizations that represent more than 12 million employers and 80 million workers. They wrote in support of this bill, saying it will:

> Provide workers employed in small businesses and the self-employed with access to Fortune 500-style health benefits now enjoyed by workers in corporate and labor union health plans.

This is a principle that resonates with the American people, and I must say that the American people have every right to be frustrated at Congress's unwillingness to step up and deal with this problem. And woe be it to those politicians who stand between the American people and their desire to see health coverage expanded and access increased. Almost 90 percent of voters, including 93 percent of Republicans and 86 percent of Democrats, in recent polls state that they favor allowing self-employed workers and small business employees to band together to negotiate lower insurance costs.

It is time for the Senate to act. In 2005 alone, health care costs rose three times faster than inflation—and even faster than that for many small businesses. Many small firms had to simply cut benefits or eliminate health care coverage entirely. Only 41 percent of firms with 9 or less employees offer health benefits, compared with 99 percent of larger firms.

We all know that small businesses are our Nation's chief job generator, our No. 1 job creator. They deserve to be treated fairly. But by themselves, these small firms and self-employed people have almost no leverage against insurance companies to try to negotiate fair prices and fair plans.

As it stands now, if they want to join other small employers and purchase insurance through national associations, they have to deal with an enormous array of State-level health insurance regulations and benefit mandates. It goes without saying that many of the mandates that are ordered by State legislators to be included in insurance policies in their States are passed with the best of intentions, but they have the unfortunate effect of raising the price of the insurance to the point where many people simply cannot afford it.

It makes no sense to say that everyone must have a Cadillac with all the bells and whistles when all some people want or can afford is a basic model of a similar vehicle. Big businesses, for the most part, do not have to deal with these regulations. The Congressional Budget Office and Government Accountability Office and others have found that State-imposed benefit mandates raise the cost of health insurance and, in effect, represent an unfunded mandate on employers.

Small business health plans will have a strong incentive to offer the best policies possible for their members. After all, that is what the competitive market is all about. Small businesses will have to compete with large businesses for employees. And when employees decide where they want to go to work, they will look at not only the salary they will be offered but the benefits that will be offered, including the health coverage that is available. This is simply a case of the market working and allowing individuals the maximum freedom to choose what is best for themselves and their families.

In order to remain competitive and attract a talented workforce, I believe small businesses would want to have the ability to offer high-quality health benefits, the same opportunity that large companies currently enjoy. Right now, small businesses effectively have the choice of offering expensive plans with all the required mandates, whether employees will actually even use those services or simply not offering insurance at all. That policy in my State is part of what has been responsible for 25 percent of the people of Texas not having health insurance. It must change.

This is not a complete panacea, but it will provide dramatically better and expanded coverage to the people of my State and the people across this country.

Under the Enzi bill, every small business owner will have the opportunity to choose a comprehensive plan, but they will also have other, more affordable, high-quality choices, too. This will improve access for millions of Americans who currently do not have any insurance at all. I believe this legislation is a good step in the right direction toward increasing the affordability and access to health care that all Americans deserve.

More can certainly be done, and I certainly believe that while this is an important step, we should not stop here. We should continue to increase the number of choices available to the American people—things like consumer-oriented health care, which provides greater transparency and provides information to consumers so they can determine where to go for their health care services based not only on price but based on outcomes—things like health savings plans, which would give people greater access and greater control over their health care decisions and allow them to determine how their health care dollars will be utilized rather than having to buy high-priced plans that contain attributes that they frankly don't need or don't want and which cost them additional money.

Certainly, more could be done, but I urge my colleagues today to support this important legislation because I think it represents a dramatic and long overdue improvement over the status quo.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

(Disturbance in the Visitors' Galleries)

The PRESIDING OFFICER. The Sergeant at Arms will restore order in the gallery.

The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I do have several things I need to cover. I think I have another speaker or two on their way down. People are talking about being able to offer amendments. They can offer amendments. We want to have discussion, debate; we want to cover objections, answers, proposals on this bill, and we are willing to do anything that is relevant.

There has been a lot of talk about needing to talk about drug reimportation. That is important—at least a 3-week topic. Prescription drugs, that one best wait until after Monday until we see what the exact problem is before we do it. And stem cells, that is probably another 3-week debate.

It took us a year to be able to get this one to the floor so we could talk about small business health plans.

I need to make some comments in regard to a couple of the letters that were read earlier because I am aghast at what was in the letter. The American Cancer Society, as part of that, said: No matter what is done to the Enzi bill, don't vote for it.

That means that should we have an amendment that does everything that is done across the United States for cancer at the present time, they are still urging people to vote against it? It is a little early to say that. It is a little early to say there are not going to be any changes because we will have votes. It may require cloture in order to stay with germane ones instead of the ones that I mentioned and also to make sure—I want to have a vote on the Durbin-Lincoln bill. But I want to have a vote on my bill as well. I think we both ought to have them.

If we release the Durbin-Lincoln one for a vote now, then they can put all kinds of blockages on there so I can't ever get to a vote. And the only vote that we will have had will have been theirs.

We are trying to have some fairness, and so far we have not been able to get to that point.

Another one was the diabetes letter. Again, it said: No matter what you do to the Enzi bill, vote against it. That means, if we instituted every single thing that is being done for diabetes in any State in the Nation, they are still suggesting that they will vote against the bill? Wow. I mean, I have never run into anything such as that.

We looked at the diabetes thing and we said: How do we do this? Because out of the States that do it, there are no two that do it alike, so how do we get these agreements across State lines so they can pool into bigger pools and be able to negotiate against the insurance company so they can bring down rates through negotiation and they can bring down rates by eliminating administrative costs? We are not talking about bringing down rates by eliminating mandates. We are allowing

them to have some flexibility in the mandates so they can come up with a common package, and I am sure that it would include that, just as I did the thing on colorectal cancer. All 19 places that they have been allowed to do that, they included that, even though it wasn't a mandate. They were excluded from that.

I also wanted to put into the RECORD an editorial from the Arkansas Democrat Gazette. It was in the ''Opinion'' section. It says:

Ever face a really tough decision like where to attend college, or whether to take that new job, or should you go with the lasagna or the meatloaf for lunch? So you get out the yellow legal pad and make a list of the pros and cons, right? Well, maybe not for the meatloaf vs. lasagna bit. Some things are a simple gut decision.

But it helps to compare and contrast. And it sure helped to compare and contrast the two bills now floating around the U.S. Senate to make it easier for small businesses to offer health-insurance to their employees. One bill is co-sponsored by Arkansas' senior Senator, Blanche Lincoln.

You could find the comparison on page 2A of Wednesday's paper. There was Senate Bill 1955 (sponsored by Mike Enzi of Wyoming) on one side, and Senate Bill 2510 (Blanche's bill) on the other.

Both sounded fairly similar.

Both promised to make it simpler for businesses to band together and buy cheaper health insurance.

Both promised to save businesses money and cover more folks.

Then we got down to the bottom, to the very latest, biggest question, and, boyohboy, talk about a pro and a con.

The question: What would it cost the Federal Government?

The answers: Nothing for the Enzi Bill.

For the Blanche bill, oh, somewhere in the ritzy neighborhood of between $50 billion and $73 billion over 10 years.

When an estimate for new government spending has a margin of error of some twenty-three billion dollars, you know that new program is just gonna bleed money.

What's worse, or at least as bad, is that Senator Lincoln's bill creates a national health program that'll be under the administration of the federal Office of Personnel Management.

Translation: We the American Taxpayers will be in charge of the care and feeding of yet another bloated bureaucracy.

Why? Why do we need another federal program under federal so-called management adhering not just to federal rules and regs but all the state rules and regs, too? (It gives us a headache just thinking about filling out those insurance forms.)

We suppose it's because some politicians, who may have the best intentions in the world, can't imagine a health plan that doesn't have the government deciding what should and should not be offered at every single bureaucratic level. Thank goodness that isn't required of private employer plans. Can you imagine the red tape? Perish the pencil-pushing thought.

Senator Enzi's proposal, unfortunately entitled the Health Insurance Marketplace Modernization and Affordability Act, takes a freer-market approach. His bill would let small businesses band together and get better deals on health insurance through trade associations.

Now for the devilish detail: Senator Enzi's bill would be regulated by the feds but largely exempt from individual state mandates. The better to offer these plans nationwide and keep costs down.

Remember, the idea is to help small business, not burden them with more state regulations.

Besides, it's nothing new. Major companies like General Motors long have been granted exemptions from state laws regulating insurance—it's called an ERISA exemption, because they have employees all over the country. They couldn't very well insure their employees from sea to shining sea while abiding by every queer detail of every law in every state. Especially when employees move or get transferred and want to keep their insurance.

But won't the absence of state regulations lower standards? Not if the small businesses offering the insurance want to keep their employees. It's in businesses' interest to have good health insurance for their workers, or their workers will go somewhere else. It's how the free market works.

Think of these small-biz health plans like charter schools. They'd be free of, to quote Senator Enzi, ''the current hodgepodge of varying state regulation.'' That way, small businesses across the country can band together and negotiate group health insurance on their terms. Which would be more affordable for the businesses, the employees and, unlike the Blanche bill, the taxpayers.

If we gotta have a federally regulated Small Business Health Plan, we sure don't need one as costly as Blanche Lincoln's. And, yes, we gotta have a Small Business, etc. Because what we've got now isn't working.

Look at the numbers: Of the more than 45 million uninsured Americans, 60 percent are employed by small businesses or are in some way dependent on those businesses. But it's getting harder for a small business to offer health plans because insurance premiums cost so much these days. Since 2000, the cost of health-care premiums for employers has gone up almost 60 percent, including some 11 percent in 2004 alone.

Pass the Enzi Bill and, according to a study by a Milwaukee consulting firm, small businesses would save 12 percent on health insurance premiums. Even more important, some 900,000 uninsured folks would finally get coverage.

Hey, sounds like a plan. Blanche Lincoln's bill, meanwhile, sounds like an expensive, bureaucratic pain in the pocketbook.

Mr. ENZI. I would like to have you see the small business organizations that are supporting the Enzi-Nelson bill. There are a couple of hundred of them here—12 million employers, 80 million workers.

I would like for you to see the small business organizations that are supporting the Durbin-Lincoln bill. Oh, there are two. OK.

I want to share a letter from the National Association of Insurance Commissioners as well. They are writing in response to our May 2 request for a review of S. 2510 Small Employers Health Benefits Program sponsored by Senators DURBIN and LINCOLN.

I ask unanimous consent the letter be printed in the RECORD.

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

MAY 9, 2006.

Hon. MICHAEL B. ENZI,
Chair, Committee on Health, Education, Labor and Pensions, Washington, DC.

DEAR CHAIRMAN ENZI: We are writing in response to your May 2, 2006, request for our review of S. 2510, the Small Employers Health Benefits Program Act, sponsored by Senators Durbin and Lincoln.

The authors of S. 2510 sought the input of the NAIC when drafting their bill and we appreciate their willingness to work with and consider the views of insurance regulators. Like your bill, S. 1955, the Durbin/Lincoln bill does not include the option of self-funded association plans, instead requiring coverage to be purchased from carriers that are licensed in and regulated by the states. This is a significant improvement over association health plan legislation, such as S. 406. The bill would also preserve state rating rules and benefit mandates, thus maintaining state authority over health insurance regulatory policy.

We are concerned, however, about the practical impact this legislation would have. S. 2510 creates an unlevel playing field by requiring plans sold through the Small Employer Health Benefit Plan (SEHBP) to meet different rating standards than those required of plans not sold through the SEHBP. By setting different rules for different carriers, S. 2510 could create an unworkable market in some states.

For example, if state law allows carriers in the general market to charge small employers with healthier, younger workers significantly less, and the federal law requires carriers in the SEHBP to have only a modest variation in rates, the SEHBP carriers will be selected against. In fact, few carriers would want to participate in this program in states with such rating disparity.

S. 2510 does attempt to ameliorate this problem by providing subsidies for those that participate in the SEHBP. We agree that these subsidies will help, but they are not sufficient. We believe that states are best suited to establish rating rules for all carriers—creating two sets of rules would be harmful to the workings of the small group markets. This could also limit the ability of states to develop innovative programs to address the growing health care crisis.

Finally, both S. 2510 and S. 1955 will not affect the underlying and primary causes of skyrocketing health care costs that are making health insurance increasingly unaffordable for millions of Americans. However, we do applaud you and Senators Durbin and Lincoln for your efforts and we hope our dialogue will continue and yield real solutions.

Sincerely,

CATHERINE J. WEATHERFORD,
Executive Vice President and CEO;
ALESSANDRO IUPPA,
Superintendent of Insurance, State of Maine, NAIC President;
WALTER BELL,
Commissioner of Insurance, State of Alabama, NAIC President-Elect.

Mr. ENZI. The experts on S. 2510, the Durbin bill, from the National Association of Insurance Commissioners, write:

S. 2510 creates an unlevel playing field . . . could create an unworkable market in some states. . . . Few carriers would want to participate in this program. . . .

Again, people can read the entire letter, and I am sure they will find that very enlightening. There is a lot more detail there.

Last, I ask unanimous consent to have a letter from the National Association of Health Underwriters printed in the RECORD.

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

MAY 10, 2006.

Hon. MICHAEL B. ENZI,
Chairman, Senate Health, Education, Labor and Pensions Committee, U.S. Senate, Washington, DC.

DEAR CHAIRMAN ENZI: We're very pleased that the Senate will spend this week working on important health issues. The issues to be addressed are critical to the health of America.

One of the most important issues to be addressed this week is health insurance market reform under S. 1955. Our members work on a daily basis out in the real health insurance markets of America. We are in a unique position to be able to observe which markets work better than others and would like to commend everyone who has worked so hard on this legislation to produce an end product that will make health insurance more affordable for small employers. S. 1955. has been modeled to produce a competitive market and a level playing field. Markets with these characteristics are always the strongest and produce the most affordable products.

We are in particular pleased that reform did not go in the direction of S. 2510, Small Employers Health Benefits Program Act of 2006. Under the auspices of creating a more competitive environment, S. 2510 creates the worst kind of unlevel playing field by providing subsidies in the form of reinsurance and a risk corridor only to health plans offered in one purchasing vehicle within the small employer market. It is very important that all plans operating within a special market segment play by the same rules. This ensures the financial integrity of all market players and results in more product availability within that market. S. 2510 does just the opposite. The subsidies it provides are not available to plans that offer coverage in the small employer market outside the purchasing pool and it would provide a significant competitive advantage to carriers operating in the pool, versus those that offer coverage outside the pool. Under this anticompetition model, there would soon be very little choice outside the pool as carriers would be forced to exit a marketing environment where they could not possible operate competitively. This would force more and more people to purchase coverage within the pool, and the cost to government for the subsidies would increase even more.

There is, of course, a reason for the subsidies. Rating rules inside the pool would be considerably more restrictive than they are in the majority of states today, so the pool could not be competitive in many areas without the subsidies. And although the subsidies are for a limited period of time, the unlevel playing field created under this scenario would likely result in no other coverage being available outside the pool for consumers to select once the subsidies to plans operating inside the pool stopped and costs returned to a higher level. And although the subsidies would at that point stop, the rating structure and other mandate provisions inside the pool would continue and the cost of coverage would be predictably high. The ultimate result would be an increased number of people being priced out of coverage and ultimately, more, rather than fewer people would be uninsured.

We do appreciate the positive direction you've taken with S. 1955, and the extreme efforts you've taken to listen to everyone's concerns and respond in a reasonable way. My staff and I look forward to working with you toward achieving enactment of your bill. Please let us know how we can help.

Sincerely,

JANET TRAUTWEIN,
Executive Vice President and CEO.

Mr. ENZI. Again, it is a much more extensive letter. I hope people will take the time to read the RECORD, but it is from the National Association of Health Underwriters. These are the experts on health insurance. They look at this stuff all the time.

It says:

''2510 creates the worst kind of unlevel playing field;'' ''the cost of coverage would be predictably high;'' ''an increased number of people being priced out of coverage;'' and, ''Bottom line: More rather than fewer people would be uninsured.''

That is the National Association of Health Underwriters.

I wish to have some time to go over the good comments, too. But I have been joined on the floor by the majority whip. I will relinquish a few minutes for him to say a few words.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I thank my colleague from Wyoming. I congratulate him for a superb job in crafting this important measure to deal with what many of us think is one of the most pressing problems confronting our country. I have talked to a lot of people in my State, and right up there with gas prices today, they raise the issue of affordability of health insurance.

I have heard from workers who fear that their employer may have to cut back on their coverage. I have met with employers who are concerned that high health care costs prevent them from investing in their businesses and creating new jobs. It would be safe to say I am confident that most if not all of our colleagues have had similar experiences in their own States.

These are real concerns. In every sort of noon-time civic club engagement I have, this is the first thing people bring up. Health premiums have increased nearly three times the rate of inflation, and the percentage of employers offering health care benefits continues to decline.

This is a particular problem for our small employers and entrepreneurs. These are the people who create the majority of the new jobs in our country. Sixty percent of the working uninsured—those Americans who have jobs but don't have health insurance—are either self-employed or they are employed by small businesses.

The sad truth is, it is too darn expensive for many small businesses to provide health coverage to their employees in our country today.

There are a lot of reasons for this.

First, small businesses don't have as much negotiating clout with insurers when they are negotiating premiums as large businesses do. It makes sense. That leaves them stuck, of course, with higher costs.

Also, employees in small firms must absorb a larger share of their plan's administrative costs because there are fewer employees to share those costs.

Third, small businesses must typically purchase care in the uncompetitive, expensive, small group market.

Add all of these factors up and small business health care costs become too expensive for many small businesses to afford.

Small business, as we all know, is the engine that drives the American economy. We must allow them to band together so they can buy health insurance at lower costs so that our people and our economy can keep moving full speed ahead. I commend the HELP Committee for reporting a bill that will do just that.

Finally, I commend Chairman ENZI who has done a magnificent job in moving this legislation forward.

It addresses the unique challenges facing small businesses by allowing them to join together across State lines to offer insurance to their employees. This will give them the needed purchasing power to get a better deal on insurance policies.

Enacting the Health Insurance Marketplace Modernization and Affordability Act will address many of these problems all at once. It will reduce health care premiums. It will increase the number of Americans with insurance. It will reduce the Medicaid rolls. And, most importantly, while doing all of this, the bill will not increase the burden on the taxpayers.

That is not just my opinion; these are the findings of the nonpartisan experts at the Congressional Budget Office. Their cost estimate for S. 1955 shows that the bill will reduce health care premiums in the small group market by 2 to 3 percent. That is important because we know that with every 1-percent change in premiums, 200,000 to 300,000 Americans are able to afford insurance.

So do the math. According to the Congressional Budget Office estimates, 700,000 Americans who would be uninsured under current law—who are currently uninsured—would be covered under the Enzi proposal; 700,000 Americans who would be uninsured under current law, would be insured under Chairman ENZI's proposal.

By helping small businesses expand coverage for their employees, CBO estimates that 135,000 Americans, who without the Enzi bill would be on Medicaid, would now receive private insurance under the Enzi bill. Clearly, this is the way to go.

Most importantly, and unlike the Democrats' alternative, the bill accomplishes this without increasing the burden on the Federal taxpayers. In fact, the Enzi-Nelson bill will save the taxpayers $3 billion over the next 10 years. Nearly 1 million Americans get better health coverage, and the taxpayers will save the $3 billion I referred to over the next 10 years. This legislation is good, strong medicine.

My colleagues across the aisle have called the plight of small business a ''distraction.'' But this situation that affects the economic engine of our country—the small businesses—is a real problem, not a distraction, and the problem is not getting better on its own. It ought to be addressed.

In 4 of the past 5 years, small businesses paid double-digit increases each year in health insurance premiums. At that rate, more and more employers will be forced to scale back or drop coverage altogether for their employees. The Enzi bill is the first step in righting that crisis.

Again, I commend the HELP Committee for reporting the bill that addresses the challenges facing small businesses.

I also note the tremendous contribution made throughout this process by Senator TALENT, who has been a tireless advocate for small business health plans during his tenure in the House and during his 4 years here in the Senate.

This is an important piece of legislation that will address a very significant problem facing many of our small businesses—the high cost of health insurance.

I urge our colleagues to vote to invoke cloture and to support the Enzi bill. It would be an important step in the right direction for Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I thank Senator MCCONNELL. I appreciate all of his effort and help. I appreciate the Senator bringing up Senator TALENT. I need to mention Senator SNOWE as well. They were the original sponsors of associated health plans on this side. They asked for a hearing. We held a hearing. After the hearing, people on my committee were saying, Golly, this is a problem for small business. What can we do to solve it?

It was also obvious from the discussion that there were some difficulties with the true AHP approach which we modified in the meantime. That is how we got to the position we are now in.

Mr. MCCONNELL. Mr. President, if the Senator will yield for one question, I have heard the Senator talk about the process by which he developed this legislation. Does he have any idea how many hours he spent consulting with the various entities across America that care about this and trying to move this legislation to this point?

Mr. ENZI. Mr. President, I don't have any idea. I spent a lot of hours and my staff people spent a lot more hours. Senator NELSON's staff and Senator BURNS' staff worked on this for so long that I actually thought maybe their staff people worked for me, too.

I was pleased spending days on end and sitting down, understanding all of the parts of this and getting it to work.

Another important part of this, Senator DURBIN asked me to talk to him about his plan. I made an appointment that same day and met with Senator DURBIN and Senator LINCOLN. We tried to work some of the principles which they had into this format. Eventually, we were kind of invited to leave by staff. We need to resolve more of that.

Mr. MCCONNELL. Mr. President, I say to the chairman that this has been a laborious and meticulous effort on his part. He has headed this up, and he has led us in an extraordinary way, and I, on behalf of all Members of the Senate, commend him for this accomplishment.

Mr. ENZI. I thank the Senator.

Mr. President, as an accountant I have to remind people that this bill is not a case of subtraction. This insurance plan is an addition. It will bring additional insurance to people. There are 27 million people out there who are uninsured. This will bring a number of them into the market. It will also allow people who are already insured to increase the amount of insurance which they have because they will be able to save some dollars. I am sure they will put that back into insurance and into more benefits for people. So it is an addition, not a subtraction, and it will bring in newly insured people.

One of the things I ask people is, when you go to the dry cleaners tonight to pick up your laundry, can you look that person in the eye and say, I don't think you deserve health insurance because you might not demand enough for yourself? So I am going to save you from yourself. Can you say to the mom and pop who are running the business down the street from your home, You don't deserve health insurance?

As you go home today, as you leave the Hill, think about the people around you, the regular people, the cab driver, the worker at the dry cleaner, the person at the neighborhood restaurant, all of those people who often you may not notice, the real people who make the world operate. Many of them do not have any insurance. Some may even own the little business around the corner and still are not able to have insurance. We always assume that if people own a business, they make a lot of money. There are times that the employees make a lot more than the owner of the business. They always have to pay themselves last.

As Senator BURNS said, when he was in business he provided health care to his employees, but he couldn't afford it for himself and his wife. But you do that to keep employees. I am not talking about deluxe insurance, I am talking about any insurance.

When people get the kinds of screenings that they would like to have, or even get the screenings they would like to have, and then find out there is a problem, if they don't have any insurance, they can't get anything done unless they pay for it.

We are not talking about the employees at the big chain hotels or the big chain restaurants. We are not even talking about the employees at Wal-Mart. We already said to them you can form whatever kind of benefit package you want. You do not have to answer to any State. You don't have to have review or oversight by the insurance commissioners.

Those are all things we provide for in our bill. You don't have to meet any State requirement. So instead of 35-percent administrative costs, you only pay 8-percent administrative costs. I am not talking about deluxe insurance, I am talking about any insurance.

Right now in several States, there is only deluxe insurance. Did you know that in some States there may be only one insurance provider because others have been driven out of the market?

I hope people will take a close look at this bill. I hope the other side will offer some amendments which are relevant to this bill and let us work through the bill. I hope, if the only way we can maintain germaneness is through cloture, that they will join in cloture because there are thousands of businesses out there that need insurance. They need hope. They want to ensure their employees. Think about that—27 million uninsured.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Mr. President, while he is still on the floor, I say to my colleague from Wyoming, I think from all of us, I thank him for taking an earlier position on the health plan bill that passed the House. In my view, and I think in the view of lot of us, it was badly flawed. Thanks for the Senator's efforts over an extended period of time, along with our colleague, Senator NELSON of Nebraska, to take that product and make it better, and for your willingness to work I think in conjunction with Senator SNOWE to improve on it further, to be responsive to the concerns that a lot of us are raising, I wanted to go on the record.

As I said yesterday—and I will say it in front of my colleague—I find that he and Senator NELSON of Nebraska are two of the most thoughtful Members we have in the Senate. It is a pleasure working with you.

One of the disappointments that I find around here is sometimes even when we appear to agree on things, it is hard to get anything done. In this case, there appears to be pretty good agreement that if we could somehow find a way to harness market forces, we could bring down health care costs for small business and their employees and find a way to pool the purchasing power of those small businesses and our employees could maybe bring down health care costs and get a better selection of options from which to choose.

There has been a fair amount of discussion today and the days leading up to this debate over mandated coverage that certain States offer. I will give an example of one State in our experience with respect to mandates.

Before I came here, in my last job I was Governor of Delaware for 8 years. Roughly 10 or 12 years ago we learned, to our alarm and dismay, that Delaware had the highest rate of cancer mortality in the country. We also learned at the same time that while we had the highest rate of cancer mortality in the country, we did not have

the highest rate of cancer incidence. In fact, we were at number 20 or so.

We looked at those numbers and sort of scratched our head about them to figure out why we were No. 1 in cancer mortality—which is the last place you want to be—and number 20 or so with respect to the incidence of cancer.

We pulled in some people a lot smarter than me to look over those results and asked: What is going on here? Why the high cancer mortality number, particularly in light of the fact that cancer incidence is more like the middle of the pack?

After assessing the situation for a while, they said: We conclude—and we are fairly sure of this—the problem is, in your State, in Delaware, you do not do a very good job of early detection and treatment of cancer. If you want to bring down your cancer mortality number to be closer to your cancer incidence number, you have to do a better job of early detection and treatment.

We took that charge seriously. We went to work in three areas: The first of those, Delaware at the time, was one of the higher ranking States in terms of incidence of smoking, tobacco usage. We said one of the things we want to do is reduce the use of tobacco products. We decided to start with young people to reduce the likelihood young people will start smoking and continue to smoke. We made it more difficult for them to have access to tobacco products. We also reduced the opportunities for people to smoke indoors, an effort that continued under my successor.

The second thing we did was, with respect to expanding the opportunity for people to find a health care home by expanding opportunities for people to participate in Medicaid and the SCHIP Program for young children, partnership between the State of Delaware and the Federal Government as other States participated, too.

The third thing we decided to do was to say maybe we ought to have health insurance plans in our State offer as part of their package screening for certain kinds of cancer. For example, mammography screening for breast cancer, colorectal screening, cervical cancer screening, and a couple of others. We did all those things roughly 10 years or so ago. Every year we have had an opportunity to find out how we are doing with respect to cancer mortality and cancer incidence.

I have a chart. Delaware is small, so rather than use 1 year's numbers we look at 5 years. We have a 5-year rolling average. We went back to 1989 to 1993, when Delaware was No. 1 in cancer mortality. In the next 5-year period, 1990 to 1994, we were No. 1. In 1992 to 1996 we were No. 1, and so on. During the 1990s and into the decade we start out No. 1. We were the first State to ratify the constitution and our State slogan, which is ''We are the first State.'' We like to think it is good to be first. This is one thing we do not want to be first in.

The State that was No. 1 in cancer mortality for too many years started to drop by 1997 when we fell down to No. 2, and we continued to drop so that by the year 2000 we were down to No. 5.

I am happy to report standing before the Senate today that in the most recent numbers which I think run up through 2003, we dropped out of the top 5. We might still be in the top 10, but we know we are not in the top 5, and certainly not No. 1. We are heading in the right direction. I will not be happy until we are No. 50.

I would like my colleagues to consider that all of our States are different. Delaware is different. Wyoming is different from Oklahoma. We all have different priorities. We had a real problem in Delaware. We still have a significant concern with respect to cancer mortality. We developed a good game plan and we implemented that game plan. And lo and behold, it is working. It is actually working. We want to make sure it continues to work.

Reducing cancer mortality is like the Navy guys changing the course of an aircraft carrier, turning an aircraft carrier. The same is true as we try to reduce cancer mortality. It is a slow process. It is not an easy process. It takes time. If you stick with it, you can turn aircraft carriers. You also can bring down cancer mortality numbers.

How does this relate to the debate today? It relates because an earlier version of the association health plan legislation passed by the House any number of times does not let us do in Delaware what has proven to be successful in reducing cancer mortality. Even with the efforts of Senator ENZI and Senator NELSON, as this bill came to the floor, it did not let us continue in Delaware requiring the screenings for mammography, screenings in colorectal, prostate, and cervical cancer. It does not help us do those things.

With the amendment that may be offered or suggested by Senator SNOWE, we can do some of this stuff, not all of it but we can do some of it. Particularly the breast cancer screenings would be allowed to continue, maybe one of the others.

The reason I bring this up, I want to keep in mind that States are different. What we have focused on in Delaware is what works—what works to reduce unemployment, what works to improve student outcomes, what works to get people off of welfare roles, what works in a variety of things. This is a multipronged approach that worked in reducing cancer mortality.

Let me talk more about the Enzi-Nelson preliminarily with respect to the Lincoln-Durbin proposal. They actually share some things in common, as I said earlier. They both say: Health care costs are a major problem in this country. They are a problem for little businesses; they are a problem for big businesses.

As we watch my generation aging and look to the future, when the boomers are in full retirement—and I might add, the generation of the Presiding Officer is in full retirement—we will see Medicare, Medicaid, and Social Security which today account for roughly 8 percent of gross domestic production, by the time our generation is in full retirement, 25 or 30 years, I am told that Medicare, Medicaid, and Social Security may well consume something like 16 percent of gross domestic production. The amount of spending for those three programs alone is roughly equal to 16 percent of our gross domestic production as a country.

If you look back over the history of our country, in the last 50 years or so we spend as a percentage of gross domestic product something like 18 or 19 percent of gross domestic production to run the whole Government. If we are looking at 25 years or 30 years down the line where we are spending 16 percent of gross domestic production just to run three programs, with nothing for the environment, nothing for housing, nothing for defense, nothing for homeland security, nothing for education, that is a scary prospect.

So the concerns we have about finding a way to constrain the growth of health care costs are not just a concern of small or large business but a great concern for those in the public sector who worry about how to continue to fund and offer benefits through Medicare and Medicaid.

Senator ENZI took a few minutes to talk about the Durbin-Lincoln proposal. The proposals are similar in a couple of respects: One, they say rising health care costs are a major concern. They are a concern not just for government, for big business, but a concern to small businesses.

Wouldn't it be great if we could find a way to somehow combine the purchasing power of a lot of small employers across the country and their employees, much as we do for Federal employees? All Federal employees do not work for one employer. We work for hundreds of agencies. The Senate is an agency. The House is an agency. We have the courts around here that are separate courts and agencies.

Throughout the country we are, in a way, sort of like small businesses. We talk about being three branches of Government, but we actually are, in a sense, small employers. There are big employers among us, bigger agencies, such as Defense, but there are a lot of small agencies that are much like a small employer.

What we have done to be able to constrain the growth of health care costs for Federal employees is to find a way, working with the Office of Personnel Management, to pool our purchasing power, to get a whole lot of health insurance products available to be offered to us, to give us the opportunity to shop among them and figure out what works for each of us best, what we can afford, the kind of benefits we are looking for, and then we can pick

and choose. We end up with a great cross section of product to choose from. Given the kind of purchasing power we have, we are able to constrain the cost of coverage. We have to pay something, I think it is about 25 percent of the cost of our coverage. But it is, frankly, a lot lower premium than otherwise it would be if we did not have the purchasing power pool.

When you add active Federal employees and Federal retirees, you add in all the families, we are talking about a lot of people, maybe as many as 6, 7, 8 million people, and it gives us a chance to have a real impact on what is available in terms of coverage and how much that coverage is going to cost.

Senator ENZI raised a question about the cost of the Lincoln-Durbin plan. The Lincoln-Durbin plan is different from where it was initially introduced, as I understood it. There is a tax break in their plan from which the cost arises.

He mentioned the cost over 10 years as much as $50 or $60 billion. It is a tax cut for smaller businesses that offer coverage for their employees. The reason there is a cost associated with the Durbin-Lincoln plan is because of that tax cut. Ironically, some of my colleagues have suggested that is one of the few times they recall our Republican friends being opposed to a tax cut. I know there are tax cuts they are opposed to, but that is the reason there is this cost. It is considerable.

In the conversation we had earlier this afternoon, I was sharing with my friend, Senator ENZI, it involves Senator LINCOLN, myself, Senator SALAZAR of Colorado, and a number of folks from the business community who were gathered around just to have a good discussion about the problems we face in trying to look for some common ground.

I said to Senator ENZI when I came to the Senate a bit ago, we had a side bar conversation while another colleague was speaking. It is too bad that conversation we had with the business community in Senator LINCOLN's conference, too bad we did not have that 12 months ago or 12 weeks ago. He shared with me a conversation that occurred maybe 9 months or so ago that involved him and some of my colleagues on this subject.

Senator ENZI is good, as are Senators DURBIN and LINCOLN, in reaching out to the other side and trying to find common ground. We need to find common ground. I remain convinced I am one of the people who, like Senator ENZI, sees the glass half full even when it is almost dry. As to this issue today, I think the glass is at least half full.

I cannot help but think, given the good will on both sides, that if guys like me and gals like Senator LINCOLN and guys like Senators NELSON and ENZI and DURBIN put it in their minds, we could find a way to further reduce the differences between our respective proposals.

I do not know what is going to happen when we vote. I guess we are going to vote on cloture tomorrow, I am told. I am not sure what is going to happen. I don't know if the debate will basically continue or, because of that, sort of end for now. If it does, I hope the discussion actually will begin in earnest, and discussion, certainly, with the principals on both sides who have interests in this issue, and that out of that discussion we come to a more satisfactory resolution.

One of the problems we have on our side—and I think Senator ENZI has heard this before—is sometimes, even when we pass what we think is a pretty good bill in the Senate, and we go to conference with a much different bill from our friends in the House, when the conference is created between the House and the Senate, we, as Democrats, are not always full participants in those conferences, and what comes out at the end of the day does not look a whole lot like what we passed in the Senate, or at least not enough. That is going to be a concern. And I just need to say that.

But having said that, we will cast our votes tomorrow and see what happens with respect to them. But I would say to my friend Senator ENZI, my hope is that if we do not come to resolution and this is an issue that continues to be outstanding. It is too important just to let it die. I hope we will have an opportunity—whether it is tomorrow or next week or the weeks after that—to find a common ground and get something done.

Mr. President, I brought these charts. We might as well use them. Actually, I think for a guy from Delaware they are actually pretty interesting. I do not know what these numbers look like in Wyoming. But when you look at the leading causes of death in my State—this chart goes back to about, oh, Lord, a dozen years or so. In the early part of the 1990s, about 32 percent of the folks who died in our State died from heart disease, about 26 percent died from cancer, 6 percent died from strokes, 4 percent died from chronic lower respiratory disease, 4 percent died from accidents, and 3 percent died from diabetes, and 25 percent died from ''all others.''

Keep in mind, in the early 1990s, cancer was right around 26 percent, heart disease was 32 percent.

Let's see what it looked like a decade later. Heart disease was at 32 percent, now it is down to 29 percent; and cancer, which was at 26 percent, is now down to 24 percent. The rest are pretty much the same, although ''all other'' is gaining. In fact, ''all other'' is in first place now, whatever ''all other'' is.

We are real pleased to see the drop in the number of cancer deaths. Does that sound like a lot over a 10-year period of time, to drop from 26 percent down to 24 percent? It is not. But as I said earlier, it is a little bit like changing that aircraft carrier. The numbers have dropped. We are convinced we are doing something right, and we want to continue what seems to be working.

I have a couple of other charts, and then I will close. This is a chart that goes back to the beginning of the 1980s—1980 to 1984—and up to 2002. The red numbers are the cancer mortality rates for the country, and the numbers above are cancer mortality rates for Delaware, starting in the early 1980s and going to the early part of this decade.

As you can see, the gap by around 1990—the early 1990s—the gap right here, was pretty large, back here, but it is even larger here. That is when we started doing something different, changing up our game plan in Delaware. And we are still above the national average here, but it is about half of what it was a decade or so ago. So we are convinced we are on the right path.

One more chart. My staff thinks this is not a very good chart, and maybe it is not. I kind of like it. Let's see if I can get it straight. We look here at the percentage of the reduction in cancers. It dropped between the early 1990s and the early part of this decade. The mortality rate of all cancers in Delaware went down by about 13 percent—a drop in all cancers.

The cancer mortality rate in the United States during the same period went down about 7 or 8 percent. The drop in the lung cancer mortality rate in Delaware, over the last decade, was, again, by about 13 percent. In the country, it went down by about 5 percent, in this same period of time. Colorectal deaths went down in our State by over 15 percent over that 10-year period of time, and down about 12 percent in the country. Breast cancer deaths in Delaware went down, in the last decade or so, by about almost 20 percent. In the country, it went down by about 12 or 13 percent.

And for guys like us—Senator ENZI and my colleague, the Presiding Officer—this is a real attention getter. For prostate cancer, the mortality rate in our State, in the last decade, went down by almost 50 percent, in Delaware, as compared to the rest of the country, which was about half that, roughly 25 percent.

I think that is a pretty good chart, and I am glad it was made up for us to look at.

The point I want to make is, actually sometimes we have these mandates, along with other things I mentioned earlier, and some positive things do happen in our respective States.

We are pleased with the progress we have made, and we have a long way to go in Delaware. We want to make sure we have the tools to be able to continue in that vein.

I have said my piece. I look forward to seeing how the smoke clears and what things will look like after tomorrow. We will just take it from there.

I yield back my time. Thank you, Mr. President.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Nevada.

Mr. ENSIGN. Mr. President, I will not be very long. I will be very brief. I

want to speak about the bill that the Presiding Officer, the Senator from Wyoming, has brought forth from the HELP Committee.

I have the honor of serving with the chairman on the HELP Committee. I think he has done a great job crafting this bill, which will offer more people the ability to afford health insurance in America.

We have heard reports about how many uninsured Americans are in our country today. The fundamental point is that a lot of Americans simply cannot afford to buy health insurance. And, many uninsured Americans are employed by small businesses. I have built, owned, and operated two animal hospitals, veterinary hospitals. As a small business owner, it is very difficult to afford to buy health insurance, not only for yourself, but, obviously, for your employees. One of the reasons it is difficult to buy health insurance relates to purchasing power. When you have a small number of people, it is difficult to go to insurance companies and negotiate effectively for good prices. If you have 20 employees versus a company that has 20,000 employees, the company with 20,000 employees has a lot more buying power and, therefore, can negotiate prices down more effectively than the smaller company.

The bill before us today establishes small business health plans, which will allow small businesses, such as the veterinarians, the restaurant owners, and the physical therapists to band together through their associations, and negotiate for health care coverage at prices they can afford. What this means is that a lot of people who are currently uninsured can become part of the insurance market. There is also a side benefit for the people who already have health insurance. A lot of people who are currently uninsured are young, healthy people who happen to want some type of health insurance coverage. If we bring these individuals into the health insurance market, they will help spread out the risk, which lowers costs for everyone else.

Now, we have heard criticism from the other side of the aisle saying that we are not maintaining the mandates that a lot of States have put forward. Opponents say that some people are going to be without coverage for mammograms, cancer treatments, and other services.

These same people today have no health insurance coverage whatsoever—isn't basic coverage better than no coverage at all? We would love to offer and be able to afford to offer everyone every type of service possible. But the reality is that a lot of people cannot afford health insurance plans today because insurance coverage has become too expensive. One of the reasons for this is that small businesses cannot pool together across state lines. Another reason has to do with mandates.

We talk about a lot of different proposals that can lower the cost of health care for hard-working Americans. Everybody campaigns and tells their constituents: We have to do something about the high cost of health care. We must do something. Let's act.

We have an opportunity to act now in the Senate. There is a good bill before us. We need to act on this bill so that uninsured Americans can come into the insurance market.

This bill is estimated, by an actuarial firm, to lower the cost of health insurance for small employers by as much as 12 percent. This is a significant number. Every dollar you lower the cost of health insurance makes more and more people able to afford it.

It is time for us to enact legislation that is actually going to be good for the American people, a proposal that will allow more people to be able to afford health care coverage.

Mr. President, the bill before us today goes a long way toward making health insurance more affordable for small business owners and employees. I encourage this Senate to get behind this legislation. Let's move it forward, work out the legislative differences with the House, and send a bill to the President that will help Americans afford health care insurance today.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, first of all, thank you for taking my stead in the Chair this evening so I could participate in this debate. I have been in the Chair 2 hours and 30 minutes and have heard quite a range of things.

Health care is a problem that affects the whole country today. We are going to spend in our Nation $2.3 trillion this year. The largest amount of money we are going to spend on anything in our country, we are going to spend on health care, and one out of every three dollars we spend does not help anybody get well.

We ought to ask ourselves—with 45 million people truly not covered in an insurance product, with the cost of health care rising double digits every year, with the cost of drugs skyrocketing, with the cost of hospitalization, emergency care skyrocketing—how is it we are spending all this money, with $1 out of every $3 not helping somebody get well, and costs are going through the roof?

It is because we have some real structural problems. This bill is meant to address a small portion of that. It is not the end-all, answer-all to our problems in health care. We all realize that. But this is something we can do in the short term that will make available an opportunity for costs to be controlled in a small area of our economy that will have impact and will create accessibility.

I would say we all in this body want everybody to have access to health care. The question is, Who pays for it? Right now, in terms of Medicare, our grandchildren are paying for it because it ran a $120 billion deficit last year. In other words, we borrowed $120 billion to run Medicare last year because that is the amount of money we did not have coming in from Medicare premiums.

The whole question on how we address health care is going to be: How do we get a better system that will give more people access, that does not waste that $1 out of $3? That is what we have to be concerned with. We have the brains, we have the science, we have the facilities, but something is wrong. What is wrong is there is not a competitive system out there where we allocate scarce resources based on quality and value and price.

This bill will move a little bit in that direction. There are going to be a lot of areas where we move. The one thing I have heard from the other side that I agree with today is, we ought to be emphasizing prevention. I agree with that 100 percent.

We have 19 different agencies in the Federal Government that have something to do with prevention. We are going to be introducing a bill that pulls all those together into one and has a leader who is emphasizing prevention and what we can teach the American people about saving money, preventive health care. As grandma used to say: An ounce of prevention is worth a pound of cure. And it works every time.

We know we can prevent diabetes. We can stop 50 percent of diabetes just with education, but we don't have it. We are wasting resources and duplicating resources. We have opportunity costs from programs that are designed to do it and don't do it well. Others do it much better, but we are still funding the ones that don't do it well. There are lots of problems we have.

I want the American people to understand that the choice that has been outlined by those who oppose this bill today isn't a choice of whether we have to have mandates. It is a choice of somebody who has no care now, no mandate, versus getting some care. If we do our job on prevention, then we will be educating the American people. But the ultimate health care responsibility in this country isn't the Congress. It isn't the States. It is the individuals who make choices about what is going to impact their lives and what value they want on their health care. That is why HSAs, although they have been blocked, need to be expanded vastly. They need to be funded better. They need to have an application for chronic care, and they need to have a tax deductibility to bring you up to the level of that so that we put everybody's skin in the game, so you know you are going to make a choice based on what is valuable to you.

Everywhere else in this country, we have trusted markets to allocate scarce resources. We are a little timid about how they are doing it in oil, but the fact is, the market is scarce, and the price is up. As soon as either demand decreases or supply increases,

the price will come back down, or some other form of energy is going to be there to supply it, such as agrifuels.

We have to trust the market to help us because we can't afford what we have promised. We can't afford what we promised in Medicaid, in Medicare. The money is not going to be there in 10 years. It is going to start winnowing away. So what are we to do? Continue to create a charade for the American people that says yes, we can, or start with one small step with this bill which offers availability through group purchasing, expanded purchasing power, lowering the overall risk to a million people? Why would we not want to do that?

Is it perfect? No. There isn't a bill we pass that is perfect. But this is a step in the right direction, although it does walk over some State mandates, I agree. But the problem is, Medicaid walks over State mandates every day. Medicare walks over State mandates every day. They set a mandate.

We have two choices in health care: the Government is going to run it all, or we go to the private sector where we really trust the market to allocate and protect those who need the help, those who can't help themselves. Those are the only two choices we have on health care. If you think we have problems now, wait until the Government runs it all.

I am a physician. I have practiced since 1983. That is 23 years. I have delivered 4,000 babies. I have done every kind of operation you can think of. I have seen a system decline based on how insurance has been applied to it and copying the mandates of the Federal Government. So we are in a mess on health care. Let's get out of the mess. Let's start with this, but let's don't stop there. Let's start with prevention. Let's make sure there is competition in the pharmaceutical industry. We don't have it.

As a practicing physician, there is no competition in the pharmaceutical industry. Drugs that do exactly the same thing and are priced the same way, nobody wants an increased market share. The Federal Trade Commission ought to be asking why. Why don't they want increased market share? I believe there is collusion on sharing of markets in the pharmaceutical industry so that they can keep the prices high. We need worldwide competition on pharmaceuticals. If we will do that, we will get a lot of bang for our buck.

There is even collusion when it comes to the generics. The FDA has created this wonderful system which enhances no competition for 6 months to 18 months for the first person who comes out with a generic. What is that all about? That is taking away from the market.

There are lots of problems, but this is a good start. It is not perfect. Is it as good as we can get? It probably is right now. But it starts us down the path on what we need to do to fix health care in this country. That is competition.

We need transparency. We have seen recently hospitals not wanting to give their rates, doctors not wanting to give rates, Medicare not wanting to publish rates. Why not? Let people know what they are supposed to be getting charged. Let's have a little open sunshine on the health care industry.

Let's talk about the 19 percent of every dollar that goes into the health insurance industry that never goes to help anybody get well. Let's talk about that. Let's create real competition in the health insurance industry. The more people get into it, the more competition we will have.

I thank the Senator for filling in for me so I could take the time to address the Senate. Our goal is making sure everybody has access to care and doing it in a way that our children can afford to pay for it because we are not paying for it today. We need to be mindful of that as we make those decisions. This bill starts with that.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURR. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COBURN). Without objection, it is so ordered.

Mr. BURR. Mr. President, as you spoke on this bill, you inspired me to come back over for another opportunity to talk. To put in context why we are here, you have to talk about where we have been this week. We started this week focused on exactly what you raised, and that was the inflation factors that go into health care.

On Monday, we were slated to consider two different proposals. One was a proposal that limited the liability that all medical professionals have, and we have seen liability premiums rise at a rate that is unsustainable for doctors across the country. That bill was quickly questioned as to whether we would bring it to the floor. Some argued that there was no need to; it is not a problem. We were forced to have a vote on whether we could proceed to consider the bill. We didn't vote on the bill. We didn't offer amendments on the bill. We had a vote on whether we could proceed, which requires 60 Members of the Senate to support. We didn't get 60 votes. The American people didn't get cost reductions because some in this body chose not to extend the privilege of debate and the voice of the American people in the amendment process into that bill.

We turned around and we introduced another bill. The bill's coverage applied to those specialists who are OB/GYNs; in other words, individuals who deliver babies, something that is vital in this country.

I know the Presiding Officer is, in fact, an OB/GYN. He delivers babies. He delivered babies throughout his career in the House of Representatives. He would leave the House, he would go home and deliver babies on the weekends so that he could keep his practice alive. He doesn't have the luxury now in the Senate. That is a shame because he was good.

There are communities all across this country that have lost their OB/GYNs, not because they became U.S. Senators but because they can't afford liability insurance anymore. They have been forced to leave rural America and go to urban America where they are under the umbrella of coverage of a large medical institution, in all likelihood affiliated with an academic institution.

What happened on Monday night when we took up liability limitations for those across this country who deliver babies? We didn't get the opportunity to debate it. We didn't get the opportunity to amend it. We had a motion we had to vote on to proceed. Because 60 Senators didn't agree to move forward, that died a quick death. Two bills that addressed substantive ways to cut the cost of health care died in a matter of 1 hour on the Senate floor because people didn't think it was important enough to address things that are inflationary to the cost of health care.

I said shortly after that I was going to come back to the floor because I thought it was important for my colleagues on the Senate floor and people in the gallery and across the country to hear real stories from real Americans.

In North Carolina, we have a lot of people who are suffering today because they lack insurance. So the third part of Health Care Week is to take up a bill that allows small businesses—really the heart and soul of America—to purchase as associations, as groups, to negotiate en masse because they don't get the luxury of the benefits of large corporations to leverage the cost of health insurance. For that reason, many small businesses today can't afford to provide health care and to keep the doors open of their businesses. So they choose to hire folks and to employ them and to pay them but not to extend health care benefits. Those are numbers that are counted in the national uninsured population.

In North Carolina, we have 671,000 small businesses. Small businesses make up 98 percent of the firms in North Carolina. Women-owned small businesses have increased 24 percent since 1997. Hispanic-owned small businesses have increased 24 percent since 1997; Black-owned small businesses, 31 percent; Asian small businesses, 74 percent. Are they any better off because of the categories they are in to provide health insurance for their employees? No, because they are caught in the same problem. They don't employ enough people to negotiate like the larger corporations.

In North Carolina, there are 1.3 million uninsured individuals, and 900,000

of those uninsured individuals are in families or on their own with one full-time worker. One full-time worker is in that house either with a family or is the individual in the house. The opportunity with this one bill is that we will have 900,000 people who potentially have the opportunity for the first time to be covered by health insurance.

Many run to this floor, and they talk about what we need to do as a Congress. They don't really mean we need to pass legislation that creates an affordable health care bill. What they mean is they would like for the Federal Government, through taxpayer funding, to produce a benefit we pay for for anybody who is without health care.

I think we have the right approach. The right approach is to make sure that small businesses can band together, that they can negotiate with the private insurance market, that they can offer a benefit, for the first time for many of them, to their employees, and the retention of their employees is better because that benefit is now extended.

Do you realize that the most expensive benefit that is offered by a business today is health care? It is not retirement, not any of the things that historically we have looked at. The health care benefit is the single most important thing.

I heard the Presiding Officer talk about the future and the fact that our children are the ones paying for Medicare today.

That is, in fact, right. Three things control our competitiveness in the world, and they are health care, energy, and labor. But I guarantee you, when we bring up energy, we are going to be blocked from proceeding because we will try to bring down gas prices and try to come up with things that bring stability in energy. Some would rather see nothing happen on the Senate floor.

I have an individual who is in the appraisal business in North Carolina who wrote to me and said that small businesses need help with insurance. That is in big letters. He says he is now paying $986 per month for his wife and himself. This is for only 60 percent coverage and a $2,500 deductible. He says he knows people with group insurance paying $600 for 80 percent coverage and a $250 deductible, and many of those have dental insurance as well. He said his policy provides none. ''Please help me out.''

This came from a store owner, and it says that as a small business owner, it is important to enable some economy of scale in allowing franchises to obtain more affordable health insurance.

The economies of scale is exactly what we are on the Senate floor to debate. I might add at this time that this debate really didn't start until several hours ago because on the third bill—this bill—we had to vote on a motion to proceed, which we won this time, and we had to delay some 30 hours before we could engage in the amendment process and general debate.

This comes from an individual from Hickory, NC. She said that as a parent and an employer, she knows the importance of having affordable insurance and the financial devastation that occurs when you have no coverage. Unfortunately, there has to be a tradeoff. She says she has only one of two options to keep her doors open: either her employees have no insurance or they receive a livable wage. When there are no viable alternatives for employers to purchase reasonably priced insurance, the losers are her employees.

What are we here debating? We are debating a change from today's policy. What is the choice employees of small business have today? It is a choice between nothing and nothing. That is unacceptable. That is why the chairman, Chairman ENZI, has worked so hard to carefully craft a bill that doesn't bypass those who are charged today with regulating insurance, every State insurance commissioner. But it incorporates them fully and allows products that can be created that, for once, are affordable. Sure, they don't have all the bells and whistles. They don't cover the full scope of coverage that every insurance product has today. But when your options are nothing and nothing, isn't it reasonable to believe that we can have a debate about creating something and nothing? Isn't that, in fact, why we are here?

In South Carolina, there is a textile company, a small business owner in Greenville who says that providing health insurance is becoming an unbearable hardship for small businesses such as hers. She is a widow, self-employed, and her health insurance is an expense she can hardly afford. Like many of her employees, she has a $5,000 deductible, and her monthly premium constantly increases 35 to 40 percent every 6 months. Most would say that is impossible, but I have her name and her address, I have the city in which she lives, and I have her company name. She wrote to me.

It is individuals who are turning to the U.S. Senate now. The House passed it. They are saying: Please produce something for us.

Here is one from Alabama. It is not all North Carolina. This is an owner of a nursing services company who said that the cost to cover one employee is $225 a month, and it is $617 for full family coverage, which is up 6 percent over last year. She recently lost a long-term employee to a larger company because that company could afford to pay 100 percent of the employee's health care costs. She thinks it is simply unfair that we don't do anything.

Janice is from Kentucky. She is the owner of an elevator company. She was hit with an astonishing 60-percent increase in health care premiums in 2002. There are a lot of similarities in the last letter. Some might have thought that is impossible. It is not.

Here is another one. Some of this increase in cost was passed down to employees because her company simply could not absorb all of the costs. If this trend continues, which she fully expects, they will have to drop the coverage she has provided for employees for years.

The writing is on the wall. We need to do something to relieve the pressure for small business in America or the uninsured rolls will increase. The rolls will not decrease because these small business owners cannot afford to continue to supply health care as a benefit.

Here is one from Mississippi. As a new small business owner in Mississippi, he finds it harder every day to make sense of why he pays three times as much for family health insurance as he paid when he worked in the same industry for a large company. He says there needs to be a way for his company to offer his employees similar high-value health insurance that he was offered when working with the big guys at a reasonable rate. Small businesses are at an immediate disadvantage simply because they are small, he said.

I talked earlier today about my election to the House of Representatives, when the Presiding Officer and I came in. I came from what I considered to be a small business, but it was over 50 people. We had adequate health care. I paid 25 percent, and the company paid 75 percent. I got to Washington as a Member of Congress. I found that my choices for health care increased in number, but I thought it was probably most prudent to choose, in fact, the same plan I had in the private sector, the same company, the same plan. I paid the same 25 percent, the Government paid the same 75 percent. What was the one difference? The one difference, now that I was part of 2 million people who worked for the Federal Government, was that my premium went up $50.

You see, there are some that will argue that the only way to solve the health care crisis in America is to have the Government take it over. If you want to solve small businesses' problems, let the Government negotiate a health care plan for them. Well, my experience with the Government negotiating health care is that it costs me more money. I would be willing to bet that most will find that to be the case. Incredibly, nobody is calling my office saying: I wish you guys would negotiate for me, or I wish the Government would take this over. Don't provide me choices, just give me one. I don't want to choose.

This is from Larry in Mississippi, who owns a small company. He has little buying power and few affordable options for health care. It is similar to what has happened in so many States, where one insurer controls more than 75 percent of the small-group market. This lack of competition resulted in an 80-percent increase in the last 2 years for his John Deere dealership.

I will tell you what, if there is anybody I would work hard for to find him

a deal on health insurance, it is a John Deere dealership. He increased the deductible from $250 to $2,500. He says that if he doesn't receive relief soon, he will be forced to drop all insurance coverage or lose his business. So he has an option: He can close the door, and everybody who works for him would be out of business.

You see, we are here because today the choice that small businesses and their employees have is a choice between nothing and nothing. All we are here to do is to suggest that we engage in this bill and that we have an up-or-down vote about something. Nobody will see this as a silver bullet that solves the health care crisis, as the Presiding Officer said earlier. That will take a much more in-depth engagement, a much more difficult debate on the Senate floor. We really will bring in the experts as we try to provide the changes that are needed so our children have the same benefits we have. But it doesn't make me too optimistic if we cannot solve this simple thing that so many small businesses are experiencing today.

Here is one from Virginia, not too far from us. The owner of a small industrial service firm is facing a crisis trying to provide health insurance for employees. His small business, with 20 employees, has struggled for the past 10 years to provide a health benefit plan. He has been able to continue to provide this insurance only by reducing coverage, raising individual office fees, and asking his employees to pay a higher share of the monthly premium. Underwriting penalties for small groups and rising medical costs and increasing mandates from government are collectively squeezing his small business to the point where meaningful health coverage will simply not be affordable.

I thought our job was to try to bring more people under the umbrella of coverage. I thought that was the objective, to try to create new products, create more affordable products, make sure that health care is not just more affordable but more accessible.

Here we are on the Senate floor with one of the most carefully crafted bills I have ever seen—a bill that a group of actuaries from a well-respected firm found would reduce health insurance costs for small business by 12 percent in today's dollars. That is $1,000 per employee. Is somebody in this institution telling me that small business employees across the country don't want to save $1,000 or that they don't want to have the opportunity to have less of their out-of-pocket money go to health care coverage or that we should ignore a well-respected actuary?

By the way, the actuary also found that S. 1955 would reduce the number of workers who are uninsured by about 8 percent, or 1 million people. This would automatically bring a million people under the umbrella of coverage. That hits home to me because I have 1.3 million uninsured in North Carolina. I have 1.3 million uninsured individuals, and 17 percent of North Carolina's population is uninsured today; 16 percent are uninsured nationally in this country.

Do you realize that only 205,000 of those 1.3 million uninsured are part-time workers? There is this belief that that number includes all part-time workers. If we could just make sure Wal-Mart supplied health insurance, this would all be over. No. The majority of mine—1.1 million—in all likelihood work for small businesses. They are uninsured. And 900,000 of them certainly are in a family where they could have a chance at health care coverage if, in fact, we pass this bill.

The Congressional Budget Office has also looked at the bill, and they found similar numbers of newly uninsured Americans. If S. 1955 were signed into law, CBO estimates that nearly 750,000 more people would have private health insurance than under current law. I guess that is the key. I guess some don't want there to be private health insurance. When we leave the marketplace alone, when we set it up so it is fair, it is amazing what competition does.

As a gentleman from Mississippi said, when one company controls 75 percent, where is my negotiation point? We are talking about letting national associations band together. We are talking about potentially shopping for national coverage, with national firms, but letting the State insurance commissioner regulate the product. I am not sure there is a downside to that, unless the downside is that we have now brought more individuals under the umbrella of coverage and this issue begins to diminish from a standpoint of the politics that comes along with health care.

Mr. President, I am going to end for the evening. I will not end for the debate, though. I still continue to get letters into my office that are real stories about real people. I think many times real people are forgotten on the floor. We get so wrapped up in the debate of issues that we forget that everything we do here affects somebody in this country or in the world.

Each time we stop long enough—maybe this weekend; I am not sure we will finish this bill this week; I hope we do—we figure out who these uninsured are. Maybe everybody will take an opportunity to go to a small business if they haven't visited one in their State, and they can ask those small business owners: What is the health care market like for your employees? I have a feeling what they are going to hear is what I have shared with you from real businesses, real owners about real people who can't afford what is available to them today.

There are in North Carolina 671,000 small businesses that desperately want a choice of something. Today all they have is nothing versus nothing. Their employees have nothing or nothing. Not a very good choice.

I am glad we are on this bill. I am glad the 30 hours is over. I commend Chairman ENZI for legislation that is incredibly well crafted. It is focused exactly where it needs to be, and that is to make sure plans are not cherry-picking, to make sure that regardless of the money that is available, there is a health care option so an employer and their employees can decide whether it is, in fact, affordable.

At the end of the day, it is my hope that Members of this very historic institution will remember the folks back home who sent them here, that they will remember the next generation we are obligated to represent, that we have an obligation today to make sure individuals who want to be covered have an affordable option to be covered, to make sure we fix some of the problems so the next generation, our kids, don't fight the same challenges we fight today.

I am convinced this debate will continue, and at the end of the day, I am convinced the American people will win regardless of what the intent is of some in this institution.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DEMINT.) The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, something is wrong when 45 million Americans, 8 out of 10 of them in working families, cannot afford access to quality health insurance. This past weekend I met a woman in Des Moines who has been without health insurance for herself and her daughter since her husband died several years ago. She works hard as an administrative assistant in a small law office. She lives, like many Iowans, from paycheck to paycheck. She cannot afford private health insurance and she makes too much money to qualify for the State's Children's Health Insurance Program or Medicaid. This has consequences. She has not had any screenings or preventive care in years. Her daughter does not go to the doctor regularly, despite the fact that their family has a long history of diabetes and cancer. She knows she is at risk but cannot do anything about it. What happens to her if she gets sick?

Many people believe the United States has the best health care system in the world—the best treatments, the best medical technology, the best pharmaceuticals. But this is a cruel joke to the uninsured, including more than 8 million children, because they are forced to make do with substandard care or none at all. The result is a paradox. The United States has a world-class health care system, but we fall behind most industrialized countries when our general health outcomes are

measured. In 2000, the World Health Organization ranked our health care system 37th in outcomes that our health system provides. Just this week, CNN reported a new study which found that the U.S. ranked next to last in infant mortality among industrialized countries.

Bear in mind again that health insurance is not just about seeing a doctor when you are sick; it is about prevention as well. If you have insurance, you are more likely to have a relationship with a doctor or health care specialist who knows you and your health history. You are more likely to have access to preventive care so that chronic disease can be prevented in the first place. Without health care coverage, minor illnesses turn into major ones and small incidents turn into chronic conditions. Once this happens, it becomes almost impossible to afford quality health insurance without restrictions on benefits.

That is why this debate is so important. This week we are considering a major overhaul of the insurance system in an effort to help provide health care coverage to small business owners and their employees. I applaud the goal, but this particular legislation before us now is sorely lacking and will not provide access to quality health care at affordable prices.

I oppose the bill before us for the following reasons:

First, the bill eliminates consumer protections found in current State regulations, including in Iowa. In Iowa, under the bill, 840,000 consumers would lose coverage for diabetes testing supplies and education, emergency services, mammography screenings, State mental health parity, and well child care. They would also lose guaranteed access to dentists, nurses, nurse practitioners, and other providers. Iowa does not have a laundry list of coverage services. Iowa State regulations guarantee quality insurance. But S. 1955 would do away with the compromises that were worked out at the State level to guarantee quality.

Secondly, the supporters of this bill argue that the bill would lower insurance premiums for small businesses. What they don't tell you is that it comes at a cost. Many people, especially those who are older and sicker, would see their insurance premiums increase under the legislation, even with the changes found in the managers' amendment. CBO found that insurers will charge significantly higher premiums to those who are sicker, older, and otherwise less favorable to insurance companies. They will do this in order to reduce health insurance premiums for small firms with workers who have relatively low expected costs for health care. Imagine the shock of business owners all across America, including many I have met with recently in Iowa, when they are billed for the first insurance premiums under the new bill.

So keep in mind, of course, you can always get cheaper insurance, but what does it cover, at what cost, and what are the premiums going to be for the person who is covered?

Third, and importantly, this bill would undermine State efforts to guarantee coverage for preventive services. As I have often said many times, we don't have a health care system in America, we have a sick care system. If you are sick, you get care. But we spend precious little money and we have very few incentives for keeping people out of the hospital, keeping them out of the doctors' offices, and keeping them healthy in the first place. This bill would make it worse. In short order, insurers would offer stripped-down policies that do not cover preventive services. The result would be the elimination, as I said, of cancer screenings, well child care, mental health services, access to certain physicians or nurses or other providers such as chiropractors, for example, who might give you good care and keep you from getting a chronic condition, something that might cause you to have an operation in the first place. So importantly, this would mean elimination of benefits for everyone, not just small business.

Americans should have access to quality, affordable health care coverage. Coverage that is stripped down is not sufficient, and we shouldn't settle for it. People's lives, their livelihoods, their ability to contribute to society will all be undermined if they are not healthy.

I met with small business leaders in Iowa. Of course they want relief from high insurance premiums or from not even being able to get policies at all for their workers. We all do. Small business is the backbone of my State. And they need—they need—to have some kind of insurance coverage for their workers. With regard to this bill, what I have said to them is, don't think it is this bill or nothing. I also ask them: Are you willing to lose access to quality health insurance? Just check with the American Cancer Society. We have cancer societies in our small towns and communities all over America. People who run small businesses contribute heavily to our local cancer societies. But here is what the American Cancer Society said:

> In one stroke, this bill would erase all that state legislatures have done to prevent and more effectively treat cancer by ensuring access to life-saving screenings for breast, colon, and prostate cancer, cancer specialists coverage for evidence based off label drug use, clinical trials, and proven smoking cessation services.

That is from the American Cancer Society about this bill.

I ask all my friends; I ask anyone who has had a history of cancer in their families: Would you want insurance that doesn't cover screenings for breast cancer or colon cancer or prostate cancer?

How about the American Diabetes Association. We know that diabetes is hitting people younger and younger all the time. We have to do something to prevent diabetes. But here is what the American Diabetes Association said about this bill:

> We must ask ourselves how people with diabetes will be able to pay for a disease that costs an average of $13,243 per person to manage. Unfortunately, it will be our emergency rooms and Medicaid system that are forced to pay.

I ask my friends who are diabetic or who have family members with diabetes: Would you want insurance that doesn't cover diabetes-related services?

Those are just two examples, but there are many others. So, again, it is not this bill or nothing. There is a better option out there that will guarantee coverage for these services and at the same time provide small business access to quality insurance.

One realistic solution that I support would be to give small businesses the option of joining a program modeled after the Federal Employees Health Benefits Program. That is the program that covers us here and we love it, believe me. All Senators, all Congressmen, Supreme Court Justices, all our Post Office people—anybody who has anything to do with the Federal Government belongs to the Federal Employees Health Benefit Program. It is great coverage. Why shouldn't small businesses have access to the same kind of program we have?

That is why I have joined with Senators DURBIN and LINCOLN to introduce S. 2510, the Small Business Health Benefits Plan. Here is why this bill is superior to the bill we have before us:

First, it would create a larger purchasing pool, a nationwide pool, rather than the fragmented pools that will be created under S. 1955. A national pool would reduce insurance rates for everyone.

A few years ago, before I came to this place, I sold insurance. There is a principle in insurance that we all know: The more people in the pool, the cheaper it is for everybody. It is one of the fundamental principles of insurance. The more people in the pool, cheaper it is for everyone. So you want a big pool when you are dealing with health care.

S. 1955, the bill before us, sets up thousands and thousands of small pools. But the Federal Employees Health Benefit Plan is one big pool. So if you have that national pool, insurers will be able to offer a range of plans such as we have now. Every year we have open season and I can choose from—I don't know, I didn't count last time—maybe about 18 different plans. But the Office of Personnel Management would negotiate the rates and benefits offered under the plans.

Should they do that? OPM has been negotiating with private plans for decades. They have consistently negotiated better rates for Federal employees than have been achieved in the non-Federal market.

All the Senators here, all those who love the free market system—you will hear speech after speech praising the

free market system, but everyone here belongs to the Federal Employees Health Benefit Plan, and OPM is the one that manages the rates and negotiates the rates in these plans. As I said, they are better than anything that has ever been achieved in the non-Federal market.

Second, our bill offers a tax credit to small employers that would help offset the cost of premiums for employees if they make $25,000 a year or less. S. 1955 doesn't do this. There are no tax breaks for small businesses in S. 1955. There are more than 26 million Americans making $25,000 or less working in small businesses. Of those, 12 million, or 40 percent, are totally uninsured. That is what we want to get at.

I will be glad to go to any small business with those who are advocating S. 1955. We will take S. 2510 and we will take S. 1955, we will lay it out there and let the small business owner decide which one they would want to have. I would love to see that happen. I tell you I know what would happen: They would pick S. 2510, the one I am talking about, the one that would give them a tax break for covering and would provide quality insurance.

Third, our bill does not preempt State consumer protection laws. S. 1955, the bill before us, would do away with the guarantees I discussed, the guarantees of preventive services such as breast cancer screening, mammography, cancer, prostate screening, things such as that. By contrast, our bill would keep State insurance laws where they are. The insurance would cover mammograms, cervical cancer screening, diabetes testing supplies, immunizations, and on and on.

If you are a small businessperson and you happen to be watching this session and you are listening to my remarks, you are probably saying: Senator HARKIN, that all sounds good. Why don't you get S. 2510, the bill you are talking about, up for a vote?

Welcome to the unreal world of the Senate, when we are not allowed to do things such as that. We have S. 1955. The majority leader has, if you will pardon the expression, filled the tree. That is sort of gobbledygook around this place which means they have blocked us from offering any amendments, and then we are supposed to vote on cloture on the bill, which means debate comes to an end on the bill and you can't file anything that is not germane.

Tomorrow night we are going to be asked to vote for cloture on it? I am not going to vote for cloture on that. If you want to have an open Health Week here and you want to bring out S. 1955, leave it wide open so we can offer S. 2510 and we can have a debate on it and have up-or-down votes. I am all for that. I think the small business community in America ought to know that we are not being allowed to bring up our bill for amendment and discussion. I think our bill would pass. I think the small business community would support it.

But as I have understood, being out in Iowa last weekend and as I talked with small business owners, they have sort of been led to believe it is S. 1955 or nothing. And of course they will take S. 1955. If I thought that was all there was, I would probably take it, too. But that is not the option before us. We have better options than S. 1955. We have the option of S. 2510, the bill I spoke about, introduced by Senator DURBIN and Senator LINCOLN.

Again, it is unfortunate—not for us. It is not unfortunate for us. We have great health care coverage. We have great health care coverage. It is not unfortunate for us but unfortunate for the small business owners and the 25 million Americans who work for small businesses—12 million who do not have any insurance at all. This is what is unfortunate. It is unfortunate that this bill has been brought up in a way that makes it impossible for our side to amend it.

Besides getting a vote on our bill, I was prepared to offer a series of amendments that focused on preventive care. I think if we are going to have a Health Week and we are going to have a bill, I want to start focusing on preventive care. We know it saves money. But we can't do that, either.

Count me as one who will not vote for cloture on this bill tomorrow, but count me as one who wants to have an open debate and amendment on a health insurance program that will be beneficial to our small businesses. I am sorry we are not going to be able to do it now.

Again, we are supposed to have a Health Week. Yet tomorrow I guess we will take all day tomorrow talking about the tax reconciliation bill, and then we are not going to be here Friday. What kind of Health Week is this? What kind of Health Week is it when we are not allowed to offer amendments and debate preventive health care, offer a different bill for the one before us?

I think the small business owners of America now know what is going on. I have heard from some who basically have been supportive of S. 1955 and they are backing off of it. They are saying no, we would rather have your bill, we would rather have the one that provides us with some tax credits so we can go out and join a bigger pool like the Federal Employees Health Benefit Program; so we can join a big pool and we can have preventive services; we can have the State mandates that are there now that cover quality. They would rather have that bill.

But I am sorry we probably will not be able to get it done this year and I think, as I said, that is not just unfortunate for us—heck, we have the best health care coverage. We have great health care coverage. The health coverage we have ought to be available to every American out there.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, one of the difficulties around here is the process we have to use. Another one is that nobody listens to anybody's debate. We have covered this in some detail earlier today, that relevant amendments would be accepted. The Durbin-Lincoln bill ought to be voted on. But it should not be voted on and then S. 1955 precluded from getting a vote. That is one of the possibilities in the organization and the rules that we have around here, that we could wind up voting on that one and skipping the vote on S. 1955 and saying: Look, all these people voted against that; that means they don't like health care for small business. But they wouldn't have gotten to vote for the one that they might have liked.

I went through a number of the reasons why S. 2510 has some problems. I object to people saying we ought to give everybody the same health care the Senators have. We ought to give them better health care than the Senators have. The only problem is we can't do either of those things. The bill that is on the floor by Durbin-Lincoln doesn't do either of those things. It is a different plan that uses kind of the same structure so we build the same kind of bureaucracy, except a lot bigger bureaucracy to handle all the people in America, and it limits all of the pools to each State because they will have to meet all of the mandates of each of those States instead of what we have in the Federal plan which is a national level of mandates.

We have our own level of mandates. We don't go by what the States do. But that is not what is in that bill. In that bill they would still have to go State by State, and if you go State by State, you can't form the kinds of pools that we need to be able to have the clout to negotiate a better price and to bring around the administration.

People say you want to get rid of mandates so that will save money. No. Every experiment, every minilab that has happened out there where small business people have been given the opportunity to band together and to do something, they have covered those mandates. They didn't give those mandates up.

How do you save money with this thing? Small businesses pay 35 percent for their administration. Big business, which we already excluded from all mandates, we excluded them from Federal control, we excluded them from State oversight and consumer protection, which is in my bill—it still has the State oversight and consumer protection in there—we gave the big businesses the wave on all of those things. They still kept the mandates. But where they saved the money is in administration. It costs them 8 percent to administer their plans. So 35 percent minus 8 percent means they save 27 percent over what a small businessman will do. And every 1 percent we can save on insurance brings 200,000 to 300,00 people back into the market.

That is why we want to have associations to be able to offer plans under State consumer protection, under the insurance commissioner's oversight.

But with some kind of a blended plan, they can cross State lines and have a uniform package, and they can have a big enough group so they can negotiate. That is what 1955 is about. We need to have a vote on that as well.

As far as mandates, Senator SNOWE is putting in a bill that will cover those basic things people are talking about.

The letter that the Senator read from—the American Diabetes Association—I talked about that a little bit earlier today. One of the difficulties we had in trying to do something with diabetes is that 42 States—it may even be 47 States—are doing something with diabetes, but no two do it alike.

Again, how do you blend across State boundaries unless you can get some kind of basic package? I know they will cover diabetes. Under the Snowe amendment, they will for sure.

The distressing part of their letter was, no matter what changes are made to the Enzi bill, defeat it. That is not a very reasonable approach by any disease group. That means that if I have an amendment that said find out everything that is done for diabetes and do everything for diabetes that is done anywhere, they would still be suggesting voting against my bill. I don't think that is a reasonable approach by any group.

The American Cancer Society wrote pretty much the same letter and said pretty much the same thing.

We are not trying to subtract, we are trying to add. We want people who are uninsured to come into the market, and we want people who already have insurance to be able to get more and better insurance for the same dollar. That is what employers are able to afford. We are trying to come up with a system such as that.

The only thing about filling the tree—which I agree with the Senator is gobbledygook—the only thing with that is to stick to small business health insurance.

There are another dozen things on insurance and health care that we ought to be debating. Each of them would take about 3 weeks to debate. At this point in the season, we are not going to get 3 weeks to debate anything. I am lucky to put together a few days to be able to talk about this. I hope to make more progress on that.

I have been working hard with everybody to try to come up with some kind of mechanism that will work. That is where we are on the bill. If we could do the things that are relevant to this, or also germane after cloture, then we could stay on the bill a little longer and keep working on it. If we don't get cloture, we are probably done with this discussion for the whole year. That will probably be the end of health care for the year. People have to keep that in mind when they are voting on cloture.

Even individual mandates can be brought up one at a time and put into the thing, or at least be voted on. The desire is not to keep votes from happening but to stick to small business health plans.

These folks have been asking us for 15 years for a change and some way to handle it. They have been encouraged several times because eight times the House has passed the association health plan. That was very exciting for them. They said I think we can get it. It never made it out of committee on the Senate side because there are some problems with the basic plan that the House passed.

When I got this chairmanship, I said we are going to do something to change this. We are going to find out what the objections are and see if there isn't a way to get something done that will get relief for the small businessman. The insurance companies were convinced that we were going to do something, so they sat down with me. The insurance commissioners had concerns, and they have always been one of the stakeholders. They sat down with me, and they had their representatives sit down with us days on end to work on some kind of a compromise. This is one.

Nobody is raving about it except the small businesses because they see it as an answer—not the final answer, not the total answer, but an answer—that moves closer to what they can afford to do. Again, it isn't by cutting mandates.

Mr. HARKIN. Mr. President, will the Senator yield?

Mr. ENZI. Yes.

Mr. HARKIN. He is a gentleman, and a good friend. I know he is serious about this because he is a small business owner himself.

As I said earlier—and I want to make sure we are clear—that under this gobbledygook, the filling of the tree—no one understands what we are talking about out there—because of the way the bill is laid down, the majority leader, under the rules of the Senate, today offered amendments to the bill so that we can't offer amendments. There is no way we can now offer amendments. If cloture is invoked tomorrow, then we have 30 hours on the bill, and that tree could stay filled. So we can never offer an amendment to this bill. We would then have a final vote on S. 1955 without being able to offer any amendments. Is that not so?

Mr. ENZI. Not quite.

Mr. HARKIN. Inform me.

Mr. ENZI. Even during the course of today and any other debate we have on this bill, we have said if there is a relevant amendment, we would consider taking that up and voting on it. One exception we have on that is the difficulty with Durbin-Lincoln. If we vote on that, that might be the only vote we ever get because the other side can block any further votes from happening because you would have to have unanimous consent to have a vote. So we would be blocked from ever having a vote on our bill.

Mr. HARKIN. That is the problem with this whole cloture process. Why didn't we try to reach a time agreement and an agreement on how many amendments would be offered? As I understand it, our side was willing to do that. Then we would not have this problem of cloture where we are precluded then from offering amendments.

As the Senator pointed out, if S. 2510 is offered, I don't know what would happen after that. The Senator said it wouldn't be offered. This whole thing with the cloture has screwed up everything.

Mr. ENZI. No, I wasn't suggesting that S. 2510 would pass. I was saying that a lot of Democrats would vote for it and it would fail. Then there will be no further votes on it. You folks could all say we voted for small business and the Republicans didn't vote for small business. It would be because the Republicans wanted S. 1955 with a few amendments which can be offered by both sides. That would happen postcloture. The only thing that happens postcloture is amendments have to be germane. That means they actually would have to apply to the bill. The Durbin-Lincoln bill is germane. Many of the things people talked about would be germane. What wouldn't be germane are some of the long-term debates and things people would like to do, namely the stem cell debate which we are going to have a debate on. They promised a vote on it. We don't know how much debate there would be with that; prescription drugs, Part D, and those would not be germane to the bill. Each of those would take about 3 weeks to debate.

Mr. HARKIN. I say to my friend, I think if agreements were made with this side and the other side, we could agree on time limits and structures without having this on us.

I also say to my friend, I think we should take 3 weeks to debate health care. We have been wasting so much time around here doing nothing. Now tomorrow we have tax reconciliation. So my friend from Wyoming is getting a day cut out of his deal. I think we ought to take 3 weeks to debate health care around here. It wouldn't bother me any.

Mr. ENZI. The Senator certainly is not the only one. I would love to have a lot of time. We have had a lot of bills that came out of committee already that could be brought up. We have some more that are going to come out next Tuesday. A lot of those I think would pass here by unanimous consent. I would love to have some agreement. The Senator knows how hard it is to get 1 week around here. We spent 3 days getting cloture to proceed. That is to proceed; that wasn't to actually do any votes on the bill. So we were offered the moment, but between the two sides we didn't get the moment.

Mr. HARKIN. I ask my friend, what was the vote on the motion to proceed?

Mr. ENZI. It was 98 to 2.

Mr. HARKIN. Then there was no problem with that.

Mr. ENZI. If there was no problem with it, why did we have to wait 3 days to get the vote?

Mr. HARKIN. We didn't have to wait 3 days to get the vote.

Mr. ENZI. I am talking about time limits and that sort of thing. Those requests were made between leaders to come up with some tight time agreements. It is beyond my pay grade.

Mr. HARKIN. It is beyond my pay grade, too. I wasn't involved in that.

Mr. ENZI. There were a lot negotiations to try to stick to small business and have some kind of a mechanism where the votes from both sides could be done. But there was not any agreement on that, so we are stuck in this kind of a situation where small business may be penalized once again.

Mr. HARKIN. That is a shame.

Mr. ENZI. If we get cloture, we could have a lot of debate on the small business stuff, not all of other ones. If we could get in a situation where we started doing these things a little quicker, with more time agreements, some of the more difficult ones could probably get some floor time. I am for that.

Mr. HARKIN. If we get cloture, we have 30 hours. Every Senator gets one 1 to speak. That is putting handcuffs on people; 30 hours, run the clock out. One person can get up and offer an amendment and that could be the only amendment we would have for that 30 hours. That is the way things work under cloture. It is not a good way to proceed. I think that is why some of us are upset. We want to help small business. I think there is a fair debate to be had between S. 1955 and S. 2510, with amendments. But somehow we are told that we are going to do this in 1 week. Monday is shot. We didn't do anything Monday. We had two votes Monday night. Tuesday, Wednesday, and then Thursday, tomorrow, is tax reconciliation. Health Week is 2 days. I don't think that is fair to small business, either. I think it is worth taking a couple of weeks around here to do it, and to do it right.

I thank the Senator for yielding.

Mr. ENZI. I am with the Senator.

Yes, it would be nice if we could wrap up something for small business. I think there is a plan there. I think there is a way to get there. I don't think it is going to happen without the cooperation of both sides in either coming to some time agreements or passing cloture.

We will have to wait and see what happens. I would wait until the end of next week to have a vote on either of them as long as we can do amendments. And I am excited about doing amendments. There are always perfecting things. No bill is perfect when we finish it. Even after conference it is never perfect. But it is usually much better than when we started. We need to have that process.

I thank everyone for their participation today.

Mr. FEINGOLD. Mr. President, I wish to speak today about the Medicare Prescription Drug Program. I opposed the final version of the legislation that created the Part D drug benefit, the Medicare Modernization Act, because I believed that it would not provide adequate relief for Medicare beneficiaries. I was concerned about the structure of the program, and worried that it would negatively affect Wisconsinites and other Americans who must quickly and affordably access prescription drugs. I have been trying to fix some of these problems since the program was enacted, but supporters of the program have been unwilling to consider these reforms. Instead, they have allowed these problems to remain, and the results, since the benefit was implemented in January, have been disastrous.

I have heard from a number of Wisconsinites who found the prescription drug plan enrollment process exceedingly confusing. Many people had difficulty finding a plan that would cover their prescriptions, while others could not get through to Medicare representatives to ask questions about the enrollment process. There have been breakdowns in the entire information process, and these failures by the insurance companies and the Centers for Medicare and Medicaid Services have sometimes completely blocked beneficiaries from accessing essential medications such as insulin, antipsychotics, and even immunosuppressants.

We can't afford to wait any longer in improving the Part D program so that it can better serve its beneficiaries. We need to minimize the negative effects of Part D's implementation problems and high costs. As part of this effort, I strongly support S. 1841, Senator BILL NELSON's, Medicare Informed Choice Act. This plan would allow beneficiaries extra time to navigate this confusing system by extending the enrollment period through the end of 2006. In addition, it would allow a one-time penalty-free change of programs for beneficiaries who have made a mistake in choosing their prescription drug plan.

Supporters of the Medicare prescription drug benefit have touted it as the vehicle that would supply affordable, easily accessible prescription drugs for seniors. The program has so far fallen far short of that goal. The outcry that I have heard from pharmacists, beneficiaries, and health care providers over the past couple months makes clear that the implementation of the program has been a disaster. This program has not provided either affordable or easily accessed drugs to many Medicare beneficiaries. Instead it has presented providers and beneficiaries with frustration, confusion, expensive medications, and sometimes no medications at all. It is unacceptable for individuals to go without life saving medications. Yet this is what has been happening in Wisconsin and across the country since this program commenced.

Since the beginning of January, I have received panicked phone calls from people in my State saying they were unable to receive drugs that they had been routinely getting at their pharmacy every other month. At the same time as I was hearing from people suffering from pain because they did not receive their pain medications, I read press releases from the Centers for Medicare and Medicaid that expressed satisfaction with the launch of the program, and boasted of the millions of participants in the program. There may be millions participating in the program, but too many of them cannot receive their drugs and too many pharmacists are unable to comply with the complicated regulations in the program. CMS should be focusing its efforts on addressing this emergency rather than disseminating public relations messages.

I have written Secretary Leavitt and Dr. McClellan repeatedly to express my concerns about Medicare Part D, including the approaching deadline. I hope that the administration will soon realize that it cannot continue to ignore these problems or hope they go away on their own, and that significant changes in the program are needed to better serve beneficiaries. I think it is time that CMS remember who this plan is supposed to serve: the people, not the drug and insurance companies.

We cannot sustain a great nation if we do not care for our elderly, sick, disabled, and home-bound. These are the people this drug plan is supposed to be serving, but they have been dismally let down. Let us make a simple change to the drug plan that will provide immense help to this group—extend the May 15 deadline. I urge the majority leader to bring up S. 1841 for a vote before the deadline passes.

Mr. OBAMA. Mr. President, over the past year and a half, I have spent a few days every month holding townhall meetings around my home State of Illinois. I have now done almost 50 of these in cities and towns all over the State.

After I give a short presentation, I open the floor to questions from the audience. And without fail, one of the first questions asked at every townhall is about health care. Too many hard-working Americans can't afford their medical bills or health insurance premiums. Too many employers are finding it difficult to offer the coverage their employees need. And sadly, too many people in the world's wealthiest country have no insurance at all.

When Senator FRIST declared the second week in May as ''Health Week,'' I naively assumed that maybe, just maybe, we would actually begin a real discussion about health care in the United States. I thought we would talk about serious and meaningful ways to address the health care problems faced by average Americans—important problems like: the 45 million Americans without health insurance; the worsening epidemic of chronic diseases, including asthma, obesity, and diabetes; the persistent and pervasive problems with patient safety and health

care quality; or the status of emergency and pandemic avian flu preparedness.

I know that I am not the only Senator who has been disappointed. A number of my Democratic colleagues have mentioned other pressing, critical issues on the floor this week, including stem cells, the looming enrollment deadline for Medicare Part D, and drug importation.

Yet so far we have had only a sham discussion on medical malpractice, revisiting the same old bills that have been rejected in the past that do not represent any real attempt to compromise and find solutions to the problems that many of our doctors and patients face.

And now, the Senate has turned its attention to the Enzi small business health plan. I know that small businesses need help in providing health care coverage to their employees. Small businesses are paying the price for this Congress's refusal to seriously embrace comprehensive health care reform, to expand coverage and contain costs.

Yet this bill is not the solution, and it is not part of a solution. In fact, some have described it as the antisolution.

In my opinion, any health coverage reform bill that passes the Congress should meet, at a minimum, three criteria: First, it may sound crazy, but I think a health coverage bill should actually expand coverage. The Enzi bill has been estimated to expand coverage to less than 1 million of the 45 million uninsured Americans. This is laughable.

In fact, some States will actually see an increase in the number of uninsured. In New York, for instance, 28,000 people could lose their health insurance coverage because of this bill.

Second, a good health reform bill should ensure comprehensive, quality health care. Over 200 health professional and patient advocacy groups have expressed their opposition to this bill, because it will promote health plans that won't offer the basic health care services that we all depend upon and take for granted, such as maternity care, mental health services, diabetes care, dental care, and so forth.

I have rarely seen such a large number of groups come together as swiftly, as vociferously, and as united as these groups have been against this bill.

Third, a good health reform bill should have a positive effect on the health insurance market. Will the market be stabilized and strengthened, or will it be weakened and fragmented? Again, the Enzi bill does not pass muster. Over 40 attorneys general have expressed serious concerns about this bill's preemption of State protections and laws and its restrictions on State oversight and regulation.

This so-called health week makes a mockery of the efforts of those who are working to achieve real health care reform. While we in Congress are squandering precious time on this bill, our States are moving ahead, exerting leadership because Congress has failed to act.

Illinois is in the process of implementing a program called All Kids, which will ensure that every child in the State is covered by health insurance. And we all know that Massachusetts just passed a sweeping, universal health coverage bill, negotiated and passed in bipartisan fashion.

In contrast, the last major health insurance reform passed by Congress was in 1997, when the SCHIP program was created. Even though the number of uninsured has continued to rise, almost 10 years have gone by without a serious congressional effort to address this crisis.

This is wrong. The Durbin-Lincoln amendment, which I have cosponsored, is a good example of how we can meaningfully expand health coverage without sacrificing the quality of care received.

The central tenet of the amendment is that small business employees should have access to the same health insurance coverage that members of Congress and other Federal employees receive themselves.

The health care problems facing our country are serious ones, and the solutions will not be easy. But we need to have a serious debate about this issue—a debate that addresses the whole problem and isn't just about scoring political points in an election year.

The American people expect as much, and I hope this failed attempt at a ''health week'' is not the last chance we will have to talk about an issue that is the chief financial concern of millions upon millions of people in this country.

Mr. LEAHY. Mr. President, for all of the recent talk from the majority about up-or-down votes, and allegations of Democratic obstruction on amendments, I find it astounding that the Republican majority has locked up Senator ENZI's bill and will not allow amendments to be offered. We now face exactly the type of obstruction the majority has decried so loudly. On a bill for which Senator ENZI has urged full debate, the Republican majority has now decided the Senate and the American people we represent should not get the benefit of the full legislative process. For example, I am being prohibited from offering an amendment to help prevent medical malpractice insurers from bid rigging, price fixing, and other anticompetitive behavior that hurts doctors and patients. For another, we are prohibited from offering an amendment to extend the arbitrary deadline for seniors to sign up for prescription drug benefits without a penalty. Why not provide our seniors more time and assistance in examining the prescription drug provisions that have frustrated so many? Seniors did not grow up in the computer age and many are not trained accountants who can sift through the confusion. They should not be penalized by an arbitrary cutoff date which could easily be extended.

This week, the Senate has already refused to proceed to legislation that would have abridged our citizens' access to justice when they are injured by medical errors. Those bills purported to lower medical malpractice insurance costs when, in fact, it is not payouts that have led to rising insurance premiums. The Senate has done the right thing by rejecting these bills once again.

The debate that preceded the votes demonstrated that capping medical malpractice awards is not the way to lower insurance premiums, which we all agree are unfair to the men and women who devote their lives to the care of others. There can be no disagreement that exorbitant insurance costs make it harder for medical professionals to do their jobs. Health care providers, like all Americans, deserve fair treatment in the marketplace. We also know that the insurance marketplace is unique, because unlike other business interests, insurers are not subject to some of the most important Federal antitrust laws.

High malpractice insurance premiums are not the result of malpractice lawsuit verdicts. This myth has been repeatedly discredited. They are the result of investment decisions by the insurance companies and of business models geared toward ever-increasing profits. But an insurer that has made a bad investment, or that has experienced the same disappointments from Wall Street that so many Americans have, should not be able to recoup its losses from the doctors it insures. The insurance industry should have to bear the burdens of its own business model, just as the other businesses in the economy do.

High malpractice premiums for doctors can occur because there is nothing stopping insurers in a soft market from collectively raising rates and stifling competition. Any other business would be prohibited from this activity, and I have heard no arguments as to why the insurance industry should be treated differently. The insurance industry is special because it is exempt from most Federal antitrust laws. The McCarran-Ferguson Act permits insurance companies to operate without being subject to those laws, and our Nation's physicians and their patients have been the worse off for it. Using their exemption, insurers can collude to set rates, resulting in higher premiums than true competition would achieve—and because of this exemption, enforcement officials cannot investigate any such collusion. If Congress is serious about controlling rising premiums, we must objectively limit this broad exemption in the McCarran-Ferguson Act.

The amendment I wanted to propose modifies the McCarran-Ferguson Act with respect to medical malpractice insurance, and only for the most pernicious antitrust offenses: Price fixing, bid rigging, and market allocations.

Only those anticompetitive practices that most certainly will affect premiums are addressed. I am hard pressed to imagine how anyone could object to a prohibition on insurance carriers' fixing prices or dividing territories.

After all, the rest of our Nation's industries manage either to abide by these laws or suffer the consequences. If medical malpractice insurers are certain that malpractice lawsuits drive their rates, then there should be no reason to object to bringing their business within the reach of the same Federal laws that apply to all others.

Many State insurance commissioners police the industry well within the power they are accorded in their own laws, and some States have antitrust laws of their own that could cover some anticompetitive activities in the insurance industry. My proposal, which I wanted to offer, is a scalpel, not a saw. It would not affect regulation of insurance by State insurance commissioners and other State regulators.

But there is no reason to perpetuate a system in which Federal enforcers are precluded from prosecuting the most harmful antitrust violations just because they are committed by insurance companies.

This amendment is a carefully tailored solution to one critical aspect of the problem of excessive medical malpractice insurance rates. I am sorry that I was stopped by the Republican leadership and could not offer this narrowly drawn legislation as a positive step towards improving the American health care system, which would help ensure that doctors and patients are treated fairly.

Mr. KENNEDY. Mr. President, the Senate is currently considering legislation proposed by Senator ENZI that would profoundly change health care coverage. The proposal has been modified from the version approved by our committee.

It is important for the Senate to understand fully the impact that this legislation would have on millions of Americans. I have requested an analysis of this modified proposal from Professor Mila Kofman of the Georgetown University Health Policy Institute.

I ask unanimous consent to have this analysis printed in the RECORD.

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

GEORGETOWN UNIVERSITY,
May 10, 2006.

SENATOR EDWARD KENNEDY,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR KENNEDY: This is a response to your request for an analysis of the proposed rating structure in the Manager's Amendment to S. 1955. This also addresses your question on how the proposed amendment compares with the current NAIC model law on small group rating:.

In general, the proposed Manager's Amendment would not improve the bill. Under the new proposed rating structure there would be no new protections for consumers and a significant loss of existing state-based protections in the area of premiums. This loss of protections will adversely impact people with medical needs, older workers, and women of child-bearing years. This will also have a negative impact on ''micro'' groups (employers with fewer than 10 employees) because insurers will be allowed to charge these groups higher rates solely on the basis of the employer's size.

Here is a brief summary of how the proposed amendment would work:

Associations: The amendment clarifies that associations certified as small business health plans (by the U.S. Department of Labor under Title I of the bill) would enjoy a complete carve-out from small group rating state pools in both adopting and non-adopting states. Each certified association would be allowed to have their own premium rate not tied to the rest of the small group market. This would segment the small group market. Assuming associations attract healthy businesses (there are many ways that the bill would allow associations to ''cherry-pick'' healthy people), any restrictions on rates in the rest of the small group market would be undermined. Rates between association coverage and coverage outside the association could vary broadly. For a discussion of this, please see attached paper ''Health Insurance Regulation by States and the Federal Government: A Review of Current Approaches and Proposals for Change.''

In adopting states, the bill clarifies that premiums within an association may vary using the same standards that would apply in small group market (see discussion below). This would be at least 500 percent variation in rates for businesses covered by the association or if the state allows, variations in rates could be even greater.

In non-adopting states, it is unclear whether the rating standards in the bill would even apply. If they apply. then a variation in premiums of 500 percent would be allowed for businesses covered by an association (so some employers would pay 5 times more than others for the same coverage within an association).

Small group market: In adopting states, insurers are required to vary rates by at least 500 percent (called ''total variation limit''). This means that states can allow insurers to have greater variations in rates. Using age. health, claims. and duration factors. variations of at least 300% are required. Note that insurers must use age, health, or both and may use duration and claims experience. The option is given to insurers. If a state wants to adopt this approach and become an ''adopting state.'' it must allow insurers to use age and health. This requirement essentially eliminates community rating and adjusted community rating by allowing insurers to adjust rates based on health. Allowable factors included in the 500 percent minimum required variation are: industry. geography. group size, participation rate, class of business. and wellness programs. Note that gender is not listed. The bill is unclear whether gender rating is prohibited or is added to the 500 percent variation.

At renewal, the same rules would apply. This means that premiums may increase at least by 500 percent if a smaIl business has high claims the year before.

In non-adopting states (generally states with greater protections for consumers). the language in the bill is ambiguous. The proposal says ''The plan may not vary premium rates by more than 500 percent].'' The term ''plan'' is not defined. If the term ''plan'' means an ''insurer,'' then one possible interpretation is that premium variations are limited to 500 percent (if insurers chose to follow this new tederal standard). What is clear. however, is that adjusted community rating and pure community rating would be preempted.

Renewal rates would limited to trend plus 15 percent to reflect claims of small business.

Importantly, in non-adopting states insurers would have a choice of whether to follow a state's existing laws or the new federal one. As a way of example, in DC, which has no rating laws, assuming DC chooses not to adopt the bill's rating structure and is therefore a non-adopting state. Insurers are not likely to use the rating restrictions in the bill.

The proposed rating structure varies significantly from the NAIC model law for small business health insurance premiums. By way of background. the National Association of Insurance Commissioners (NAIC) in the early 1990's adopted and since replaced a model law that provided for rate bands that permit premium variation up to 200 percent based on health status. The old model, which is the basis for the original bill, allowed further premium variation based on age, gender, industry, small business group size, geography, and family composition. Rates based on adjustments for these factors had to be actuarially justified but were not limited except for industry, which was limited to a 15 percent variation. The old NAIC model act permitted a wide variation in rates, allowing for a price difference of 26 to 1, or more. This means that for the same policy an insurer could charge a business or a person $100 per month or $2600 per month depending on risk and other factors. Higher rates under the model would be permitted as long as there was actuarial evidence to support wider variations.

Shortly after adopting its original model with rate bands, the NAIC replaced it with a model law for small groups that requires adjusted community rating, prohibiting premium surcharges based on health or other risk characteristics (like claims experience and durational rating). The current NAlC model act limits premium surcharges based on age to 200 percent; it prohihits insurers from varying small group premiums based on gender of people in the group or an employer's size. Today 12 states follow the current NAlC model act. Ten states require all insurers to use community rating or adjusted community rating for all small group policies. Two others, Michigan and Pennsylvania, require Blue Cross Blue Shield plans (their largest insurers) and HMOs to use adjusted community rating. The proposed amendment would preempt these state rating protections.

Please let me know if you need additional information. Thank you for the opportunity to address your questions.

Very truly yours,

MILA KOFMAN, J.D.,
Associate Research Professor.

CLOTURE MOTION

Mr. FRIST. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The 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 the pending modified substitute amendment to Calendar No. 417, S. 1955, Health Insurance Marketplace Modernization and Affordability Act of 2005.

Bill Frist, Johnny Isakson, Sam Brownback, John Thune, Thad Cochran, Wayne Allard, John Ensign, Richard Shelby, Larry Craig, Ted Stevens,

John McCain, Lamar Alexander, Norm Coleman, Judd Gregg, John E. Sununu, Pat Roberts, Craig Thomas.

ORDER OF PROCEDURE

Mr. FRIST. Mr. President, I ask unanimous consent that on Thursday, May 11, immediately after the time for the two leaders, the Senate begin consideration of the conference report to accompany H.R. 4297, the Tax Relief Extension Reconciliation Act; provided further that 8 hours remain out of the statutory time limit and that it be equally divided. I further ask consent that following the vote on the adoption of the conference report, and notwithstanding rule XXII, there be 60 minutes of debate, equally divided, between the chairman and ranking member of the HELP Committee or their designees prior to a vote on the motion to invoke cloture on the modified substitute to S. 1955, the small business health plans bill, with no intervening action or debate, and the live quorum waived.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, may I inquire of the majority leader, at this point, are we closing down debate on this bill?

Mr. FRIST. Mr. President, through the Chair, on the small business reform bill, we will have 1 hour prior to the cloture vote. And during the day tomorrow, I expect people will be coming to the floor talking, as well, on small business health plans.

Mr. DURBIN. If I may ask through the Chair to the majority leader, as I understand the procedural position we are in, earlier today the majority leader filled the tree, as we say, to preclude any further amendments. And now, as I understand it, the majority leader has filed a cloture motion, which basically means we are going to bring this to a close without further amendments, without further debate, one up-or-down vote on cloture?

Mr. FRIST. That is correct. Someone could offer an amendment tomorrow prior to the cloture vote, if they so desire.

Mr. DURBIN. If I might ask the majority leader through the Chair, I asked earlier today if we would be allowed to bring up the stem cell research issue, which the majority leader has expressed his support of, and whether we could bring that up for a vote this week while we are on Health Care Week so we could address this issue of medical research.

I would like to ask the majority leader through the Chair if we could bring it up before cloture or after cloture?

Mr. FRIST. Mr. President, through the Chair, the interest in stem cells will be debated in the future, at a time that is mutually set by the Democratic leadership working with the Republican leadership. Stem cells can be discussed but will not be voted upon before this cloture motion.

Mr. DURBIN. I thank the majority leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINAL PASSAGE OF H.R. 4939

Mr. ENZI. Mr. President, I wanted to take this opportunity to discuss why I made the difficult decision to vote against H.R. 4939, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery.

The United States is involved in operations overseas while dealing with natural disasters such as Hurricanes Katrina and Rita. On May 4, 2006, I voted against a $109 billion spending bill that was $17 billion more than what the President originally requested. Of course, on occasion, times call for emergency spending, but this bill goes far beyond what anyone would call emergency spending.

Many items in this bill do not constitute ''emergency'' spending. The bill would funnel millions of dollars to a road in Hawaii, millions of dollars in grants for research not related to emergencies, and still millions more to subsidize the volunteer work program AmeriCorps. Are these projects necessary? Possibly, but they are not an ''emergency.'' These spending proposals should go through the annual authorization and appropriations process. Congress must tighten the definition of what qualifies as an emergency. The use of supplemental spending bills must be saved for the true emergencies. True emergency funding is being bogged down with nonessential projects that have no business being in an emergency supplemental spending bill.

We must not saddle our children, their children, and their children's children with debt that we incurred because we did not properly restrain our spending. My very first speech in the Senate Chamber was on the need for a balanced budget. In 1997, I said that the Federal Government must learn to live within its means. Without any restraint on spending, we are simply adding onto our Nation's enormous debt. Unfortunately, this is still true today.

I recently visited American troops stationed in Kuwait. I always have and will continue to support our troops. I appreciate the sacrifices they make and the sacrifices of the families, friends, businesses and communities they leave behind.

Our American service men and women should have the financial resources they need to fight this crucial war on terror. This bill should be about voting to provide financial stability that allows the U.S. Government to support our troops and our veterans into the future. It is unfortunate that other nonemergency spending projects made their way into an important bill that included vital funding for our troops. I wish that the Senate would have followed the President's proposal and only included funding for real emergencies.

HONORING OUR ARMED FORCES

LANCE CORPORAL STEPHEN R. BIXLER

Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to LCpl Stephen R. Bixler of Suffield, CT.

Corporal Bixler, a member of the 2nd Reconnaissance Battalion, 2nd Marine Division, II Marine Expeditionary Force, Camp Lejeune, NC, was killed in action on May 4 while conducting combat operations against enemy forces in Anbar Province, Iraq. He was struck while on foot patrol by an improvised explosive device on his second tour of duty in Iraq. Corporal Bixler is fondly remembered as a quiet but strong leader with strength of character and self-assurance unusual for someone of his age. As an Eagle Scout and former senior patrol leader in his Boy Scout troop, Corporal Bixler enjoyed helping others. He joined the Marines shortly after graduating from Suffield High School in 2003 and served in Haiti prior to his tour in Iraq. He was well received and respected when he proudly visited his high school, where he had been admired as he excelled at academics and athletics, to talk to students about his experiences. He was a true patriot and defender of our great Nation's principles of freedom of justice. Corporal Bixler served as an example of the potent American spirit, which permeates this Nation's history.

I am both proud and grateful that we have the kind of defender exemplified by Corporal Bixler serving in the Persian Gulf. Our Nation extends its heartfelt condolences to his family. To his father, Richard, his mother, Linda, and sister, Sandra, we extend our profound gratitude for sharing this outstanding Marine with us, and we offer our prayers and support.

STAFF SERGEANT MARK WALL

Mr. GRASSLEY. Mr. President, I rise today to honor the life of a truly brave American who has passed away while defending our country. SSG Mark Wall died April 27, 2006, in Mosul, Iraq, where he was serving his country as part of Operation Iraqi Freedom. Staff Sergeant Wall was assigned to C Company, 2nd Battalion, 1st Infantry regiment in Fort Wainwright, AK. He was deployed to Iraq in August of 2005 and served near Mosul. I would like to extend my deepest sympathies to his parents, Arthur and Helen Wall, his two brothers and his sister.

Mark Wall graduated from Alden High School in 1997 where he participated in basketball, football, track, chorus, and band. He was a Boy Scout, attaining the rank of Eagle Scout in 1997. He also participated in 4–H, garden and photography projects, and FFA. Staff Sergeant Wall joined the Iowa National Guard in February of 1997. He attended classes at Ellsworth Community College studying agricultural business and worked as an electrician's helper before joining the Active-Duty Army in May of 2000.

I understand that Mark had a passion for the outdoors and took advantage of that passion while he was in Alaska, prospecting for gold, hiking, fishing, and skiing.

I would like to again give my condolences to the family of SSG Mark Wall. He served his country with pride and passion, and we are all saddened by his loss. I would like my colleagues in the Senate to take a moment and remember the life of Mark Wall and remember the tremendous sacrifice he gave for us and our great country.

SITUATION IN DARFUR

Mr. FEINGOLD. Mr. President, I join the American public and the international community in congratulating the signatories of the recent peace agreement signed in Abuja, Nigeria on May 5, 2006. I hope that this peace agreement marks a dramatic turning point in bringing about a solution to the genocidal conflict that has ravaged the Darfur region of Sudan. The administration deserves to be commended for getting the Sudanese government and the Sudan Liberation Army to the table and for maintaining a commitment to completing this peace process. This does not mean, however, that we or the international community can return to complacency, satisfied that we have done our part. Quite the contrary.

At this point, it is essential that the peace agreement be expanded to include those parties that have not yet signed. Those without a stake in the current political power and wealth sharing agreements will have few incentives to help build peace in the region, and will most likely be spoilers to the peace agreement. These parties must be encouraged to join and abide by the accord. Additionally, it is critical that the international community, working with the African Union, the United Nations, and regional partners, develop a comprehensive strategy to ensure that the peace agreement is implemented and adhered to by both the Government of Sudan and the Sudan Liberation Army. The Darfur region is facing an extremely fragile period. Now is the time to show international resolve for quelling the remaining instability throughout the region and for kick-starting all of the elements of the peace agreement. We must also move quickly to institute and strengthen mechanisms and systems to ensure that the parties to not backslide in to full-scale conflict.

In addition, we must strengthen the peacekeeping capabilities of the African Union and ensure that it has the capacity to help monitor and enforce the peace agreement. The African Union has worked hard to execute its broad and far-reaching mandate with limited resources and experience, and it will need support to be a contributor to establishing a lasting peace in the region. We must also work to introduce a United Nations peacekeeping mission into the region as quickly as possible. I applaud President Bush's decision to send Secretary Rice to the United Nations to seek a resolution authorizing a U.N. peacekeeping force in Darfur. I supported the recent amendment to the fiscal year 2006 emergency supplemental appropriations bill adding $60 million to fund a U.N. peacekeeping force in Darfur, matching similar legislation in the House. With this clear message of support from the U.S. Congress, it is now up to the administration to work with our friends and allies at the U.N. to reach agreement on a resolution authorizing a peacekeeping force, and exert robust diplomatic pressure on those who would try to block it.

We must not forget the massive humanitarian tragedy that is still unfolding. Even as the peace deal was being finalized, the U.N. World Food Program, WFP, announced that it would have to cut rations by over 50 percent in Darfur beginning in May. Many of the over 2 million refugees who have been forced from their homes and their livelihood are on the brink of starvation, and this already massive tragedy could yet take an even more devastating turn. Systematic gender-based violence against women and girls continues unabated and basic safety and security continue to be denied to Darfurians. Humanitarian organizations trying to work in the region face increasing difficulties in fulfilling their mission, and safe areas have diminished to unprecedented levels. The situation, in short, remains disastrous and the lives and well-being of millions hang in the balance. If anything, we must increase our efforts to protect the region most vulnerable, and to support Darfurians in this fragile period. Failure to do so could have a negative impact on the peace agreement.

Looking ahead to the implementation of the peace agreement and to establishing peace in the region, it will be critically important to address the crimes against humanity that have been committed, and to take a stand against the cycle of impunity and injustice that we have seen occur over the last 3 years. Those who commit crimes against humanity must know that the world is watching, and that they will be held accountable for their actions.

In conclusion, we have reasons to be optimistic. We must not ignore, however, the fact that now the hard work begins.

A MONTANA VISIT

Mr. BAUCUS. Mr. President, I am proud to rise today and announce a historic event in my home State. For only the second time in the history of Montana, our great State will welcome the President of Ireland. President Mary McAleese has displayed courage, intellect, determination, and passion as she has guided her country for nearly a decade. During this time her country has experienced unprecedented growth, quickly rising to the upper echelons of nations.

President McAleese will make an inaugural pilgrimage to a city whose history has been intimately tied with Ireland's for more than a century. In 1882, a lone Irish immigrant, driven by the work ethic instilled in his homeland and his desire to succeed, made a discovery that would forever change the face of Montana, the West, and America. The city was Butte, MT, and the man was Marcus Daly. Three hundred feet into the belly of the Earth, Daly set off an explosion that unearthed a revolution. Before his amazed eyes lay one of the riches veins of copper the world had every seen, and with it the unknowing hopes of millions of Irish immigrants.

Butte, and its neighbor to the northwest Anaconda, quickly became thriving metropolises turning these mining communities into a virtual mosaic of nationalities and ethnicities. When walking down the street, one could hear the chatter of Eastern Europeans, smell cooking from the Middle East, or view native dress from Scandinavia. But above all was the voice of the Irish. The Irish made Butte their own, easing their longing for their native Eire by molding the city to reflect the land from their past. The streets were vibrant with festivities straight from the homeland; these hard-working immigrants, ranging in professions from doctors to lawyers to miners and gandy dancers, populated this young bustling city and gave it the feel of an island thousands of miles away.

As the years passed, the pride of the Irish continued to ring strong, and with it the city of Butte. Butte quickly became the heart of Montana, and shaped the figures whose names would forever be remembered in the lore of our State. Names like Mike Mansfield and Burton Wheeler will be etched in the hearts and minds of Montanans for many years to come, and with them the tradition of the Irish.

Today, Butte remains a vibrant city, as the new generation of Irish-Americans listen to the whispers of their ancestors and continues to uphold the proud tradition of being Butte Irish. With the same values that turned this sleepy community into the heartbeat of the West, the people of Butte continue to thrive and the city remains as strong as the immigrants who first settled it.

As President McAleese is embraced by the spirit of this magnificent city and by the residents who carry on the

proud tradition of hailing from Butte, I say: may the road rise to meet you, may the wind be always at your back, may the sun shine warm upon your face, the rains fall soft upon your fields and, until we meet again, may God hold you in the palm of His hand.

THE HONORABLE STEPHEN M. McNAMEE

Mr. KYL. Mr. President, it is with great pride that I rise today to honor a respected jurist and dedicated public servant upon the occasion of his stepping down as the Chief Judge of the United States District Court for the District of Arizona.

The Honorable Stephen M. McNamee earned his bachelor of arts in history from the University of Cincinnati in 1964. He received his master of arts degree in 1967 and his juris doctor degree in 1969 from the University of Arizona.

Judge McNamee began his professional career as an assistant U.S. attorney, a position he held from 1971 to 1985. During that time, he was chief of the civil division in Tucson, chief assistant U.S. attorney, and first assistant U.S. attorney.

In 1985, President Reagan appointed him U.S. attorney for the District of Arizona. He made prosecuting violent crime within the 21 Native American communities in Arizona a top priority, particularly the prosecution of those who victimize Native American children. He also implemented model collection procedures for fines and penalty assessments of Federal defendants—the source of funding for the entire Victims of Crime Act program. Additionally, he testified before congressional committees on behalf of the Department of Justice regarding a variety of issues from terrorist threats to the southwest border, to child abuse and neglect on Indian reservations, to theft of Indian artifacts from archeological sites, to the reauthorization of the Victims of Crimes Act of 1984. At the behest of Attorney General Richard Thornburgh, he helped organize the first major conference to bring together American and Mexican criminal justice officials.

In 1990, he was appointed to the Federal bench by President George H.W. Bush, and in that capacity he developed a similar program to bring Mexican and U.S. Federal judges together to learn about each other's processes and procedures. As the chief judge of the District of Arizona, Judge McNamee managed a burgeoning docket. Since 1999, the filing of criminal cases went up 80 percent and civil case filings went up 59 percent. Nevertheless, under his leadership, the number of cases pending for 3 years or more has declined nearly 20 percent.

Judge McNamee has been an active liaison to Congress for the Administrative Office of the United States Courts and the Federal judiciary. He was appointed to the board of directors of the Federal Judges Association and has served on several Ninth Circuit and District of Arizona committees addressing a wide range of issues, from capital cases to racial, religious, and ethnic fairness to security issues.

As a distinguished member of the community, Judge McNamee has been the recipient of almost two dozen international, national, and State commendations and awards. He exemplifies the highest standards that we have come to expect from our judiciary, and we thank him for his service.

GREEN MOUNTAIN COFFEE ROASTERS: TOP CORPORATE CITIZEN

Mr. LEAHY. Mr. President, it gives me great pleasure to congratulate Mr. Bob Stiller, president and chief executive officer, and the 600 employees of Green Mountain Coffee Roasters on their selection as the Nation's top corporate citizen by Business Ethics Magazine. In the best traditions of Vermont, Green Mountain Coffee Roasters is about more than making a profit—they are about fostering a strong commitment to corporate social responsibility.

Through the company's support of organizations like the Rainforest Alliance, a non profit dedicated to protecting ecosystems, and Coffee Kids, an international nonprofit seeking to improve the quality of life for children and families in coffee-growing communities, Green Mountain Coffee Roasters has been a pioneer in the fair trade coffee movement. The company has also taken its socially responsible mission into the halls of our government, when, in 2002, Green Mountain formed a joint alliance with the U.S. Agency for International Development aimed at improving the livelihoods for those in improvised coffee growing regions.

Green Mountain has maintained these strong corporate ethics while continuing to build a robust earnings record. In 2005, the company reported revenue of $161.5 million, with net income of $9 million, a 15-percent increase over the year prior. And in the first quarter of fiscal year 2006, Green Mountain's fair trade coffee represented 26-percent of total sales, an increase of 68-percent compared to the same period last year.

I commend this outstanding Vermont company and ask unanimous consent that the Business Ethics article naming Green Mountain Coffee Roasters as the Nation's top corporate citizen be printed in the RECORD, along with a recent editorial from the Burlington Free Press.

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

[From Business Ethics Magazine, Spring 2006]

100 BEST CORPORATE CITIZENS FOR 2006—CELEBRATING COMPANIES THAT EXCEL AT SERVING A VARIETY OF STAKEHOLDERS WELL

''We take them coffee picking, and they do some hand sorting of beans in the hot sun,'' says Winston Rost, Green Mountain Coffee Roaster's director of coffee appreciation, describing the annual trip he leads of a dozen employees, visiting coffee-growing cooperatives in Vera Cruz and Oaxaca, Mexico. With a newfound appreciation for how hard the work is, some roasters say they'll never spill another bean again, Rost adds. This kind of attention to the human element of business offers a hint at why Green Mountain Coffee of Waterbury, Vt., is No. 1 this year on the list of the 100 Best Corporate Citizens.

Since its founding in 1981, the company has been socially and environmentally active, ''but it wasn't all that extensive or organized at first,'' recalls CEO Bob Stiller. Green Mountain upped the ante in 1989 when it formed an environmental committee and created a rainforest nut coffee to support the Rainforest Alliance, a non-profit dedicated to protecting ecosystems. The company has grown increasingly active in the countries where coffee is grown and has been a pioneer in the fair trade movement, which pays coffee growers stable, fair prices. But the biggest change came in the early 1990s when the company began sending its employees on trips to see where the coffee is grown. Many employees ''said it changed their lives,'' Stiller adds.

Green Mountain, with 600 employees, saw 2005 revenue of $161.5 million with net income of $9 million, a 15 percent increase over the year prior. Since 1988, it has donated more than $500,000 to Coffee Kids, an international nonprofit seeking to improve the quality of life for children and families in coffee-growing communities. Through the Coffee Kids program, the company supports a micro-lending facility in Huatusco, Mexico and a sustainable sanitation system in Cosaulan, Mexico. It also has provided financial support to the FomCafe cooperative's quality control training program, which helps farmers earn higher profits for coffee.

In 2006 Green Mountain will release its first corporate responsibility report. ''We are focusing on measurement so we can understand the economic and social impact of the company and create indices so we can better focus those efforts,'' Stiller says. ''Just the process of getting all that information in one place is valuable,'' notes Michael Dupee, vice president of corporate social responsibility. ''It makes you think about and gain insight into what's working and what's not, so even if you never published anything, it's worthwhile.''

In 2004 the company expanded from one executive in social responsibility to three. Besides Dupee's position, there is a director of sustainable coffee and a vice president of environmental affairs. Some 45 percent of Green Mountain's coffee is purchased farmer-direct, which cuts out the share middle men take. And 20 percent of coffee sold is certified fair trade, which incorporates principles of environmental sustainability and respect for cultural identity, while guaranteeing growers minimums of $1.26 per pound when commodity prices might be far lower. Consumer interest in fair trade is growing, Stiller says, ''because through their purchases they are wanting to make a difference in the lives of growers.''

Efforts like these have earned Green Mountain a spot in the top 10 on Business Ethics' list for four years running. Its meticulous attention to corporate social responsibility conveys well what the 100 Best Corporate Citizens list is about. The best-managed firms today—in this era when societal expectations of business are rising—can no longer focus solely on stockholder return. Companies that aim to prosper over the long term also emphasize good jobs for employees, environmental sustainability, healthy community relations, and great products for customers.

Seeking to put numerical ratings on service to these various stakeholder groups, the 100 Best Corporate Citizens list uses data provided by KLD Research & Analytics of Boston. It employs statistical analysis to identify those major public U.S. companies that excel at serving a variety of stakeholders well, using eight measures of service: stockholders, community, governance, diversity, employees, environment, human rights, and product.

[From the Burlington Free Press, Apr. 29, 2006]

WATERBURY COFFEE FIRM DESERVES HIGH PRAISE

Vermont should take pride in the accomplishments of Green Mountain Coffee Roasters Inc., the Waterbury company named the nation's top corporate citizen by Business Ethics magazine.

For this company, which employs 600 people, the human dimension clearly matters. Employees, the local community and coffee workers in far-away places have benefited from Green Mountain Coffee's refreshing divergence from the standard of bottom-line business.

In its annual ''100 Best Corporate Citizens,'' Business Ethics magazine praised Green Mountain Coffee for its corporate social responsibility, in particular its commitment to fair trade, a Free Press story said. Fair trade ensures coffee growers are paid fairly with a guaranteed minimum price. Sales of the company's fair trade coffee have done extremely well, especially with a lucrative deal signed last fall with McDonald's restaurants in the Northeast.

Not only are the company's ethics admirable, Green Mountain also makes money—a winning combination that other businesses should heed for long-term success.

Within the organization, employees receive a firsthand education on the product they handle. Every year, a group of U.S. workers travel to coffee-growing areas in Mexico to experience the hard labor of picking and sorting beans. According to the magazine's Web site, the annual trips have given these employees a real appreciation of the work done in Mexico. It can be a life-changing experience.

The magazine, which has compiled the corporate citizens' list for seven years, has included Green Mountain Coffee in four of those years, including a second place last year. Chittenden Corp. was the only other Vermont business on the list, coming in at 26th place. The bank also deserves recognition.

To compile the list, eight measures of service are considered by Business Ethics: stockholders, community, governance, diversity, employees, environment, human rights, and the product, the magazine's Web site said.

There are many companies in Vermont that take their social responsibilities seriously. In 1990, Vermont Businesses for Social Responsibility was created by a group of businesspeople who shared the belief that companies have a duty to their employees, the environment and their communities as well as to their stockholders. Last month, the organization named Green Mountain Power of Colchester its ''Large Company Leader of the Year'' for the company's socially responsible approach to business. It's an impressive award, and a rare one for a utility.

With companies like Green Mountain Coffee, Chittenden Corp., and Green Mountain Power in our midst, the bar has been set high for other companies in the state and across the country. Bravo to them for leading the way.

ADDITIONAL STATEMENTS

HONORING JANE HUNN

● Mr. BAYH. Mr. President, I rise today to pay tribute to a remarkable science teacher, Jane Hunn, from Tippecanoe Valley Middle School in Akron. Last week, Jane was honored with the 2005 Presidential Award for Excellence in Mathematics and Science Teaching, the Nation's highest honor for teaching in these fields.

Jane is the only winner from Indiana and one of just 100 middle and high school teachers nationwide to receive this prestigious award. This award is an extraordinary honor to Jane. It recognizes her hard work and dedication to her students and their academic achievement.

Now more than ever, education is the key to greater personal opportunity. Here in Washington, I have fought to ensure that education is available and accessible to all our Nation's students. However, the real, heroic work is done on the ground, in our schools, by teachers like Jane.

Jane has concentrated on including hands-on learning in her classroom as a way to challenge and inspire her students. In her own words, she ''would much rather put the students in the active role of discoverers than be the fountain of knowledge. They really own their discoveries when they do activities and put together their own findings.'' By allowing them to take an active role in their own education, Jane has made science accessible to every student regardless of his or her learning ability.

Through countless hours of work both inside and outside the classroom, Jane has demonstrated her commitment to ensuring the success of future generations and to encouraging the curiosity and development of our Hoosier youth. I am sure that hundreds of Akron students both past and present, along with their families, join me in expressing my sincere gratitude for her efforts.

On behalf of the State of Indiana, I thank Jane for her dedication to her profession and our young people, and I am proud to enter her name in the CONGRESSIONAL RECORD of the Senate.●

AWARD TO DR. PHILIP GOLD

● Mrs. BOXER. Mr. President, today I rise to congratulate Dr. Philip Gold on receiving the Rabbi Norman F. Feldheym Award. The Rabbi Norman F. Feldheym Award was established to pay tribute to those members of Congregation Emanu El who have conspicuously and exceptionally reflected Rabbi Feldheym's qualities of love for and loyalty to the synagogue, service to the community, and the personal traits of humility, loving kindness, care, and love. Dr. Gold receives this award as part of the ceremonies marking the 115th anniversary of the founding of the congregation.

Dr. Philip M. Gold has been an extraordinarily devoted leader of Congregation Emanu El through his service as a member of its board of directors since 1990. He served as secretary, second vice-president, vice-president, and, from 2000 until 2002, he served as the president of the congregation.

During his remarkable tenure with Congregation Emanu El, Dr. Gold has masterfully guided it through a period of leadership change. He has been an inspirational leader of the congregation with a deep love for Judaism, participation in worship and education, and an exemplary commitment to Jewish values and their application to contemporary society.

In addition to his immense contributions to Congregation Emanu El, Dr. Gold is a highly respected physician and teacher, and he has been recognized by his colleagues as a leader in the field of medicine. He has served as the president of various medical organizations, and he has received numerous awards for his work and achievements.

As his family, colleagues, patients, and fellow congregants would attest, Dr. Philip M. Gold is a truly deserving recipient of an award that honors the importance of integrity, character, ethics, humility, and love for others. Throughout his life, Dr. Gold has consistently embodied the best ideals of human values.

I congratulate Dr. Philip M. Gold on receiving the Rabbi Norman F. Feldheym Award and wish him continued success in his future endeavors.●

100TH ANNIVERSARY OF NORTH AUGUSTA, SOUTH CAROLINA

● Mr. GRAHAM. Mr. President, I rise today to recognize the 100th anniversary of North Augusta, SC. Preceded by the settlements of Hamburg and Campbelltown, North Augusta was founded on the north bank of the Savannah River in 1892 by James U. Jackson, whose development company planned the city's original layout. Officially chartered a town on April 11, 1906, North Augusta remained small and mostly residential until the early 1950s when the Savannah River Site was built. Thereafter, the town tripled in size, becoming a city. During the next half century, as new subdivisions were constructed around the city, commercial development flourished. Today, North Augusta is known for its first-class recreational facilities, community league sports teams, and caring people. It is a city that prides itself on responsive government and a strong sense of community. With a healthy respect for its past, an emerging riverfront, and careful growth, the city's future is bright.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 10:22 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 83. An act to memorialize and honor the contribution of Chief Justice William H. Rehnquist.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. STEVENS).

At 11:33 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3829. An act to designate the Department of Veterans Affairs Medical Center in Muskogee, Oklahoma, as the Jack C. Montgomery Department of Veterans Affairs Medical Center.

H.R. 4204. An act to direct the Secretary of the Interior to transfer ownership of the American River Pump Station Project, and for other purposes.

H.R. 4902. An act to award a Congressional gold medal to Byron Nelson in recognition of his significant contributions to the game of golf as a player, a teacher, and a commentator.

H.R. 4912. An act to amend section 242 of the National Housing Act to extend the exemption for critical hospitals under the FHA program for mortgage insurance for hospitals.

H.R. 5037. An act to amend titles 38 and 18, United States Code, to prohibit certain demonstrations at cemeteries under the control of the National Cemetery Administration and at Arlington National Cemetery, and for other purposes.

H.R. 5311. An act to establish the Upper Housatonic Valley National Heritage Area.

The message also announced that the House has passed the following bill, without amendment:

S. 1382. An act to require the Secretary of the Interior to accept the conveyance of certain land, to be held in trust for the benefit of Puyallup Indian tribe.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 1499) to amend the Internal Revenue Code of 1986 to allow members of the Armed Forces serving in a combat zone to make contributions to their individual retirement plans even if the compensation on which such contribution is based is excluded from gross income, and for other purposes, with amendment.

At 6:19 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4297) to provide for reconciliation on the budget for fiscal year 2006.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3829. An act to designate the Department of Veterans Affairs Medical Center in Muskogee, Oklahoma, as the Jack C. Montgomery Department of Veterans Affairs Medical Center; to the Committee on Veterans' Affairs.

H.R. 4204. An act to direct the Secretary of the Interior to transfer ownership of the American River Pump Station Project, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4902. An act to award a Congressional gold medal to Byron Nelson in recognition of his significant contributions to the game of golf as a player, a teacher, and a commentator; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 4912. An act to amend section 242 of the National Housing Act to extend the exemption for critical access hospitals under the FHA program for mortgage insurance for hospitals; to the Committee on Banking, Housing, and Urban Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were, laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–292. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to funding fully the Select Michigan Agriculture Program through the United States Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE RESOLUTION NO. 181

Whereas, the Michigan Department of Agriculture introduced the Select Michigan campaign in the Grand Rapids area to encourage Michigan residents to purchase locally grown and produced foods. Recently expanded to the Detroit area, the program uses posters, banners, and stickers in Michigan grocery stores and farmers' markets to identify locally grown food products. Since 2001, the Select Michigan program has highlighted the numerous Michigan-grown products available in the state, including apples, asparagus, blueberries, cherries, chestnuts, corn, dry beans, honey, maple syrup, peaches, and strawberries; and

Whereas, access to fresh and nutritious food products is vital to the health and well-being of Michigan residents. Michigan farms, which are second in the nation in the diversity of agricultural products grown, provide residents with a wide variety of locally grown fruits and vegetables. Identifying and marketing these products to the local population enables residents to support Michigan's agricultural industry, which contributes significantly to Michigan's economic well-being. The impact of Michigan's agriculture on our economy is estimated to be $60.1 billion annually and growing; and

Whereas, in 2001, a one-time block grant of $3.75 million from the United States Department of Agriculture provided support to launch the Select Michigan program. The program is able to continue due to a unique funding partnership involving the private sector and the federal government. However, to ensure all Michigan residents have access to fresh and nutritious locally grown food products and allow the Select Michigan program to expand to encompass the state, full funding of this program by the federal government is necessary: Now, therefore, be it

Resolved, by the House of Representatives. That we memorialize the Congress of the United States to fund fully the Select Michigan agricultural program through the United States Department of Agriculture; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–293. A concurrent memorial adopted by the House of Representatives of the Legislature of the State of Arizona relative to enacting a 2007 Farm Bill that is supportive of the specialty crop industry; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE CONCURRENT MEMORIAL 2001

Whereas, the fruit, vegetable and tree nut production in the United S1ates accounts for $35 billion in farmgate value, or 33 percent of farm cash receipts, and with the addition of nursery and greenhouse production, overall specialty crops account for 51 percent of farmgate value; and

Whereas, in Arizona, fruit, vegetable and tree nut production represents a $1 billion industry representing over 35 percent of Arizona's farm cash receipts; and

Whereas, the fruit, vegetable and tree nut industry is a critical and growing component of United States agriculture, deserving of full and equal consideration as other agricultural sectors in the Farm Bill; and

Whereas, the fruit, vegetable and tree nut industry does not seek direct program payments to growers, but rather places its emphasis on building the long-term competitiveness and sustainability of United States fruit and vegetable production; and

Whereas, government investment in the competitiveness and sustainability of the United States fruit and vegetable industry will produce a strong return on investment for all of America, not just farmers, by expanding access and availability of safe, wholesome, healthy and affordable fruits and vegetables. The Farm Bill will be a critical component in reaching the mandate of doubling fruit and vegetable consumption called for in the USDA/HHS 2005 Dietary Guidelines; and

Whereas, with the government's mandate that domestic producers meet the very highest standards in environmental regulation, labor and other areas comes the responsibility to help those producers achieve cost-effective compliance through government investment in this agriculture industry to create a fair, level playing field with international competitors who do not face the regulatory burdens of United States producers; and

Whereas, without appropriate assistance, United States fruit, vegetable and tree nut production will relocate to less restrictive foreign growing areas; and

Whereas, a thriving and competitive United States fruit, vegetable and tree nut industry will support strong growth in export markets and improve our agricultural balance of trade in order to realize the goal of increasing exports; and

Whereas, it is critical that federal policy and resources support efforts to remove the many existing international trade barriers that continue to block United States fruit, vegetable and tree nut exports. Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

1. That the United States Congress recognize the importance of the specialty crop industry in the development of the 2007 Farm Bill.

2. That the United States Congress support the priorities of the specialty crop industry in the 2007 Farm Bill.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of Congress from the State of Arizona.

POM—294. A joint resolution adopted by the Legislature of the State of Maine relative to memorializing the Secretary of the Navy to honor the gift of 1,000 acres known as the Brunswick Commons bestowed in 1719 by Pejepscot Proprietors to the Town of Brunswick forever and return it to the town at no cost; to the Committee on Armed Services.

JOINT RESOLUTION

We, your Memorialists, the Members of the One Hundred and Twenty-second Legislature of the State of Maine now assembled in the Second Regular Session, most respectfully present and petition the Honorable Gordon R. England, the Secretary of the Navy, as follows:

Whereas, nearly 300 years ago, in 1719, the Pejepscot Proprietors donated 1,000 acres of land in the township of Brunswick to be laid out as a ''general perpetual commonage to ye town of Brunswick forever''; and

Whereas, the Town of Brunswick accepted the gift in 1774 and laid out the 1,000 acres that would come to be known as Brunswick Commons. In 1783 a deed was conveyed to the town selectmen, and the land became property of the town forever; and

Whereas, an 1816 survey was recommended by the Town Commons committee as the correct survey of the land, and in 1891 granite monuments were placed to mark the boundaries of the deeded land; and

Whereas, the Federal Government took the majority of Brunswick Commons to build the Brunswick Naval Air Station, which served this nation well during World War II. Five of the original granite markers of the Brunswick Commons are within the boundary of the current base; and

Whereas, the base was deactivated after World War II in 1946 and recommissioned in 1951 and has been active since that date, providing support to the United States military as a vital part of America's defense system; and

Whereas, Brunswick Naval Air Station was targeted for decommissioning in the latest round of federal base closings, with the direction that the base be sold to the highest bidder instead of returning the land to its original use as described by deed; and

Whereas, the original deed clearly meant for this land to be for the common good of the Town of Brunswick and, while the subsequent use of the land for Brunswick Naval Air Station was important for our national security, the Town of Brunswick and the people of Maine feel strongly that, since the Federal Government no longer has need of this land, it should be returned to its original source; and

Whereas, the Town of Brunswick declared in 1968 the full 1,000 acres of the Brunswick Commons to be an Historic Landmark, and the Town of Brunswick and the people of the State of Maine seek to make the original Brunswick Commons whole again, at no cost to the Town of Brunswick: Now, therefore, be it

Resolved, That We, your Memorialists, on behalf of the people we represent, respectfully urge and request that Secretary England do all in his power to see that the land deeded to the people of Brunswick be returned to the people of Brunswick at no cost, now that the Federal Government no longer wants this historical tract of land; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable Gordon R. England, the Secretary of the Navy, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and each Member of the Maine Congressional Delegation.

POM–295. A resolution adopted by the Senate of the Legislature of the State of Hawaii relative to authorizing and appropriating funds to allow all members of the armed forces reserve component to access the TRICARE program; to the Committee on Armed Services.

SENATE RESOLUTION NO. 92

Whereas, Army National Guard members are fulfilling commitments in Iraq, Afghanistan, Bosnia, and the Sinai, with members of the Hawaii Army National Guard having recently served in Iraq and Afghanistain; and

Whereas, presently almost half of all service personnel deployed in Iraq are members of the reserve components of the United States armed forces, including members of the National Guard and Army, Navy, Air Force, and Marine Corps Reserves; and

Whereas under present law, for every ninety day period on active duty, a member of the reserve component receives one year of cost-share TRICARE health benefits if the member agrees to serve that year with a reserve component; and

Whereas, while well-intentioned, this measure does not go far enough to solve the problem of medical readiness that exists in the reserve component and can affect the mobilization and deployment of intact reserve component units; Now, therefore, be it

Resolved, By the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006, that the Congress of the United States is urged to authorize and appropriate funds to allow all members of the reserve component to access TRICARE health benefit coverage on a cost-share basis, without restrictions; and be it further

Resolved, That certified copies of this Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Defense, members of Hawaii's congressional delegation, the Governor, and the Adjutant General.

POM–296. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to taking such actions as are necessary to amend the Stafford Act to allow the use of emergency funds under the Federal Emergency Management Agency for stabilization and restoration of barrier islands; to the Committee on Banking, Housing, and Urban Affairs.

HOUSE CONCURRENT RESOLUTION NO. 62

Whereas, the Stafford Act is the federal act which authorizes uses of federal emergency funds under the Federal Emergency Management Agency (FEMA), with such authorized uses including re-establishment of vital and necessary infrastructure such as utilities, roads, levees, and other hurricane protection structures, hospitals, and facilities needed to house public agencies responsible for necessary public services; and

Whereas, coastal communities are dependent on the protection that barrier islands provide from storms originating off the coast, including the winds and storm surges associated with storms; and

Whereas, the storms from which the barrier islands soften the blow for coastal communities are not only hurricanes but include severe thunderstorms, tropical storms, and of course, hurricanes; and

Whereas, stabilization and re-establishment of barrier islands is an essential infrastructure need for coastal communities in the same manner as re-establishment of electricity, water, sewerage, and roads; therefore, such work on barrier islands should qualify for use of emergency funds under the Stafford Act: Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to amend the Stafford Act to allow the use of emergency funds under the Federal Emergency Management Agency for stabilization and restoration of barrier islands; be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–297. A joint memorial adopted by the Legislature of the State of Washington relative to section 5 of the Marine Mammal Protection Act of 1972 being preserved to continue protecting Puget Sound for current and future citizens of Washington and the United States to enjoy; to the Committee on Commerce, Science, and Transportation.

HOUSE JOINT MEMORIAL 4031

Whereas, Puget Sound provides significant economic and natural resource benefits to the citizens of Washington and the United States; and

Whereas, the state of Washington has adopted an oil spill prevention program with a zero spills strategy to protect the natural beauty of and economic benefits provided by Puget Sound; and

Whereas, the national marine fisheries service has listed the orca whale, Puget Sound chinook salmon, and Hood Canal summer chum under the federal endangered species act, bringing the total number of species listed as threatened, endangered, or candidate species on state and federal lists to forty; and

Whereas, in 1977, Senator Warren Magnuson declared that: ''The waters of Puget Sound, and the attendant resources, are indeed a major national environmental treasure. Puget Sound ought to be strictly protected; its resources ought not to be threatened. Since tanker accidents are directly related to the amount of tanker traffic, there should not be an expansion of traffic over what now presently exists.'';

Whereas, the Magnuson Amendment has protected Puget Sound waters from oil spill risks for twenty-eight years by limiting the amount of oil delivered to Washington refineries by tanker to the quantity used by Washington consumers; and

Whereas, the Washington State Department of Ecology reported in 2004 that approximately six hundred tankers a year

enter Washington waters, and additional tanker traffic would significantly increase the likelihood of oil spills in Puget Sound; and

Whereas, the Magnuson Amendment has effectively limited tankers headed for refineries at Anacortes and Cherry Point near Ferndale by prohibiting federal agencies from issuing permits for the construction or expansion of dock or related facilities unless that expansion was necessary to meet increased Washington state demand;

Now, therefore, Your Memorialists respectfully pray that section 5 of the Marine Mammal Protection Act of 1972 (33 U.S.C. Sec. 476) be preserved to continue protecting Puget Sound for current and future citizens of Washington and the United States to enjoy; be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the Secretary of the United States Department of Commerce, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–298. A resolution adopted by the Senate of the Legislature of the State of Louisiana relative to enacting the ''Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act of 2006''; to the Committee on Energy and Natural Resources.

SENATE RESOLUTION NO. 19

Whereas, the state of Louisiana currently receives only a small percentage of royalties for oil and gas production in federal waters off the coast of Louisiana; and

Whereas, other states in the United States receive fifty percent of royalties for oil and gas production on federal lands; and

Whereas, this current policy creates an inequity and results in Louisiana not receiving its fair and equitable share of royalty payments; and

Whereas, Louisiana has a greater need than other states to protect its state, its citizens and its infrastructure from coastal erosion and the effects associated with such coastal erosion, such as the impacts from hurricanes and tropical storms; and

Whereas, prior to hurricanes Katrina and Rita, Louisiana accounted for thirty percent of the commercial fisheries production of the lower forty-eight states, and ranked second in the nation for recreational harvest of saltwater fish; and

Whereas, prior to hurricanes Katrina and Rita, Louisiana produced more than eighty percent of the nation's offshore oil and gas supply while providing billions of dollars each year to the Federal treasury; and

Whereas, the United States has consistently received the economic benefits from the coast of Louisiana without Louisiana receiving its fair share of these benefits; and

Whereas, H.R. 4761 will provide the state of Louisiana up to seventy-five percent of oil and gas royalties produced off the coast of Louisiana; and

Whereas, these monies generated by the enactment of H.R. 4761 will provide billions of dollars for Louisiana over the next few decades which can be used for coastal restoration and protection; and

Whereas, leaders throughout Louisiana from Congressman Bobby Jindal, who introduced the bill, to Governor Kathleen Blanco who endorsed it, have come forward to urge its passage: Therefore, be it

Resolved, That the Senate of the Legislature of Louisiana memorializes the Congress of the United States to enact H.R. 4761, the ''Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act of 2006''; be it further

Resolved, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana delegation to the United States Congress.

POM–299. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to encouraging expansion of existing, or the construction of new petroleum refineries in the United States and to urging the petroleum industry to construct new refineries to meet our increasing energy needs; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 67

Whereas, the price of petroleum products has been rising out of control. Currently, the world crude oil price remains near 60 dollars a barrel, practically 30 dollars more than this time last year. Additionally, the national average price of regular gasoline is about 38 cents per gallon more than last year and diesel is almost 54 cents per gallon more than this time last year; and

Whereas, there has not been a new oil refinery built in the United States in nearly 30 years. Yet, in the intervening years, the total energy demand in the United States has grown by about 40 percent. According to the United States Energy Information Administration, the projected petroleum demand between 2003 and 2025 will increase by 30 percent. We need to plan for our future energy needs by incorporating new petroleum refineries into the United States' overall energy policy; and

Whereas, recent major investments in the Marathon Refinery located in the City of Detroit, Michigan's only refinery, will increase the output by about 28 percent, from 74,000 barrels per day to over 102,000 barrels per day. Securing Marathon's investment of $300 million was made possible through the collaborative efforts of Marathon, the city of Detroit, and the state of Michigan. Marathon's commitment to Michigan and the collaboration with the city and state to create a renaissance zone encompassing the refinery illustrates the type of creative solutions that can be used to promote the construction of new refineries; and

Whereas, constructing new refineries would also create new jobs and increase gasoline, fuels, and distillate output—all vital components of strengthening our economy. Michigan is well placed to locate a new refinery due to our proximity with Canada, this country's largest source of imported petroleum. Moreover, Michigan's highly skilled labor force could adapt to employment in the refinery industry; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Congress of the United States to establish a national energy policy that promotes the expansion of existing or construction of new petroleum refineries in the United States. We also urge the leaders of the petroleum industry to construct new refineries to meet our increasing energy needs; and be it further

Resolved, That it is our intention to work with local governments to identify appropriate locations for new refineries in Michigan communities that have a recognized commitment to job growth and this industry; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, the United States Environmental Protection Agency, the United States Department of Energy, the Michigan Petroleum Institute, and the American Petroleum Industries of Michigan.

POM–300. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to memorializing Congress to reauthorize the Abandoned Mine Reclamation Fund; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 382

Whereas, substantial coal mining has occurred in Pennsylvania for more than 130 years, and the industry has been a significant employer of our citizens for most of these years; and

Whereas, abandoned mines pose hazards in Pennsylvania of dangerous shafts, mountains of black waste, scarred landscapes, acidic drainages polluting more than 3,000 miles of our streams. and other hazards threatening human health and safety and depressing local economies; and

Whereas, at least 44 of Pennsylvania's 67 counties are affected by abandoned coal mines; and

Whereas, abandoned mines and abandoned mine lands create negative impacts on local economies by destroying recreational opportunities, lowering land values, leaving desolate communities once the mines are exhausted and ruining sites for further residential, forestry, commercial or agricultural uses; and

Whereas, reclamation of abandoned mine sites can add to the economy by creating jobs, increasing community pride, increasing property values, decreasing stress-related costs through streambased recreation, restoring the health of the environment and providing future sites for commercial or industrial endeavors; and

Whereas, Congress established the Abandoned Mine Reclamation Fund under Title IV of the Surface Mining Control and Reclamation Act of 1977 to reclaim areas abandoned before 1977 and the modern environmental standards requiring mine operators to reclaim their sites; and

Whereas, the Surface Mining Control and Reclamation Act of 1977 imposed on coal operators a fee of 35¢ per ton on surface I mined coal and 15¢ per ton on underground mined coal to provide a source of revenue for the Abandoned Mine Reclamation Fund to help finance the reclamation and remediation of lands mined prior to 1977; and

Whereas, the collection of fees on mined coal applied to the Abandoned Mine Reclamation Fund under Title IV of the Surface Mining Control and Reclamation Act of 1977 was set to expire on June 30, 2005, but is currently under extension to October 30, June 30, 2006; and

Whereas, Pennsylvania has relied upon the Abandoned Mine Reclamation Fund as a primary source of money to clean up toxic mine water in our water supplies, restore land, extinguish mine fires and eliminate other dangerous abandoned mine hazards: Now, therefore be it

Resolved (the Senate concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to reauthorize the collection of fees on mined coal at the current levels to provide continued funding to the Abandoned Mine Reclamation Fund to address abandoned mine hazards, pollution and scarred landscapes in Pennsylvania and other States.

POM–301. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to taking such actions as are necessary to immediately close the Mississippi River Gulf Outlet and to request that the Louisiana congressional delegation file the necessary legislation to accomplish this closure; to the

Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION NO. 38

Whereas, the Mississippi River Gulf Outlet (MRGO), a seventy-six-mile-long, man-made navigational channel which connects the Gulf of Mexico to the Port of New Orleans, was authorized by the United States Congress under the Rivers and Harbors Act of 1956 as a channel with a surface width of six hundred fifty feet, a bottom width of five hundred feet, and a depth of thirty-six feet, and it opened in 1965; and

Whereas, since MRGO was completed, the United States Army Corps of Engineers estimates that the area has lost nearly three thousand two hundred acres of fresh and intermediate marsh, more than ten thousand three hundred acres of brackish marsh, four thousand two hundred acres of saline marsh, and one thousand five hundred acres of cypress swamps and levee forests in addition to major habitat alterations due to saltwater intrusion from the loss of the marshes, which has resulted in dramatic declines in waterfowl and quadruped use of the marshes; and

Whereas, the costs of maintaining MRGO rise each year, with the cost of dredging now over twenty-five million dollars annually, or more than thirteen thousand dollars for each vessel-passage, in addition to the expenditure of millions for shoreline stabilization and marsh protection projects, with an anticipated cost increase of fifty-two percent between 1995 and 2005; and

Whereas, concerns about the environmental impact have increased through the years as evidenced by the fact that in 1998 the ''Coast 2050 Report'' contained closure of MRGO among the consensus recommendations, and the technical committee of the Coastal Wetland Planning, Preservation and Restoration Act Task Force listed closure as one of the highest-ranked strategies for coastal restoration; and

Whereas, in 1998 the St. Bernard Police Jury voted unanimously to request closure of the waterway because of fears that the dramatic loss of coastal wetlands and marshes caused by MRGO exposed the parish and the communities in the parish to much more severe impacts from the hurricanes and tropical storms that regularly occur in the Gulf of Mexico; and

Whereas, those concerns were echoed and amplified by scientists, engineers, and citizens throughout the region as reflected in requests from the Louisiana Legislature to congress in 1999 (SCR No. 266) and again in 2004 (HCR No. 35 and HCR No. 68) to close the waterway, and indeed, those concerns proved true in an extremely dramatic fashion on August 29, 2005, when Hurricane Katrina struck Louisiana's coast with a tidal surge well in excess of twenty feet; and

Whereas, there is a growing consensus that the flooding that occurred in St. Bernard Parish, New Orleans East, and the Lower Ninth Ward of New Orleans was a result of storm surge that flowed up MRGO to the point where it converges with the Intracoastal Waterway and that the confluence created a funnel that directed the storm surge into the New Orleans Industrial Canal, where it overtopped the levees along MRGO and the Industrial Canal and eventually breached the levees and flooded into the neighborhoods that lie close to those three waterways, resulting in more than eleven hundred deaths in the Greater New Orleans area, including one hundred twenty-eight deaths in St. Bernard Parish, destroying over twenty-four thousand homes, and rendering more than sixty-seven thousand residents of St. Bernard Parish and uncounted numbers in New Orleans East and the Lower Ninth Ward of New Orleans homeless, without possessions, and unemployed; and

Whereas, in addition to destroying homes, the flood waters washed away churches and other places of worship, schools, businesses, community centers, recreational facilities, utility and transportation infrastructure, in short the very fabric of society was decimated in these communities; and

Whereas, only three weeks later, on September 24, 2005, storm waters from Hurricane Rita surged up MRGO and caused additional flooding in St. Bernard Parish, New Orleans East, and the Lower Ninth Ward of New Orleans, exacerbating the traumatic losses in that area; and

Whereas, since the two hurricanes caused such widespread damage in St. Bernard Parish and New Orleans, congress has declined to appropriate further funds for dredging MRGO; and

Whereas, some engineers have opined that the current base along MRGO was damaged to the point that it will not support a Category 3 levee in the future; and

Whereas, the United States Army Corps of Engineers has stated that it has no authorization from congress to close the waterway or to fill the waterway to allow for the development of marshes and wetlands; and

Whereas, as the only entity which can authorize the waterway to be closed and which can enable the reestablishment of our essential coastal wetlands, the United States Congress must come to the aid of the citizens of Louisiana, particularly those of St. Bernard Parish and New Orleans by authorizing the immediate closure of MRGO; and

Whereas it is the responsibility of the Louisiana delegation to file the necessary legislation to accomplish the immediate closure of MRGO: Now, therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to immediately close the Mississippi River Gulf Outlet: and be it further

Resolved, That the Legislature of Louisiana does hereby urge and request the Louisiana congressional delegation to file the legislation necessary to accomplish this closure: and be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–302. A resolution adopted by the Senate of the Legislature of the State of New Jersey relative to enacting the ''Solid Waste Environmental Regulation Clarification Affecting Railroads Act of 2005''; to the Committee on Environment and Public Works.

SENATE RESOLUTION NO. 14

Whereas, a [conflict in] *provision of* Federal law [and policy] has resulted in the operation of certain solid wastehandling facilities located on railroad property to go unregulated; that certain Federal laws, notably the ''Solid Waste Disposal Act,'' should apply to the operation of these facilities; that [,unfortunately,] a broad-reaching Federal railroad statute [forbids] *has been interpreted by some courts as forbidding* environmental regulatory agencies from overseeing the safe handling of trash at these sites; and that these unintended consequences require the attention of and swift action by the United States Congress in enacting S. 1607, the ''Solid Waste Environmental Regulation Clarification Affecting Railroads Act of 2005''; and

Whereas, the Federal railroad law in question was enacted most recently in the ''Interstate Commerce Commission Termination Act of 1995'' to protect the operation of interstate rail service; that this law grants *literally* ''exclusive'' jurisdiction over rail transportation, and activities incident thereto, to the Federal Surface Transportation Board; that the Board is limited to only a passive role in ensuring that rail facilities are operated with minimal detriment to the public health and safety; and that these sites require active environmental regulation in the same manner that Federal and State environmental regulatory agencies regulate the operation of conventional solid waste handling, processing, transfer and disposal facilities; and

Whereas, the recent proliferation of solid waste rail transfer facilities has affected the ability of State and local governments in New Jersey and elsewhere to engage in environmentally sound long-term solid waste management planning and enforcement; and that, nevertheless, these agencies are still responsible for responding to accidents and incidents occurring at these facilities; and

Whereas, the [State] *New Jersey* Department of Environmental Protection (DEP) fined New York Susquehanna and Western (NYS&W) Railway Corporation $2.5 million for environmental violations associated with the operation of five solid waste transfer sites in North Bergen; that as a result. of seven investigations conducted from November 2004 to July 2005, DEP determined that NYS&W illegally operates five sites which load solid waste from trucks to rail cars; that one of the sites handles bulk shipments of soil and other State regulated waste associated with specific site remediation projects, while the remaining sites are open dumps that handle construction and demolition waste; and that DEP [cites] *cited* NYS&W with violating New Jersey's solid waste and air pollution laws at all five sites by loading solid and hazardous waste materials outdoors, failing to regularly clean areas in which solid waste is handled and failing to contain, collect and dispose of wastewater; and *that the District Court of New Jersey based on the Federal railroad law has temporarily restrained DEP from enforcing its solid waste regulations; and*

Whereas, in addition, DEP cited NYS&W for spilling hazardous waste, failing to contain litter and debris, and accumulating unprocessed waste in the area surrounding the facilities; that NYS&W also failed to control insects and rodents and emitted odor, dust and solid waste particles into the outdoor atmosphere in quantities resulting in air pollution; and that, notwithstanding the foregoing, *it has been argued that* Federal railroad law preempts enforcement actions such as this, even though the Surface Transportation Board has never [clarified whether it even has] *asserted* jurisdiction over the processing and sorting of solid waste at a rail facility; and

Whereas, constructing a transfer station in a former junkyard site in Elwood, a hamlet in Mullica Township, Atlantic County, a proposal by the Southern Railroad of New Jersey, is being resisted for health and safety reasons and challenged by the Pinelands Commission to respect requirements and protections accorded the Pinelands National Reserve under Federal and State statutes; and *the District Court of New Jersey has granted the State of New Jersey a preliminary injunction. ordering that the Pinelands Commission has jurisdiction over the proposed construction; and*

Whereas, the enactment of S. 1607 would ensure that Congress' intent was not to subvert the policies of the ''Solid Waste Disposal Act'' and other Federal and State environmental laws covering the handling of garbage; and that this bill's underlying purpose is to clarify that the true intent of Congress

in passing the solid waste law and the ''Interstate Commerce Commission Termination Act of 1995'' is to ensure that these laws work in tandem to provide for a robust, environmentally responsible rail system: Now, therefore, be it

Resolved by the Senate of the State of New Jersey:

1. This Senate Resolution memorializes Congress to enact S. 1607, the ''Solid Waste Environmental Regulation Clarification Affecting Railroads Act of 2005,'' in order to address the unregulated sorting and processing of waste materials at rail facilities.

2. Duly authenticated copies of this resolution, signed by the President of the Senate and attested by the Secretary thereof, shall be transmitted to the Vice President of the United States, the Speaker of the United States House of Representatives, the majority and minority leaders of the United States Senate and the United States House of Representatives, and each member of Congress elected from this State.

POM–303. A joint memorial adopted by the Legislature of the State of Washington relative to enacting the ''Kidney Care Quality Improvement Act of 2005; to the Committee on Finance.

HOUSE JOINT MEMORIAL 4023

Whereas, four hundred thousand Americans have irreversible kidney failure, a condition called ''End Stage Renal Disease'' (ESRD). ESRD is fatal unless a patient receives either dialysis or kidney transplantation. Since transplantation is limited due to the shortage of donor organs, seventy-five percent of ESRD patients must undergo regular and on-going dialysis treatment for the rest of their lives. In Washington State approximately 16,000 residents have ESRD; and

Whereas, today's ESRD patients are older and sicker due primarily to the aging of the population, and the growing incidence of diabetes and high blood pressure, fueled by the obesity epidemic. ESRD disproportionately impacts African-American and Hispanic individuals; and

Whereas, most patients with ESRD lack access to education programs about their disease that would allow them to make informed choices about their treatment and learn important self-management skills to improve their quality of life; and

Whereas, according to the most recent data available, less than one percent of all ESRD patients use home dialysis because of the barriers patients face in accessing this option. Home dialysis can improve a patient's quality of life by allowing him or her to remain employed and participate in other activities that promote well-being; and

Whereas, there is no coordinated effort between federal and state governments, health care professionals, dialysis providers, educators, patient advocates to develop programs to identify members of high-risk populations and develop culturally appropriate community-based approaches for improving the treatment of chronic kidney disease, which would lead to fewer cases of ESRD; and

Whereas, since 1972, Congress made a commitment to ESRD patients by providing coverage for the lifesaving therapy and dialysis, through the Medicare program. Medicare provides for the care of approximately seventy-five percent of patients receiving dialysis. Improvements are needed to continue to ensure access to high quality treatment for ESRD patients. Better care for patients means a better quality of life, improved rehabilitation, fewer medications, and fewer hospitalizations; and

Whereas, the rate paid by Medicare for ESRD services is the only Medicare prospective payment system without an annual update mechanism to adjust for increases. This means providers must ask Congress for increases rather than relying on the Department of Health and Human Services to make routine, data-driven decisions on payment adequacy. In the past twelve years, there have been only two increases in the ESRD composite rate, totaling 3.6 percent, to cover inflation, new technologies, and other costs, such as nurses' salaries. When adjusted for inflation, the average Medicare payment for dialysis treatment has been reduced from $138 in 1973 to $38 in 2000. The program is no longer sustainable under the current reimbursement structure;

Now, therefore, your Memorialists respectfully request that the United States House of Representatives and the United States Senate enact H.R. 1298 and S. 635, known as the ''Kidney Care Quality Act of 2005.'' The Act will modernize and update treatment of ESRD by adding Medicare coverage for kidney disease patient education services, improve the home dialysis benefit, and provide for an annual update for the Medicare ESRD composite rate. A demonstration project for an outcomes-based ESRD reimbursement system, as well as a study of barriers to accessing the home dialysis benefit, will lead to future improvements in delivery of care. A chronic kidney disease demonstration project will increase public awareness about the disease, with the goal of lowering the number of persons who will need kidney dialysis: Now, therefore, be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–304. A joint memorial adopted by the Legislature of the State of Washington relative to the ''Diabetes Self-Management Training Act''; to the Committee on Finance.

HOUSE JOINT MEMORIAL 4038

Whereas, diabetes is now widely recognized as one of the top public health threats facing our nation today and affects more than 18 million Americans. In 2002, diabetes accounted for 132 billion dollars in direct and indirect health care costs; and

Whereas, diabetes now affects nearly 1.4 million Washington residents: Over 298,000 people in Washington have been diagnosed with diabetes; over 126,000 people have undiagnosed diabetes; and over 963,000 people have prediabetes; and

Whereas, people who have diabetes need skills to manage their diabetes and skills to help them stay active in their lives. This training is central to diabetes prevention and care; and

Whereas, chronic disease self-management programs have a proven success rate, allowing persons with diabetes to better control their diabetes; and

Whereas, persons living with diabetes who are properly trained with self-management skills are better able to prevent the deadly complications of diabetes, which can include heart disease, stroke, blindness, lower extremity amputation, and kidney failure; and

Whereas, certified diabetes educators are highly trained multidisciplinary health care professionals dedicated to delivering quality diabetes self-management training; and

Whereas, evidence has shown that access to a certified diabetes educator improves the management of diabetes, a chronic illness that requries a high level of maintenance; and

Whereas, certified diabetes educators teach people with diabetes how to maintain the daily rigors of diet, exercise, meal planning, medication monitoring, healthy coping skills, and other factors necessary to control the disease; and

Whereas, certified diabetes educators are also on the front line of the efforts to promote prevention of diabetes; and

Whereas, Congress recognized the value of diabetes self-management training when it began covering the benefit in the Balanced Budget Act of 1997. At that time, most certified diabetes educators worked in a hospital setting and were able to bill Medicare for their services through the hospital's provider number. Unfortunately, during these tough economic times, hospitals are closing their diabetes education programs at a rate of two to five per month. This leaves diabetes educators without an avenue to provide or bill for diabetes education—services which are desperately needed to keep up with the growing number of people diagnosed with diabetes each day; and

Whereas, certified diabetes educators have received extensive training in diabetes management. They have met all criteria for initial certification, including a prerequisite qualifying professional credential in a specified health care profession, have professional practice experience in diabetes self-management training that includes one thousand hours of diabetes teaching, have passed a national examination offered by a certifying body recognized as entitled to grant certification to diabetes educators, and are required to renew the certification every five years;

Now, therefore, your Memorialists respectfully request that the United States House of Representatives and the United States Senate enact Senate Bill 626 and House Bill 3612, known as the ''Diabetes Self-Management Training Act.'' The Act will increase access to diabetes care by adding certified diabetes educators to the current list of Medicare providers, thereby making certified diabetes educators billable providers: Now, therefore, be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–305. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to reviewing and considering eliminating provisions of law which reduce social security benefits for those receiving benefits from federal, state, or local government retirement systems; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 63

Whereas, the Congress of the United States has enacted both the Government Pension Offset (GPO), reducing the spousal and survivor social security benefit, and the Windfall Elimination Provision (WEP), reducing the earned social security benefit for persons who also receive federal, state, or local retirement; and

Whereas, the intent of congress in enacting the GPO and the WEP provisions was to address concerns that a public employee who had worked primarily in federal, state, and local government employment might receive a public pension in addition to the same social security benefit as a worker who had worked only in employment covered by social security throughout his career; and

Whereas, the purpose of congress in enacting these reduction provisions was to provide a disincentive for public employees to receive two pensions; and

Whereas, the GPO negatively affects a spouse or survivor receiving federal, state, or

local government retirement benefits who would also be entitled to a social security benefit earned by a spouse; and

Whereas, the GPO formula reduces the spousal or survivor social security benefit by two-thirds of the amount of the federal, state, or local government retirement benefit received by the spouse or survivor, in many cases completely eliminating the social security benefit; and

Whereas, the WEP applies to those persons who have earned federal, state, or local government retirement benefits, in addition to working in covered employment and paying into the social security system; and

Whereas, the WEP reduces the earned social security benefit using an averaged indexed monthly earnings formula and may reduce social security benefits for such persons by as much as one-half of the uncovered public retirement benefits earned; and

Whereas, because of these calculation characteristics, the GPO and WEP have a disproportionately negative effect on employees working in lower-wage government jobs, like policemen, firefighters, teachers, and state employees; and

Whereas, these provisions also have a greater adverse effect on women than on men because of the gender differences in salary that continue to plague our nation; and

Whereas, Louisiana is making every effort to improve the quality of life of her citizens and to encourage them to live here lifelong: Now, therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to review the GPO and WEP social security benefit reductions and to consider eliminating them; and be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation and to the school boards of Beauregard, Calcasieu, Rapides, and Vernon parishes.

POM–306. A resolution adopted by the Senate of the Legislature of the State of Illinois relative to enacting a prescription drug benefit for senior citizens that is run by the Medicare program itself; to the Committee on Finance.

SENATE RESOLUTION NO. 630

Whereas, the Medicare prescription drug benefit enacted in 2003 took effect January 1, 2006, in the form of competing ''Medicare Part D'' plans sold by private insurance companies; and

Whereas, senior citizens are choosing from a wide array of private plans in each geographic area, with a confusing variety of designs and formularies; and

Whereas, the law states that a Medicare plan's formulary must cover just one brandname drug and one generic drug in each therapeutic category—a minimal requirement that will make it difficult for an older person to find all the drugs he/she takes in a single plan; and

Whereas, the drug plans will be allowed to switch the drugs in their formularies on a regular basis, making it likely that many seniors will sign up for a plan that covers a drug they take, only to find out a few months later that the drug is no longer covered by their plan; and

Whereas, the drug plans will bargain with the drug companies for lower prices, but instead of being required to pass the discounts on to seniors, they will be allowed to use the savings for advertising and overhead costs, or to increase their profits; and

Whereas, private drug plans will be unable to bargain effectively, because the Medicare market will be divided among hundreds of plans, diminishing the negotiating power of the huge Medicare population; and

Whereas, a drug benefit that's run by the Medicare program itself, rather than private insurance, could be given the authority to negotiate prices on behalf of all 44 million beneficiaries—resulting in enormous buying power and the ability to get the lowest prices possible; and

Whereas, this was born out by a recent study conducted by Families USA (September 2005), which found that the lowest drug prices negotiated by the private sponsors of the 2004/2005 Medicare discount cards far exceeded the low prices routinely negotiated by the Department of Veterans Affairs on behalf of the nation's veteran population; and

Whereas, seniors would not only benefit by the lower prices of a Medicare-run drug plan, but many would find a Medicare choice much less confusing than having to choose the most appropriate plan from among the dozens being marketed by private insurers: Now, therefore, be it

Resolved, by the Senate of the Ninety-Fourth General Assembly of the State of Illinois, That we call upon the United States Congress to enact a drug benefit for senior citizens that is run by the Medicare program itself; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, each member of the Illinois Congressional delegation, the Speaker of the United States House of Representatives, and the President of the United States Senate.

POM–307. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Kentucky relative to supporting democracy in Ethiopia through foreign policy efforts; to the Committee on Foreign Relations.

RESOLUTION

A resolution to encourage the President and the United States Congress to support democracy in Ethiopia through foreign policy efforts.

Whereas, the people of Ethiopia have developed and nourished a proud and distinguished culture that has endured for more than three millennia; and

Whereas, Ethiopia and the United States have had a long and productive friendship for many years; and

Whereas, the hope for democratic institutions was created in Ethiopia following the 1991 overthrow of the Communist regime of Mengistu Haile Mariam by a group that became the Ethiopian People's Revolutionary Democratic Front (EPRDF), under the leadership of Prime Minister Meles Zenawi; and

Whereas, the ascendance of the EPRDF led instead to nondemocratic, one-party rule where democratic symbols such as a free press and elections are used but are manipulated by Meles's government for their own ends; and

Whereas, elections were held on May 15, 2005, and the turnout of voters was as high as an estimated ninety percent (90%), with voters waiting in line for up to seventeen (17) hours to cast their votes; and

Whereas, despite a large turnout of electors in which many voted for the main opposition party, the Coalition for Unity and Democracy (CUD), the EPRDF government quickly declared that it had been reelected to power; and

Whereas, facing protests from high schoolers and college students sympathetic with various oppositions parties, government security forces fired on the demonstrators, killing more than eighty (80) people and injuring more than one hundred (100) others; and

Whereas, Tesfaye Adane Tara, an opposition politician elected to parliament in the May elections was shot to death, allegedly by security forces; and

Whereas, human rights groups in Ethiopia alleged that more than three thousand (3,000) people were rounded up and detained following the violence in June of 2005, being held without charges and without constitutional protections of due process; and

Whereas, violence erupted again in early November of 2005; resulting in the death of at least forty-eight (48) people and injuries to hundreds of individuals, including women and children; and

Whereas, leaders of the opposition parties were once again detained and charged with treason, an offense punishable by death; and

Whereas, as many as twenty-five hundred (2,500) opposition supporters and some opposition party election observers were held in remote detention centers; and

Whereas, the Meles government has arrested numerous journalists and closed all independent newspapers in Ethiopia; and

Whereas, reports by Human Rights Watch indicate that the violence is not relegated just to the urban areas, but that checkpoints have been set up throughout the rural areas of the country, in the Oromia and Amhara regions where minority groups are prevalent and international observers are not located; and

Whereas, European Union election observers have condemned the 2005 election results as not meeting the international standard for genuine democratic elections and have reported undemocratic control of the media, a general climate of intimidation and human rights violations against opposition supporters, as well as first-hand accounts of the violence; and

Whereas, many Ethiopians still look to the Western democracies for their greatest hope, encouraging countries that donate foreign aid to intervene and place pressure on the Meles government to follow through with their promised democratic institutions and constitutional protections; and

Whereas, Britain suspended further aid to Ethiopia after the June violence; and

Whereas, members. of the United States Congress have called on the Bush Administration to condition any further economic and military assistance on substantial improvements in these matters; and

Whereas, House Resolution 4423, sponsored by Representative Christopher H. Smith, has been introduced in the United States House of Representatives and calls for the consolidation of security, human rights, democracy, and economic freedom in Ethiopia; Now, therefore, be it

Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives urges the United States Congress to continue to encourage the formation of democratic institutions, multiparty participation, free elections, respect for fundamental human rights, and constitutional protections for all citizens in Ethiopia.

Section 2. The House of Representatives encourages the United States Congress to pass House Resolution 4423 as a means for encouraging appropriate action towards freedom and democracy in Ethiopia.

Section 3. The House of Representatives encourages the President and United States Department of State to use every possible means at their command to examine our country's foreign policies toward Ethiopia for ways to encourage democratic institutions, multiparty participation, free elections, respect for fundamental human rights, and constitutional protections for all citizens in Ethiopia.

Section 4. The Clerk of the House of Representatives is hereby directed to transmit a copy of this Resolution to the Honorable George W. Bush, 1600 Pennsylvania Avenue, Washington, D.C. 20500; the Honorable Richard Cheney, Vice President, 1600 Pennsylvania Avenue, Washington, D.C. 20500; the Honorable Condoleeza Rice, 2201 C Street, N.W., Washington, D.C. 20520; His Excellency Kassahun Ayele, Embassy of Ethiopia, 3506 International Drive, N.W., Washington, D.C. 20008; the Honorable Dennis Hastert, Speaker of the House of Representatives, 235 Cannon House Office Building, Washington, D.C. 20515; the Honorable Mitch McConnell, 361–A Russell Senate Office Building, Washington, D.C. 20510; the Honorable Jim Bunning, 316 Hart Senate Office Building, Washington, D.C. 20510; the Honorable Ben Chandler, 1504 Longworth House Office Building, Washington, D.C. 20515; the Honorable Geoff Davis, 1541 Longworth House Office Building, Washington, D.C. 20515; the Honorable Ron Lewis, 2418 Rayburn House Office Building, Washington, D.C. 20515; the Honorable Anne Northup, 2459 Rayburn House Office Buiiding, Washington, D.C. 20515; the Honorable Harold Rogers, 2406 Rayburn House Office Building, Washington, D.C. 20515; the Honorable Ed Whitfield, 301 Cannon House Office Building, Washington, D.C. 20515.

POM–308. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to enacting legislation to provide additional funding for research in order to find a treatment and a cure for Amyotrophic Lateral Sclerosis; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 616

Whereas, Amyotrophic Lateral Sclerosis (ALS) is better known as Lou Gehrig's disease; and

Whereas, ALS is a fatal neurodegenerative disease characterized by degeneration of cell bodies of the lower motor neurons in the gray matter of the anterior horns of the spinal cord; and

Whereas, The initial symptom of ALS is weakness of the skeletal muscles, especially those of the extremities; and

Whereas, as ALS progresses, the patient experiences difficulty in swallowing, talking and breathing; and

Whereas, ALS eventually causes muscles to atrophy, and the patient becomes a functional guadriplegic; and

Whereas, ALS does not affect a patient's mental capacity, so a patient remains alert and aware of the loss of motor functions and the inevitable outcome of continued deterioration and death; and

Whereas, ALS occurs in adulthood, most commonly between the ages of 40 and 70, with the peak age about 55, and affects men two to three times more often than women; and

Whereas, More than 5,600 new ALS patients are diagnosed annually; and

Whereas, It is estimated that 30,000 Americans may have ALS at any given time; and

Whereas, On average, patients diagnosed with ALS survive two to five years from the time of diagnosis; and

Whereas, Research indicates that military veterans are at a 50% or greater risk of developing ALS than those who have not served in the military; and

Whereas, ALS has no known cause, prevention or cure; and

Whereas, ''Amyotrophic Lateral Sclerosis (ALS) Awareness Month'' will increase public awareness of ALS patients' circumstances, acknowledge the terrible impact this disease has on patients and families and recognize the research for treatment and cure of ALS; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania recognize the month of May 2006 as ''Amyotrophic Lateral Sclerosis (ALS) Awareness Month'' in Pennsylvania; and be it further

Resolved, That the House of Representatives urge the President and Congress of the United States to enact legislation to provide additional funding for ALS research; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, to the members of Congress from Pennsylvania and to the United States Secretary of Health and Human Services.

POM–309. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to taking such actions as are necessary to remove the TRIO programs Upward Bound and Talent Search from the list of programs to be eliminated in the 2007 budget and to memorialize congress to continue the funding of such programs; to the Committee on Health, Education, Labor, and Pensions.

HOUSE CONCURRENT RESOLUTION NO. 24

Whereas, the term ''TRIO'' was coined by the late 1960s in reference to a series of federal educational opportunity programs created as part of President Lyndon B. Johnson's ''War on Poverty''; and

Whereas, funded under Title IV of the Higher Education Act of 1965, the TRIO programs have expanded and improved over the decades to provide a wide range of services to help students overcome class-related, social, and cultural barriers to higher education; and

Whereas, the president's 2007 budget proposal requests the nationwide elimination of two TRIO programs, Upward Bound and Talent Search; and

Whereas, Upward Bound, the goal of which is to increase the rates at which participants enroll in and graduate from postsecondary education institutions, provides vital support to participants in their preparation for college entrance, and serves high school students from low-income families, high school students from families in which neither parent holds a bachelor's degree, and low-income, first-generation military veterans who are preparing to enter postsecondary education; and

Whereas, Talent Search, the goal of which is to increase the number of young people from disadvantaged backgrounds who complete high school and enroll in the postsecondary educational institution of their choice, provides academic, career, and financial counseling to its participants and encourages them to graduate from high school and also serves high school dropouts by encouraging them to complete their education; and

Whereas, Upward Bound and Talent Search are two essential programs that provide crucial services to students, such as instruction in core curriculum subjects, academic advising, tutorial services, mentoring programs, assistance in completing college and financial aid applications, and support in preparing for college entrance exams; and

Whereas, it is in the best interest of the Nation's students that Upward Bound and Talent Search, two outstanding TRIO programs, be continued because they have made, and will continue to make, significant contributions toward the improvement of education in the nation and toward ensuring that as many students as possible receive every opportunity afforded by a quality education in the United States of America. Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to remove the TRIO programs Upward Bound and Talent Search from the list of programs to be eliminated in the 2007 budget and does hereby memorialize congress to continue the funding of such programs. Be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–310. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to taking such actions as are necessary to ensure that the Federal Emergency Management Agency and the United States Army Corps of Engineers break up large federal disaster recovery contracts in Louisiana so that small, locally owned businesses can compete for and be awarded such contracts; to the Committee on Homeland Security and Governmental Affairs.

HOUSE CONCURRENT RESOLUTION NO. 4

Whereas, Hurricanes Katrina and Rita struck the state of Louisiana causing severe flooding and damage to the southern part of the state that has threatened the safety and security of the citizens of the affected areas of the state of Louisiana; and

Whereas, the destruction caused by these devastating storms damaged public works, such as levees, bridges, and highways, and spread debris over a wide area of the southern part of the State; and

Whereas, the Federal Emergency Management Agency and the United States Army Corps of Engineers have control over a great percentage of the contracts to repair levees, remove debris, and provide for transportation of trailers and other important activities vital to the restoration and revitalization of the affected areas of Louisiana; and

Whereas, for the most part, these contracts have been awarded to large companies with the result being that small local companies have been shut out of the process; and

Whereas, it is likely that breaking up these large contracts would make it more likely that smaller businesses can be competitive in the bid process; and

Whereas, the awarding of contracts to smaller Louisiana businesses would help to jump start Louisiana post-Katrina economy and help the devastated areas and their people to quicken the pace of recovery. Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to ensure that the Federal Emergency Management Agency and the United States Army Corps of Engineers break up large federal disaster recovery contracts in Louisiana so that small, locally owned businesses can compete for and be awarded such contracts. Be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

POM–311. A resolution adopted by the Senate of the Legislature of the State of Illinois relative to supporting the Secure America and Orderly Immigration Act of 2005; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 578

Whereas, the Secure America and Orderly Immigration Act of 2005 (S. 1033 and H.R. 2330) would require the Secretary of Homeland Security to develop and implement a National Strategy for Border Security, establish a H–5A essential worker visa program for low-skilled workers, and exempt immediate relatives of U.S. citizens from the annual cap on family-sponsored immigrant visas; and

Whereas, the United States House of Representatives passed H.R. 4437 that would criminalize the undocumented, their employers, and asylum-seekers alike, tear apart families, and needlessly devastate our economy; and

Whereas, the United States of America was founded by immigrants who traveled from around the world to seek a better life; and

Whereas, the United States has an undocumented population of 11 million immigrants, including half a million in Illinois; and

Whereas, Illinois immigrants fill key roles in our economy such as paying taxes, including contributions to Social Security that they cannot receive back, raising families, and contributing to our schools, churches, neighborhoods, and community; and

Whereas, our current immigration system contributes to long backlogs, labor abuses, countless deaths on the border, and vigilante violence and is in dire need of reform to meet the challenges of the 21st century; and

Whereas, any comprehensive reform must involve a path to citizenship for these hardworking immigrants, as well as reunification of families and a safe and orderly process for enabling willing immigrant workers to fill essential jobs in our economy and ensure full labor rights; and

Whereas, the immigration initiative severely punishes illegal employment practices while creating a path to earned permanent legal states for individuals who have been working in the United States, paying taxes, obeying the law, and learning English, and protecting workers by ensuring the right to change jobs, join a union, and report abusive employment situations; and

Whereas, modernizing our antiquated and dysfunctional immigration system will uphold our nation's basic values of fairness, equal opportunity, and respect for the law; therefore, be it

Resolved, by the Senate of the Ninety-Fourth General Assembly of the State of Illinois, That we urge the Illinois Congressional Delegation and all of Congress to support ''The Secure America and Orderly Immigration Act of 2005'' (S. 1033 and H.R. 2330), which allows every hardworking, law-abiding individual to achieve the American Dream; and be it further

Resolved, That copies of this resolution be delivered to the President of the United States, the President of the Senate, the Majority and Minority Leaders of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the House of Representatives, and each member of the Illinois Congressional Delegation.

POM–312. A resolution adopted by the Senate of the Legislature of the State of Illinois relative to a private bill in the United States Congress that was introduced by Congressman BOBBY RUSH in September 2005 on behalf of the La Familia group; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 523

Whereas, United States citizen children throughout Illinois and the nation are being separated from either their father or mother because of our broken immigration laws; this causes great emotional and financial harm to these children and violates the right to family unity; and

Whereas, the thirty-five families, which come from nearly all of the congressional districts in Illinois and are known as La Familia Latina Unida (La Familia), represent families separated, or threatened by the prospect of separation, by the broken immigration laws and regulations that span the State of Illinois; these individuals are mothers or fathers of U.S. citizen children and are married, in most cases, to U.S. citizen spouses; the hardship claimed in each case is the hardship on these U.S. citizens that has occurred due to the separation or imminent separation of their families; and

Whereas, these thirty-five families, including their one hundred U.S. citizen children, have waged a courageous public campaign on their own behalf and on behalf of similarly affected families throughout the nation; the hardship faced by these families is both economic and emotional; and

Whereas, H.R. 3856, a private bill in the United States Congress, was introduced by Congressman BOBBY RUSH in September of this year on behalf of the La Familia group; this bill would confer legal status on the mothers or fathers of these families and allow for their permanent unification; and

Whereas, the immigration cases that are represented encompass a range of human and legal situations that will be highly instructive to the immigration debate in the U.S. Senate; in many of these cases, the individuals have presented themselves fully and completely through the process dictated and have been denied because of the rule that restricts travel to their country of origin in family emergencies, even though they have fully presented themselves in their required applications; and

Whereas, due to the difference in House and Senate rules relating to private bills, the introduction of a companion bill in the U.S. Senate will provide for the more immediate security of these families and allow them to continue their public testimony, a testimony vitally in the public interest in the midst of the upcoming debate over reform of immigration laws; and

Whereas, support for the private bill in the House and Senate does not represent support for any particular immigration reform bill; therefore, be it

Resolved, by the Senate of the Ninety-fourth General Assembly of the State of Illinois, That we strongly recommend passage of H.R. 3856 and the introduction of its companion in the U.S. Senate; and be it further

Resolved, That we encourage the United States Congress to take action on federal immigration reform, which would provide for family unification as part of part of comprehensive immigration reform; and be it further

Resolved, That suitable copies of this resolution be forwarded to the Speaker of the United States House of Representatives, the President pro tempore of the United States Senate, and to each member of the Illinois Congressional delegation.

POM–313. A concurrent resolution adopted by the House of Representatives of the Legislature of the State of Louisiana relative to taking such actions as are necessary to secure our nation's borders, identify and deport immigration violators, preclude automatic citizenship for children born of such violators, and revise the work visa program; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 33

Whereas, we support legal immigration to our country and acknowledge the tremendous contributions made by legal immigrants throughout our history to our economy and society; and

Whereas, we must strengthen the Border Patrol to stop illegal crossing and must equip the Border patrol with the tools, technologies, structures, and sufficient force necessary to secure the border; and

Whereas, it is estimated that eleven million citizens of other countries have entered and currently remain in the United States in violation of applicable immigration and naturalization laws; and

Whereas, the ability of such persons to illegally enter and remain in the United States presents a grave risk to the security of the United States; and

Whereas, in many instances the resources of national, state, and local governmental entities are overburdened and depleted or exhausted by attempts to deal with and meet the needs of such persons after they illegally enter the United States; and

Whereas, border security and immigration law enforcement are critical elements in America's national security; and

Whereas, strengthening the capacity of law enforcement to apprehend persons entering our country illegally is essential to protecting the sovereignty of the United States; and

Whereas, immigration enforcement training needs to be provided to state and local law enforcement agencies to strengthen their enforcement of immigration laws; and

Whereas, withholding United States citizenship from children born to illegal aliens will remove another incentive to enter our country illegally; and

Whereas, all employers in the United States should be held responsible for hiring illegal aliens and be subjected to substantial fines for doing so; and

Whereas, working or residing illegally in our country must not establish welfare rights or benefits of any kind; and

Whereas, respect for the rule of law is a bedrock principle of our country, our culture, and our posterity; and

Whereas, elected leaders across the country are constantly and vigorously confronted with demands that appropriate legislative action be taken to address and resolve the problems of illegal immigration. Therefore, be it

Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to provide appropriate authority and teams to accomplish the following:

(1) Effectively secure the borders of the United States against illegal immigration and all other illegal crossings, using our military if necessary.

(2) Identify all persons who are currently in the United States in violation of immigration and naturalization laws and arrange for their return to their country of origin as expeditiously as reasonably possible.

(3) Preclude automatic citizenship for children born in the United States to persons in the United States in violation of immigration and naturalization laws.

(4) After effectively closing our borders to illegal entry, revise our present work visa program to remove the means by which it is abused, requiring a reliable means of tracking entry and exit and continually verifying the identity and location of each such worker, and providing no amnesty or preference for those persons presently in the United States illegally. Be it further

Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America land to each member of the Louisiana congressional delegation.

POM–314. A resolution adopted by the Senate of the State of Michigan relative to providing funding to help states and local communities clean up and address the disastrous

effects of clandestine methamphetamine labs; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 101

Whereas, There is a meth epidemic in the United States, and it is having a devastating effect on our country. Meth abuse is causing social, economic, and environmental problems. Children residing in homes with meth labs live in danger and often suffer from neglect and abuse. Meth production costs citizens and governments millions of dollars for a variety of reasons, including law enforcement costs, drug treatment for offenders, cleanup of production sites, and placement of endangered children; and

Whereas, Meth labs leave behind a toxic mess of chemicals and pose a significant danger to communities. The manufacture of one pound of methamphetamine results in six pounds of waste. These wastes include corrosive liquids, acid vapors, heavy metals, solvents, and other harmful materials that can disfigure skin or cause death. Hazardous materials from meth labs are typically disposed of illegally and may cause severe damage to the environment; and

Whereas, Between 1992 and 2004, the number of clandestine meth lab-related cleanups increased from 394 to over 10,000 nationwide. The cost of cleaning up clandestine labs in FY 2004 was approximately $17.8 million; and

Whereas, States and local governments are bearing the burden of funding the cleanup efforts. Many local communities are finding and seizing meth labs. The lab sites remain dangerous to the public, however, because neither the state or the local community has adequate funding to clean them up; and

Whereas, The Combat Meth Act of 2005, which was recently signed into law as a part of the USA Patriot Improvement and Reauthorization Act of 2005, authorizes cleanup funding, but only for areas designated ''Meth Hot Spots.'' The meth epidemic is a national crisis, however, and scores of states and local governments across the country are in dire need of funding to help clean up clandestine labs; now, therefore, be it

Resolved by the Senate, That we memorialize the United States Congress to provide funding for meth lab cleanup that is available to all states and local governments that are in the midst of the meth epidemic; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–315. A resolution adopted by the House of Representatives of the General Assembly of the Commonwealth of Pennsylvania relative to increasing the penalties imposed upon a person who vandalizes a national war memorial; to the Committee on the Judiciary.

HOUSE RESOLUTION NO. 628

Whereas, The Civil War is the bloodiest and most tragic war in which this country has ever engaged, and indisputably its worst conflagration occurred July 1 through 3, 1863, in Gettysburg; and

Whereas, there were more than 52,000 human casualties during this three-day event, and nearly every Civil War unit for the North and for the South was engaged; and

Whereas, in the years following the war and continuing through the 1990s with the 1993 dedication of the Friend to Friend Memorial, war memorials have been erected by private donations, publicly dedicated and maintained by the National Park Service as testimony of the sacrifices made by those who fought at Gettysburg; and

Whereas, on February 15, 2006, three Civil War monuments on the Gettysburg Battlefield were vandalized heinously, one representing the 114th PVI Pennsylvania monument and two others representing New York and Massachusetts; and

Whereas, this vandalism demonstrates that present penalties are insufficient to deter such actions; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Congress of the United States to increase the minimum fines and other minimum penalties for vandalizing a national war memorial; and be it further

Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

POM–316. A resolution adopted by the Council of the Borough of Roselle Park, State of New Jersey relative to opposing New York/New Jersey/Philadelphia Metropolitan Airspace Redesign proposals of the Federal Aviation Administration; to the Committee on Commerce, Science, and Transportation.

POM–317. A resolution adopted by the Township Committee of the Township of Winfield, State of New Jersey relative to opposing New York/New Jersey/Philadelphia Metropolitan Airspace Redesign proposals of the Federal Aviation Administration; to the Committee on Commerce, Science, and Transportation.

POM–318. A resolution adopted by the Council of the City of Gretna, State of Louisiana relative to enacting the ''Domestic Energy Production through Offshore Exploration and Equitable Treatment of State Holdings Act of 2006''; to the Committee on Energy and Natural Resources.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of a nomination was submitted:

By Mr. DOMENICI for the committee on Energy and Natural Resources.

*Dirk Kempthorne, of Idaho, to be Secretary of the Interior.

*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.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. VITTER:

S. 2774. A bill to ensure efficiency and fairness in the awarding of Federal contracts in connection with Hurricane Katrina and Hurricane Rita reconstruction efforts; to the Committee on Homeland Security and Governmental Affairs.

By Mrs. HUTCHISON:

S. 2775. A bill to extend the temporary suspension of duty on electrical radio broadcast receivers not combined with a clock; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 2776. A bill to extend the temporary suspension of duty on electrical radio broadcast receivers combined with a clock; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 2777. A bill to extend the temporary suspension of duty on hand-held radio scanners; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mr. GREGG):

S. 2778. A bill to suspend temporarily the duty on ethanol; to the Committee on Finance.

By Mr. INHOFE (for himself and Mr. VITTER):

S. 2779. A bill to amend titles 38 and 18, United States Code, to prohibit certain demonstrations at cemeteries under the control of the National Cemetery Administration and at Arlington National Cemetery, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. INHOFE (by request):

S. 2780. A bill to authorize the Administrator of the Environmental Protection Agency to advance cooperative conservation efforts, to reduce barriers to the formation and use of partnerships to enable Federal environmental stewardship agencies to meet the conservation goals and obligations of the agencies, to promote remediation of inactive and abandoned mines, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INHOFE (for himself, Mr. CHAFEE, and Ms. MURKOWSKI):

S. 2781. A bill to amend the Federal Water Pollution Control Act to enhance the security of wastewater treatment works; to the Committee on Environment and Public Works.

By Mr. TALENT (for himself, Mr. HARKIN, Mr. BOND, and Mr. LUGAR):

S. 2782. A bill to establish the National Institute of Food and Agriculture, to provide funding for the support of fundamental agricultural research of the highest quality, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEAHY (for himself, Mr. FRIST, Mr. REID, Mr. BIDEN, Mr. DURBIN, Mr. OBAMA, Mr. GRASSLEY, Mr. CORNYN, Mr. BROWNBACK, Mr. GRAHAM, Ms. STABENOW, Mr. MENENDEZ, Mr. ALLEN, Ms. CANTWELL, and Mr. KYL):

S. Res. 472. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers; considered and agreed to.

By Ms. MURKOWSKI (for herself, Mr. TALENT, and Mrs. LINCOLN):

S. Res. 473. A resolution designating May 14, 2006, as ''National Police Survivors Day''; considered and agreed to.

ADDITIONAL COSPONSORS

S. 333

At the request of Mr. SANTORUM, the name of the Senator from Rhode Island (Mr. REED) was withdrawn as a cosponsor of S. 333, a bill to hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

S. 772

At the request of Mr. CORNYN, the name of the Senator from Idaho (Mr.

CRAIG) was added as a cosponsor of S. 772, a bill to amend the Internal Revenue Code of 1986 to expand workplace health incentives by equalizing the tax consequences of employee athletic facility use.

S. 2039

At the request of Mr. DURBIN, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2039, a bill to provide for loan repayment for prosecutors and public defenders.

S. 2388

At the request of Mr. VOINOVICH, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 2388, a bill to establish a National Commission on the Infrastructure of the United States.

S. 2424

At the request of Mr. ALLEN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 2424, a bill to amend the Internal Revenue Code of 1986 to increase the contribution limits for health savings accounts, and for other purposes.

S. 2491

At the request of Mr. CORNYN, the name of the Senator from Idaho (Mr. CRAIG) was withdrawn as a cosponsor of S. 2491, a bill to award a Congressional gold medal to Byron Nelson in recognition of his significant contributions to the game of golf as a player, a teacher, and a commentator.

At the request of Mr. CORNYN, the names of the Senator from Georgia (Mr. ISAKSON) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 2491, supra.

S. 2503

At the request of Mrs. LINCOLN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 2503, a bill to amend the Internal Revenue Code of 1986 to provide for an extension of the period of limitation to file claims for refunds on account of disability determinations by the Department of Veterans Affairs.

S. 2679

At the request of Mr. TALENT, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 2679, a bill to establish an Unsolved Crimes Section in the Civil Rights Division of the Department of Justice, and an Unsolved Civil Rights Crime Investigative Office in the Civil Rights Unit of the Federal Bureau of Investigation, and for other purposes.

S. 2694

At the request of Mr. CRAIG, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 2694, a bill to amend title 38, United States Code, to remove certain limitation on attorney representation of claimants for veterans benefits in administrative proceedings before the Department of Veterans Affairs, and for other purposes.

S. 2748

At the request of Mr. BINGAMAN, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 2748, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives to promote energy production and conservation, and for other purposes.

S. RES. 409

At the request of Mr. NELSON of Florida, the name of the Senator from Florida (Mr. MARTINEZ) was added as a cosponsor of S. Res. 409, a resolution supporting democracy, development, and stabilization in Haiti.

S. RES. 469

At the request of Mr. LIEBERMAN, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. Res. 469, a resolution condemning the April 25, 2006, beating and intimidation of Cuban dissident Martha Beatriz Roque.

S. RES. 470

At the request of Mr. KERRY, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. Res. 470, a resolution promoting a comprehensive political agreement in Iraq.

AMENDMENT NO. 3871

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of amendment No. 3871 intended to be proposed to S. 1955, a bill to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INHOFE (for himself, Mr. CHAFEE, and Ms. MURKOWSKI):

S. 2781. A bill to amend the Federal Water Pollution Control Act to enhance the security of wastewater treatment works; to the Committee on Environment and Public Works.

Mr. INHOFE. Mr. President, I rise today to introduce the Wastewater Treatment Works Security Act of 2006. I am pleased to be joined in this effort by Senator CHAFEE, the chairman of the Subcommittee on Fisheries, Wildife and Water and Senator MURKOWSKI, an important and influential member of the Committee on Environment and Public Works, EPW. The bill being proposed is similar to legislation, S. 1039, that passed the Committee on Environment and Public Works last Congress on a strong bipartisan vote and a bill that passed the House of Representatives by a vote of 413 to 2. Unfortunately, some of my colleagues in the minority objected to bringing that important, bipartisan legislation to the floor. At an impasse with the close of the 108th Congress, I asked the Government Accountability Office to survey the wastewater community in order to determine what steps publicly owned treatment works, POTWs, had taken to assess their security and if need be, what steps they had taken to enhance security at their facilities.

In March 2006 we received GAO's report and the results confirm that the approach advocated by the House of Representatives and by the EPW Committee is the right approach. The Federal Government must work cooperatively with our counterparts at the state and local level to ensure our nation's infrastructure is secure. GAO found that without a federal requirement to do so, the overwhelming majority of the largest POTWs have conducted or are in the process of conducting vulnerability assessments. They did not need a heavy handed federal mandate to do the right thing. Of those who have not and do not plan to do a vulnerability assessment, a majority believed they had taken sufficient other security measures or believed that by updating their Emergency Response Plan the utility had a good understanding of its vulnerabilities.

While this is tremendous progress, it is important that all systems know what their vulnerabilities are and take steps to mitigate them. The legislation my colleagues Senator CHAFEE and Senator MURKOWSKI and I introduce today builds upon the good work already taking place by working in collaboration with the publicly owned treatment works. For the few systems remaining who have not done an assessment, our bill provides them an incentive to do so by authorizing funding. Further, once these systems have completed their assessments and certified to EPA that they have done so, they can join their colleagues in seeking grants to address some of the security problems identified in the assessments.

During Hurricane Katrina, we saw how important emergency response plans are and how valuable mutual aid agreements can be. Our bill allows funding for the development, expansion or upgrading of an emergency response plan as well as for the voluntary creation of a mutual aid agreement or participation in such an agreement.

The GAO also found that the majority facilities had actually made significant security improvements prior to the tragedy of September 11. Of the 206 who responded, 149 had vehicle gates; 174 had security fences; 160 had redundant power sources; 133 had redundant pumping devices or collection bypass systems. Following September 11, 138 facilities now have safeguards for onsite delivery of materials and 112 have additional site lighting. It is important for all of my colleagues to note how much progress these entities have taken to secure their facilities and protect their communities.

The use of chlorine has been a topic of discussion for years. Chlorine is by far the most effective disinfectant available and it is the least expensive. During these times of aging systems, growing Federal regulations and limited resources, cost is an important

consideration. In its January 2005 report on security at wastewater utilities, the GAO estimated it would cost a utility $12.5 million to switch from chlorine to sodium hypochlorite. There are other considerations that must be considered as well, such as downstream effects of a chlorine alternative. For example, the switch from chlorine to chloramines in Washington, DC's drinking water system was found to cause lead to leach out of service pipes and into the faucets of homes and businesses. Thus, decisions about chlorine must be fully evaluated and must be site specific. Many POTWs are already undergoing these evaluations. After careful review of cost, technical feasibility and safety considerations, and without the presence of a Federal mandate on technology, 116 of the 206 largest POTWs do not use gaseous chlorine. According to the GAO report, another 20 plan to switch to a technology other than chlorine. To sum, nearly two-thirds of the nation's largest POTWs are not using chlorine. Those who continue to use chlorine have taken steps to ensure the chlorine is secure.

While the GAO report found significant steps were being taken at the nation's largest wastewater utilities, the Office also found an area very much in need of assistance. Each POTW has a collection system that consists of the pipes to carry wastewater from homes and businesses to the treatment works. These pipes are often large enough for an individual to stand in and they provide an underground roadway beneath most major cities. In its January 2005 report, 42 of the 50 experts on GAO's panel identified the collection system as the most vulnerable asset of a POTW. However, in discussions with engineers and utility managers, there remain many questions and obstacles on how to effectively secure a collection system. Therefore, our bill authorizes a research program to identify how a collection system could be used in a terrorist attack, how to identify potential chemicals or explosives that could be placed in a collection system and how best to mitigate against these risks. Finally, our legislation asks EPA to examine the various drinking water technologies to determine how affordable and effective each is.

As GAO found, POTWs are taking the critical steps necessary to secure their facilities and develop appropriate response mechanisms in the event of an attack or natural disaster. We at the Federal level must continue to work with them, not against them by imposing one-size-fits-all, heavyhanded unfunded Federal regulations. I hope my colleagues will join me in supporting this legislation and that we can finally enact wastewater security legislation.

By Mr. TALENT (for himself, Mr. HARKIN, Mr. BOND, and Mr. LUGAR):

S. 2782. A bill to establish the National Institute of Food and Agriculture, to provide funding for the support of fundamental agricultural research of the highest quality, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HARKIN. Mr. President, today, Senator TALENT and I, along with a group of our colleagues, are introducing the National Institute of Food and Agriculture Act of 2006. In the 2002 farm bill, a research, education and economics task force within the Department of Agriculture, USDA, was established to evaluate agricultural research. A key recommendation of this task force was to create a National Institute for Food and Agriculture, NIFA, within USDA in order to support fundamental agricultural research to ensure that American agriculture remains competitive now and in the future. This bill does exactly that. The NIFA would be a grant-making agency that funds food and agricultural research through a competitive, peer-reviewed process. These funds would be in addition to, not as a substitute for, current research programs at USDA's Agricultural Research Service, ARS, and Cooperative State Research, Education, and Extension Service, CSREES.

American agriculture must ensure that our Nation continues to produce safe and nutritious food for an increasing population. Other challenges in the areas of food and agriculture are problems we are facing right now: renewable energy, rural development, overweight and obesity, and environmental challenges. Investment in fundamental research remains our best hope to finding solutions to problems confronting American farmers and consumers of food and agriculture products now and in the future. Our Nation's investment in research has produced remarkable tangible results in the medical field, but food and agricultural research lags far behind. USDA's task force noted that the amount of funding designated for competitively awarded, peer-reviewed agricultural research grants is outpaced 100 to 1 by the National Institutes of Health. Our entire Nation is reaping the benefits of past agricultural research, but more can be done, and research will become much more important in the future as we face increased globalization and competition from foreign markets. Increasing our investment in food and agriculture research is a necessity for the future of America's food and agriculture industry and consumers alike. And that is why I support the National Institute of Food and Agriculture Act of 2006. I encourage my colleagues to do so too.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 472—COMMEMORATING AND ACKNOWLEDGING THE DEDICATION AND SACRIFICE MADE BY THE MEN AND WOMEN WHO HAVE LOST THEIR LIVES WHILE SERVING AS LAW ENFORCEMENT OFFICERS

Mr. LEAHY (for himself, Mr. FRIST, Mr. REID, Mr. BIDEN, Mr. DURBIN, Mr. OBAMA, Mr. GRASSLEY, Mr. CORNYN, Mr. BROWNBACK, Mr. GRAHAM, Ms. STABENOW, Mr. MENENDEZ, Mr. ALLEN, Ms. CANTWELL, and Mr. KYL) submitted the following resolution; which was considered and agreed to:

S. RES. 472

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 900,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of peace;

Whereas peace officers are on the front lines in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 156 peace officers across the United States were killed in the line of duty during 2005, which is below the decade-long annual average of 167 deaths;

Whereas a number of factors contributed to this reduction in deaths, including—

(1) better equipment and increased use of bullet-resistant vests;

(2) improved training;

(3) longer prison terms for violent offenders; and

(4) advanced emergency medical care;

Whereas every other day, 1 out of every 16 peace officers is assaulted, 1 out of every 56 peace officers is injured, and 1 out of every 5,500 peace officers is killed in the line of duty somewhere in the United States; and

Whereas on May 15, 2006, more than 20,000 peace officers are expected to gather in Washington, D.C., to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2006, as ''Peace Officers Memorial Day'', in honor of the Federal, State, and local officers that have been killed or disabled in the line of duty; and

(2) calls on the people of the United States to observe that day with appropriate ceremonies and respect.

SENATE RESOLUTION 473—DESIGNATING MAY 14, 2006, AS ''NATIONAL POLICE SURVIVORS DAY''

Ms. MURKOWSKI (for herself, Mr. TALENT, and Mrs. LINCOLN) submitted the following resolution; which was considered and agreed to:

S. RES. 473

Whereas, in the United States, 1 law enforcement officer is killed every 53 hours, and between 140 and 160 law enforcement officers lose their lives in the line of duty each year;

Whereas, on May 14, 1983, on the eve of the 2nd annual National Peace Officers' Memorial Service, 10 widows of fallen law enforcement officers came together at dinner to discuss the lack of support for law enforcement survivors;

Whereas, exactly 1 year later, that discussion led to the formation of Concerns of Police Survivors, Inc. at the first annual National Police Survivors Seminar, which drew 110 law enforcement survivors from throughout the United States;

Whereas Concerns of Police Survivors, Inc. has grown to serve over 15,000 surviving families of fallen law enforcement officers by providing healing, love, and the opportunity for a renewed life;

Whereas Concerns of Police Survivors, Inc. and its 48 chapters throughout the United States—

(1) provide a program of peer support and counseling to law enforcement survivors for 365 days a year;

(2) helps survivors obtain the death benefits to which they are entitled; and

(3) sponsors scholarships for children and surviving spouses to pursue post-secondary education;

Whereas Concerns of Police Survivors, Inc. sponsors a year-round series of seminars, meetings and youth activities, including the National Police Survivors' Seminar during National Police Week, retreats for parents, spouses, siblings, and programs and summer activities for young and adolescent children;

Whereas Concerns of Police Survivors, Inc. helps law enforcement agencies cope with the loss of an officer by promoting the adoption of standardized policies and procedures for line-of-duty deaths; and

Whereas Concerns of Police Survivors, Inc. inspires the public to recognize the sacrifices made by law enforcement families by encouraging all citizens of the United States to tie a blue ribbon to their car antenna during National Police Week: Now, therefore, be it

Resolved, That the Senate—

(1) designates May 14, 2006, as ''National Police Survivors Day''; and

(2) calls on the people of the United States to observe National Police Survivors' Day with appropriate ceremonies to pay respect to—

(A) the survivors of the fallen heroes of law enforcement; and

(B) the fallen law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3874. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table.

SA 3875. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3876. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3877. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3878. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3879. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3880. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3881. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3882. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3883. Mr. VITTER (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3884. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3885. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3886. Mr. FRIST proposed an amendment to the bill S. 1955, supra.

SA 3887. Mr. FRIST proposed an amendment to amendment SA 3886 proposed by Mr. FRIST to the bill S. 1955, supra.

SA 3888. Mr. FRIST proposed an amendment to the bill S. 1955, supra.

SA 3889. Mr. FRIST proposed an amendment to the bill S. 1955, supra.

SA 3890. Mr. FRIST proposed an amendment to amendment SA 3889 proposed by Mr. FRIST to the bill S. 1955, supra.

SA 3891. Ms. COLLINS (for herself and Ms. MURKOWSKI) submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3892. Ms. COLLINS (for herself and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3893. Ms. COLLINS (for herself and Mr. FEINGOLD) submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3894. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3895. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3896. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3897. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3898. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3899. Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. REID, Mr. BAUCUS, Mr. KENNEDY, Mrs. CLINTON, Mr. KERRY, Mr. BINGAMAN, Ms. CANTWELL, Mr. PRYOR, Mr. HARKIN, Mr. OBAMA, Mr. LAUTENBERG, Mr. SCHUMER, Mr. KOHL, Mr. LIEBERMAN, Mr. DODD, Mr. DAYTON, Mr. JOHNSON, Mr. MENENDEZ, Mrs. BOXER, Mr. NELSON, of Florida, Ms. MIKULSKI, Ms. STABENOW, Mr. CARPER, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3900. Mr. CARPER (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3901. Mr. AKAKA (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3902. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3903. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3904. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3905. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3906. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3907. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3908. Mr. BAUCUS (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3909. Mr. FEINGOLD (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3910. Mr. FEINGOLD (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3911. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3912. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3913. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3914. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3915. Mr. NELSON, of Florida (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3916. Mr. REID (for himself, Mrs. CLINTON, Mrs. MURRAY, and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3917. Mr. BAUCUS (for himself and Mr. REID) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3918. Mr. DODD (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3919. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3920. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3921. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3922. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3923. Ms. STABENOW (for herself and Mr. LEVIN) submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

SA 3924. Ms. SNOWE (for herself, Mr. BYRD, Mr. TALENT, and Mr. DOMENICI) submitted an amendment intended to be proposed by her to the bill S. 1955, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3874. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In section 2932(b)(2) of the Public Health Service Act (as added by section 301 of the bill), strike the second sentence.

SA 3875. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In section 103 of the bill, strike subsection (b).

SA 3876. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In section 802 of the Employee Retirement Incomes Security Act of 1974 (as added by section 101(a) of the bill) strike subsection (d).

In section 103 of the bill, strike subsection (b).

SA 3877. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In section 802 of the Employee Retirement Incomes Security Act of 1974 (as added by section 101(a) of the bill) strike subsection (d)(2).

Strike sections 2914, 2924, and 2934 of the Public Health Service Act (as added by sections 201 and 301 of the bill).

SA 3878. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In section 802 of the Employee Retirement Incomes Security Act of 1974 (as added by section 101(a) of the bill) strike subsection (d).

SA 3879. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike sections 2912(b), 2913, 2914, 2923, 2924, 2933, and 2934 of the Public Health Service Act (as added by section 201 and amended by section 301 of the bill).

At the appropriate place in title XXIX of the Public Health Service Act (as added by section 201 and amended by section 301 of the bill), insert the following:

''SEC. 29___. PRESERVING STATE AUTHORITY OVER HEALTH INSURANCE.

''(a) FEDERAL RATING RULES.—

''(1) STATE OPTION TO ACCEPT OR REJECT.—A State may elect to adopt or reject the Model Small Group Rating Rules or the Transitional Small Group Rating Rules promulgated under section 2911(a).

''(2) NO FEDERAL PREEMPTION FOR NON-ADOPTING STATES.—In the case of any State that elects not to adopt the Model Small Group Rating Rules or the Transitional Small Group Rating Rules promulgated under section 2911(a), no provision of this Act shall be construed to—

''(A) preempt or supersede any law of such State; or

''(B) limit the ability of such State to enforce any State law with respect to health insurance coverage.

''(b) FEDERAL BENEFIT CHOICE STANDARDS.—

''(1) STATE OPTION TO ACCEPT OR REJECT.—A State may elect to adopt or reject the Benefit Choice Standards promulgated under section 2922(a).

''(2) NO FEDERAL PREEMPTION FOR NON-ADOPTING STATES.—In the case of any State that elects not to adopt the Benefit Choice Standards promulgated under section 2922(a), no provision of this Act shall be construed to—

''(A) preempt or supersede any law of such State; or

''(B) limit the ability of such State to enforce any State law with respect to health insurance coverage.

''(c) FEDERAL HARMONIZATION STANDARDS.—

''(1) STATE OPTION TO ACCEPT OR REJECT.—A State may elect to adopt or reject the harmonized standards certified by the Secretary under section 2932(d).

''(2) NO FEDERAL PREEMPTION FOR NON-ADOPTING STATES.—In the case of any State that elects not to adopt the harmonized standards certified by the Secretary under section 2932(d), no provision of this Act shall be construed to—

''(A) preempt or supersede any law of such State; or

''(B) limit the ability of such State to enforce any State law with respect to health insurance coverage.

SA 3880. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of—

(1) increasing premiums for health insurance coverage for individuals with diabetes;

(2) permitting a health insurance issuer to deny coverage for medical items or services needed to treat, mitigate, or cure diabetes; or

(3) limiting the ability of a State to enforce State laws that prohibit premium increases or denials of coverage described in paragraphs (1) or (2);

shall not apply and shall not be enforced.

SA 3881. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON PARTICIPATION.

Notwithstanding any other provision of this Act (or an amendment made by this Act), participation in small business health plans shall be limited to small employers (as defined for purposes of part 8 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (as added by section 101(a)).

SA 3882. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MODIFICATION OF REFERENCE TO NAIC MODEL RULES.

Wherever in this Act (or an amendment made by this Act) there is a reference to the ''Adopted Small Employer Health Insurance Availability Model Act of 1993 of the National Association of Insurance Commissioners'' such reference shall be deemed to be the ''Adopted Small Employer Health Insurance Availability Model Act of 2000 of the

National Association of Insurance Commissioners''.

SA 3883. Mr. VITTER (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. GAO STUDY CONCERNING BENEFITS MANDATES.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Government Accountability Office shall complete a study, and submit to the Committee on Health, Education, Labor, and Pensions of the Senate, a report concerning certain health insurance benefits and services that are mandated by State laws and covered under small business health plans under this Act.

(b) PURPOSE.—The purpose of the study under subsection (a) shall be to compare benefits and services covered by small business health plans under this Act with benefits and services that are mandated by State laws.

(c) BENEFITS TO BE STUDIED.—For the purposes of this section, the benefits to be studies under the study under subsection (a) shall include—

(1) chiropractic coverage;

(2) mammography services;

(3) minimum hospital stays;

(4) secondary consultations for women who undergo mastectomies and lymph node dissections for breast cancer;

(5) bone density screenings;

(6) cervical cancer screenings;

(7) maternity care;

(8) well-baby care;

(9) immunizations;

(10) autism treatments and services;

(11) obesity coverage; and

(12) diabetes coverage.

(d) OTHER STUDY AREAS.—In conducting the study and submitting the report under subsection (a), the Government Accountability Office shall—

(1) consider the total number of small business health plans approved pursuant to this Act;

(2) include a summary of the 5 largest small business health plans, measured by the number of enrollees, which shall, with respect to each such plan, include—

(A) a list of all benefits covered;

(B) a list of States with residents covered under such plan; and

(C) a comparison of benefits covered under such plan with benefits mandated by the insurance laws of each State in which the plan is offered;

(3) for each of the benefits described in subsection (c), contain a list of the States that mandate such coverage; and

(4) for each of the benefits described in subsection (c), contain a description of the total number of small business health plans offering such benefit.

SA 3884. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. COUNTERFEIT-RESISTANT TECHNOLOGIES FOR PRESCRIPTION DRUGS.

(a) REQUIRED TECHNOLOGIES.—The Secretary of Health and Human Services shall require that the packaging of any prescription drug incorporate—

(1) radio frequency identification (RFID) tagging technology, or similar trace and track technologies that have an equivalent function;

(2) tamper-indicating technologies; and

(3) blister security packaging when possible.

(b) USE OF TECHNOLOGIES.—

(1) AUTHORIZED USES.—The Secretary shall require that technologies described in subsection (a)(1) be used exclusively to authenticate the pedigree of prescription drugs, including by—

(A) implementing inventory control;

(B) tracking and tracing prescription drugs;

(C) verifying shipment or receipt of prescription drugs;

(D) authenticating finished prescription drugs; and

(E) electronically authenticating the pedigree of prescription drugs.

(2) PRIVACY PROTECTION.—The Secretary shall prohibit technologies required by subsection (a)(1) from containing or transmitting any information that may be used to identify a health care practitioner or the prescription drug consumer.

(3) PROHIBITION AGAINST ADVERTISING.—The Secretary shall prohibit technologies required by subsection (a)(1) from containing or transmitting any advertisement or information about prescription drug indications or off-label prescription drug uses.

(c) RECOMMENDED TECHNOLOGIES.—The Secretary shall encourage the manufacturers and distributors of prescription drugs to incorporate into the packaging of such drugs, in addition to the technologies required under subsection (a), overt optically variable counterfeit-resistant technologies that—

(1) are visible to the naked eye, providing for visual identification of prescription drug authenticity without the need for readers, microscopes, lighting devices, or scanners;

(2) are similar to technologies used by the Bureau of Engraving and Printing to secure United States currency;

(3) are manufactured and distributed in a highly secure, tightly controlled environment; and

(4) incorporate additional layers of nonvisible covert security features up to and including forensic capability.

(d) STANDARDS FOR PACKAGING.—

(1) MULTIPLE ELEMENTS.—For the purpose of making it more difficult to counterfeit the packaging of prescription drugs, the Secretary shall require manufacturers of prescription drugs to incorporate the technologies described in paragraphs (1), (2), and (3) of subsection (a), and shall encourage manufacturers and distributors of prescription drugs to incorporate the technologies described in subsection (c), into multiple elements of the physical packaging of the drugs, including—

(A) blister packs, shrink wrap, package labels, package seals, bottles, and boxes; and

(B) at the item level.

(2) LABELING OF SHIPPING CONTAINER.—Shipments of prescription drugs shall include a label on the shipping container that incorporates the technologies described in subsection (a)(1), so that members of the supply chain inspecting the packages will be able to determine the authenticity of the shipment. Chain of custody procedures shall apply to such labels and shall include procedures applicable to contractual agreements for the use and distribution of the labels, methods to audit the use of the labels, and database access for the relevant governmental agencies for audit or verification of the use and distribution of the labels.

(e) PENALTY.—A prescription drug is deemed to be misbranded for purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) if the packaging or labeling of the drug is in violation of a requirement or prohibition applicable to the drug under subsection (a), (b), or (d).

(f) TRANSITIONAL PROVISIONS; EFFECTIVE DATES.—

(1) NATIONAL SPECIFIED LIST OF SUSCEPTIBLE PRESCRIPTION DRUGS.—

(A) INITIAL PUBLICATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall publish in the Federal Register a list, to be known as the National Specified List of Susceptible Prescription Drugs, consisting of not less than 30 of the prescription drugs that are most frequently subject to counterfeiting in the United States (as determined by the Secretary).

(B) REVISION.—Not less than annually through the end of calendar year 2009, the Secretary shall review and, as appropriate, revise the National Specified List of Susceptible Prescription Drugs. The Secretary may not revise the List to include fewer than 30 prescription drugs.

(2) EFFECTIVE DATES.—The Secretary shall implement the requirements and prohibitions of subsections (a), (b), and (d)—

(A) with respect to prescription drugs on the National Specified List of Susceptible Prescription Drugs, beginning not later than the earlier of—

(i) 1 year after the initial publication of such List; or

(ii) December 31, 2007; and

(B) with respect to all prescription drugs, beginning not later than December 31, 2010.

(3) AUTHORIZED USES DURING TRANSITIONAL PERIOD.—In lieu of the requirements specified in subsection (b)(1), for the period beginning on the effective date applicable under paragraph (2)(A) and ending on the commencement of the effective date applicable under paragraph (2)(B), the Secretary shall require that technologies described in subsection (a)(1) be used exclusively to verify the authenticity of prescription drugs.

(g) DEFINITIONS.—In this Act:

(1) The term ''pedigree''—

(A) means the history of each prior sale, purchase, or trade of the prescription drug involved to a distributor or retailer of the drug (including the date of the transaction and the names and addresses of all parties to the transaction); and

(B) excludes information about the sale, purchase, or trade of the drug to the drug consumer.

(2) The term ''prescription drug'' means a drug subject to section 503(b)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 353(b)(1)).

(3) The term ''Secretary'' means the Secretary of Health and Human Services.

SA 3885. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health

plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—HEALTH RECORDS

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Independent Health Record Bank Act of 2006''.

SEC. ___02. PURPOSES.

It is the purpose of this title to provide for the establishment of a nationwide health information technology network to—

(1) improve healthcare quality, reduce medical errors, increase the efficiency of care, and advance the delivery of appropriate, evidence-based healthcare services;

(2) promotes the wellness, disease prevention, and management of chronic illnesses by increasing the availability and transparency of information related to the healthcare needs of an individual;

(3) ensure that appropriate information necessary to make medical decisions is available in a usable form at the time and in the location that the medical service involved is provided;

(4) produces greater value for healthcare expenditures by reducing healthcare costs that result from inefficiency, medical errors, inappropriate care, and incomplete information;

(5) promotes a more effective marketplace, greater competition, greater systems analysis, increased choice, enhanced quality, and improved outcomes in healthcare services;

(6) improve the coordination of information and the provision of such services through an effective infrastructure for the secure and authorized exchange and use of healthcare information; and

(7) ensure that the confidentiality of individually identifiable health information of a patient is secure and protected.

SEC. ___03. DEFINITIONS.

In this title:

(1) ACCOUNT.—The term ''account'' means an electronic health record of an individual contained in an independent health record bank.

(2) ELECTRONIC HEALTH RECORD.—The term ''electronic health record'' means a longitudinal collection of personal health information concerning a single individual, entered or accepted by healthcare providers, and stored electronically.

(3) HEALTHCARE ENTITY.—The term ''healthcare entity'' includes healthcare consumers, providers, and payers, government agencies, pharmaceutical companies, laboratories, and research institutes.

(4) HIPAA.—The term ''HIPAA'' means the regulations under section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2 note).

(5) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term ''individually identifiable health information'' has the meaning given such term in section 1171(6) of the Social Security Act (42 U.S.C. 1320d(6)).

(6) NONIDENTIFIABLE HEALTH INFORMATION.—The term ''nonidentifiable health information'' means any list, description or other grouping of consumer information (including publicly available information pertaining to them) that is derived without using personally identifiable information that is not publicly available.

(7) PARTIALLY IDENTIFIABLE HEALTH INFORMATION.—The term ''partially identifiable health information'' means any list, description, or other grouping of consumer information (and publicly available information pertaining to them) derived using any personally identifiable information that is not publicly available.

(8) PROTECTED HEALTH INFORMATION.—The term ''protected health information'' shall have the meaning given such term for purposes of HIPAA.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

SEC. ___04. INDEPENDENT HEALTH RECORD BANKS.

(a) PURPOSE.—It is the purpose of this section to provide for the establishment of independent health record banks to achieve a savings of money and lives in the healthcare system through—

(1) the creation and storage of lifetime individual electronic health records for individuals that may contain health plan and debit card functionality and that serves the interests of all healthcare entities;

(2) the utilization of technological infrastructure with the goal of connecting health records to build a national health information network;

(3) the provision of health information data sets, within distinct authorization boundaries, based on usage needs, including—

(A) the sale of approved data for research and other consumer purposes as provided for under section ___06(b);

(B) the provision of data for emergency healthcare as provided for under section ___06(c); and

(C) the provision of data for all other healthcare needs determined appropriate by the Secretary (in accordance with the protections provided for under section ___06);

(4) the offering of incentives to employers that face rising employee health costs, to encourage employee participation in independent health record banks; and

(5) the creation of a source of tax-free income to support the operations of the independent health record banks, and, through revenue sharing, to provide incentives to independent health record bank account holders, healthcare providers, and fee payers to contribute health information.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prescribe standards for the establishment and certification of independent health record banks to carry out the purposes described in subsection (a).

(2) REQUIREMENT OF NON-PROFIT ENTITY.—The standards under paragraph (1) shall permit a non-profit entity to establish an independent health record bank as a cooperative entity that operates for the benefit and in the interests of the membership of the bank as a whole. Such bank shall be owned and controlled by its members.

(3) FOR-PROFIT ENTITIES.—A for-profit entity may not participate in the establishment and operation of an independent health record bank, except to the extent that such entity is by contract employed to assist in carrying out the operations of the bank.

(4) TREATMENT AS COVERED ENTITY FOR PURPOSES OF HIPAA.—To the extent that an independent health record bank (or associated vendor) is engaged in transmitting protected health information, the bank shall be considered to be a covered entity for purposes of HIPAA with respect to such information.

(c) MEMBERSHIP.—

(1) IN GENERAL.—To be eligible to be a member of an independent health record bank, an individual shall obtain or have obtained a product or service from a covered entity that is to be used primarily for personal, family, or household purposes, or that individual's legal representative.

(2) NO LIMITATION ON MEMBERSHIP.—Nothing in this subsection shall be construed to permit an independent health record bank to restrict membership.

(d) RIGHTS RELATING TO INFORMATION IN THE BANK.—

(1) INDIVIDUAL CONSUMERS.—

(A) GENERAL RIGHT.—An individual who has a health record contained in an independent health record bank shall maintain ownership over the entire health record and shall have the right to review the contents of the record in its entirety at any time during the normal business operating hours of the bank.

(B) ADDITIONAL INFORMATION AND LIMITATION.—An individual described in subparagraph (A) may add personal health information to the health record of that individual, except that such individual shall not alter or falsify information that is entered into the health record by another healthcare entity. Such an individual shall have the right to propose an amendment to such information pursuant to standards prescribed by the Secretary relating to the correction of information contained in a health record.

(2) OTHER HEALTHCARE ENTITIES.—A healthcare entity (other than an individual) shall serve as the custodian of only that information that has been added by such entity to the health record of an individual that is maintained by an independent health record bank. Such entity may be permitted to have access to other specified information contained in such health record (including the entire record if appropriate) if such access is granted by the independent health record bank and the individual involved (pursuant to standards prescribed by the Secretary relating to access to information).

(e) FINANCING OF ACTIVITIES.—

(1) IN GENERAL.—An independent health record bank may generate revenue to pay for the operations of the bank through—

(A) charging healthcare entities, including individual account holders, account fees for use of the bank;

(B) the sale of nonidentifiable and partially identifiable health information contained in the bank for research purposes (as provided for in section ___06(b)); and

(C) the conduct of any other activities determined appropriate by the Secretary.

(2) SHARING OF REVENUE.—Revenue derived under paragraph (1)(B) shall be shared with independent health record bank account holders, and may be shared with healthcare providers and payers, in accordance with this title.

(3) TREATMENT OF INCOME.—For purposes of the Internal Revenue Code of 1986, any revenue described in this subsection shall not be included in gross income of any independent health record bank, independent health record bank account holder, healthcare provider, or payer described in this subsection.

SEC. ___05. HEALTHCARE CLEARINGHOUSE ACTIVITIES.

(a) APPLICATION OF SECTION.—This section shall apply to an independent health record bank (and associated vendors) with respect to activities undertaken by such bank in operating as a health care clearinghouse (as such term is defined in section 1171(2) of the Social Security Act (42 U.S.C. 1329d(2)).

(b) ACCREDITATION.—

(1) IN GENERAL.—To be eligible to carry out clearinghouse activities under this section, an independent health record bank (and associated vendors performing clearinghouse functions) shall be accredited by a national standards development organization, utilizing the criteria described in paragraph (2), that is properly authenticated and registered with the Attorney General and the Federal Trade Commission pursuant to the provisions of the National Cooperation Research and Production Act of 1993 (15 U.S.C. 4301 et seq.).

(2) CRITERIA.—The criteria to be used by a national standards development organization

in the accreditation of an independent health record bank under this section shall be designed to measure the competency, assets, practices, and procedures of the bank for purposes of conducting clearinghouse activities. Such criteria shall include—

(A) the technical capacity and electronic facilities of the bank for the receipt, transmission, and handling of electronic health information transactions;

(B) the ability of the bank to process transactions to which HIPAA applies;

(C) the backup and disaster recovery plans and capacity of the bank;

(D) the privacy practices, procedures, and employee training programs of the bank consistent with HIPAA; and

(E) the security practices, procedures, and employee training programs of the bank consistent with HIPAA, including compliance with the HIPAA security rule that protected health information must only be viewable by the intended recipient.

(3) EXISTING CLEARINGHOUSES.—An independent health record bank operated by an entity that has been certified under part C of title XI of the Social Security Act (42 U.S.C. 1320d et seq.) as a health care clearinghouse prior to the date of enactment of this Act shall be considered to be accredited for purposes of paragraph (1).

(c) INFORMATION REQUIREMENT.—An independent health record bank acting as a health care clearinghouse under this section shall ensure that reporting services are provided to individual consumers in a manner that includes the provision of lists of individuals or organizations that have accessed the health record account of the consumer or to whom health information disclosures concerning the consumer have been made in accordance with the requirements of HIPAA.

SEC. ___06. AVAILABILITY AND USE OF HEALTHCARE INFORMATION IN BANK.

(a) GENERAL RULE.—Except as provided in this section, access to specified sections of, or an entire, electronic health record maintained by an independent health record bank concerning an individual shall only be provided with the prior authorization of the individual involved, as authenticated as provided for under the standards prescribed by the Secretary under section ___08.

(b) AVAILABILITY OF DATA FOR RESEARCH AND OTHER ACTIVITIES.—An independent health record bank may sell nonidentifiable and partially identifiable health information concerning and individual only if—

(1) the bank and the individual involved agree to the sale;

(2) the agreement provided for under paragraph (1) includes parameters with respect to the disclosure of information involved and a process for the authorization of the further disclosure of partially identifiable health information;

(3) the data involved is to be used for research or other activities only as provided for in the agreement under paragraph (1);

(4) the data involved does not identify the individual who is the subject of the data;

(5) the revenue to be derived from the sale of the data is collected by the bank and equally divided between the bank and the individual involved, except that revenue may also be distributed to healthcare providers and payers as incentives to contribute additional data to the bank; and

(6) the transaction otherwise meets the requirements and standards prescribed by the Secretary.

(c) AVAILABILITY OF DATA FOR EMERGENCY HEALTHCARE.—

(1) FINDINGS.—Congress finds that—

(A) given the size and nature of visits to emergency departments in the United States, readily available health data could make the difference between life and death; and

(B) due to the case mix and volume of patients treated, emergency departments are well positioned to provide data for public health surveillance, community risk assessment, research, education, training, quality improvement, and other uses.

(2) USE OF DATA.—An independent health record bank may permit healthcare providers to access, during an emergency department visit, a limited, authenticated data set concerning an individual for emergency response purposes without the prior consent of the individual. Such limited data may include—

(A) patient identification data, as determined appropriate by the individual involved;

(B) provider identification that includes the use of a unique provider identifiers as provided for in section 1173 of the Social Security Act (42 U.S.C. 1320d-2);

(C) payment data;

(D) arrival and first assessment data;

(E) data related to the individual's vitals, allergies, and medication history;

(F) data related to existing chronic problems and active clinical conditions of the individual; and

(G) data concerning physical examinations, procedures, results, and diagnosis data relating to the visit.

(d) EFFECT ON HIPAA.—Nothing in this title shall be construed to affect the scope, substance, or applicability of the part C of title XI of the Social Security Act (42 U.S.C. 1320d et seq.) or HIPAA as such relates to individually identifiable health information maintained in an independent health record bank.

SEC. ___07. APPLICATION OF FEDERAL AND STATE SECURITY AND CONFIDENTIALITY STANDARDS.

(a) IN GENERAL.—Existing Federal security and confidentiality standards and State security and confidentiality laws shall apply to this title (and the amendments made by this title) until such time as Congress acts to amend such standards.

(b) PROVISION OF INFORMATION AND INFORMATIONAL PROVISION.—

(1) DESIGNATION OF AGENCY.—Each State with an independent health records bank operating in the State shall designate a State agency to be responsible for addressing complaints by residents of the State with respect to health records contained in the bank.

(2) PROVISION OF INFORMATION.—An independent health record bank operating in a State shall provide the State authority designated under paragraph (1) with an informational filing that describes the policies of the bank, the types of information sold by the bank, and other relevant information determined appropriate by such authority.

(3) INFORMATION.—An individual who has a health record maintained by an independent health record bank shall direct any concerns, problems, or questions related to such record directly to the appropriate State authority.

(c) DEFINITIONS.—For purposes of this section:

(1) STATE SECURITY AND CONFIDENTIALITY LAWS.—The term ''State security and confidentiality laws'' means State laws and regulations relating to the privacy and confidentiality of individually identifiable health information or to the security of such information.

(2) CURRENT FEDERAL SECURITY AND CONFIDENTIALITY STANDARDS.—The term ''current Federal security and confidentiality standards'' means the Federal privacy standards established pursuant to section 264(c) of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–2 note) and security standards established under section 1173(d) of the Social Security Act.

(3) STATE.—The term ''State'' has the meaning given such term when used in title XI of the Social Security Act, as provided under section 1101(a) of such Act (42 U.S.C. 1301(a)).

SEC. ___08. REGULATORY OVERSIGHT.

(a) IN GENERAL.—In carrying out this title, the Secretary, acting through the Under Secretary for Technology or other appropriate official, shall—

(1) develop a program to certify entities to operate independent health record banks;

(2) provide assistance to encourage the growth of independent health record banks;

(3) track economic progress as it pertains to independent health records bank operators and individuals receiving non-taxable income with respect to accounts;

(4) conduct public education activities regarding the creation and usage of the independent health records banks;

(5) establish an interagency council under subsection (b) to develop standards for Federal security auditing for entities operating independent health record banks; and

(6) carry out any other activities determined appropriate by the Secretary.

(b) INTERAGENCY COUNCIL FOR SECURITY AUDITING.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services and other appropriate Federal officials, shall establish an interagency council to develop standards for Federal security auditing as it relates to data security, authentication, and authorization recommendations, and reviews of independent health record banks.

(2) DUTIES.—The interagency council established under paragraph (1) shall take into consideration the following factors when developing recommendations for security, authentication, and authorization of data in independent health record banks:

(A) The number and type of factors used for the exchange of protected health information.

(B) Requiring that individuals, who have health records that are maintained by the bank, be notified of a security breech with respect to such records, and any corrective action taken on behalf of the individual.

(C) Requiring that information sent to, or received from, an independent health record bank that has been designated as high-risk should be authenticated through the use of methods such as the periodic changing of passwords, the use of biometrics, the use of tokens or other technology as determined appropriate by the council.

(D) Recommendations for entities operating independent health record banks, including requiring analysis of the potential risk of health transaction security breeches based on set criteria.

(E) The conduct of audits of independent health record banks to ensure that they are in compliance with the requirements and standards established under this title.

(3) COMPLIANCE REPORT.—The interagency council established under this subsection shall annually submit to the Secretary a report on compliance by independent health record banks with the requirements and standard under this title. Such report shall be included in the report required under subsection (d).

(c) INTERAGENCY MEMORANDUM OF UNDERSTANDING.—The Secretary and the Secretary of Health and Human Services, and other Federal officials that may be impacted by this title, shall ensure, through the execution of an interagency memorandum of understanding among such Secretaries, that—

(1) regulations, rulings, and interpretations issued by such Secretaries or officials

relating to the same matter over which 2 or more such Secretaries or officials have responsibility under this title are administered so as to have the same effect at all times; and

(2) coordination of policies relating to enforcing the same requirements through such Secretaries or officials in order to have coordinated enforcement strategy that avoids duplication of enforcement efforts and assigns priorities in enforcement.

(d) ANNUAL REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary, acting through the Under Secretary for Technology, shall submit to Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, a report that—

(1) describes individual owner or institution operator economic progress as achieved through independent health record bank usage and existing barriers to such usage;

(2) describes progress in security auditing as provided for by the interagency security council under subsection (b); and

(3) contains information on the other core responsibilities of the Secretary as described in subsection (a).

SEC. ___09. PENALTIES FOR FRAUD AND ABUSE.

The penalties provided for in section 1177(b) of the Social Security Act (42 U.S.C. 1320d-6) shall apply to the wrongful disclosure of information collected, maintained, or made available by an independent health record bank under this title, including disclosures by any employees or associates of any such bank or other healthcare entity using or disclosing such information.

SEC. ___10. TAX CREDIT FOR EMPLOYER-PROVIDED EMPLOYEE INDEPENDENT HEALTH RECORD BANK ACCOUNT FEES.

(a) ALLOWANCE OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45N. EMPLOYER-PROVIDED EMPLOYEE INDEPENDENT HEALTH RECORD BANK ACCOUNT FEES.

''(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the independent health record bank account investment credit determined under this section with respect to any taxpayer for any taxable year is an amount equal to the independent health record bank account investment provided by such taxpayer during the taxable year.

''(b) INDEPENDENT HEALTH RECORD BANK ACCOUNT INVESTMENT.—For purposes of this section, the term 'independent health record bank account investment' means, with respect to each employee of the taxpayer for any taxable year, an amount equal to the lesser of—

''(1) 50 percent of the cost for such employee to maintain an independent health record bank account paid by the taxpayer during the taxable year, or

''(2) $50.

''(c) INDEPENDENT HEALTH RECORD BANK ACCOUNT.—For purposes of this section, the term 'independent health record bank account' has the meaning given to the term 'account' under section ___03(1) of the Independent Health Record Bank Act of 2006.

''(d) SPECIAL RULES.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account under subsection (a) in determining the credit under this section.

''(e) REPORTS.—

''(1) IN GENERAL.—Each taxpayer shall make such reports to the Secretary and to employees of the taxpayer regarding—

''(A) independent health record bank account investments made with respect to such employee during any calendar year, and

''(B) such other information as the Secretary may require.

''(2) TIME FOR MAKING REPORTS.—The reports required by this subsection—

''(A) shall be filed at such time and in such manner as the Secretary prescribes, and

''(B) shall be furnished to employees—

''(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

''(ii) in such manner as the Secretary prescribes.

''(f) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section.

''(g) APPLICATION OF SECTION.—This section shall apply with respect to any independent health record bank account investments made by the taxpayer for the 5-taxable year period beginning with the first taxable year during which such investments are made by the taxpayer.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''and'' at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting '', plus'', and by adding at the end the following new paragraph:

''(31) the independent health record bank account investment credit determined under section 45N(a).''.

(c) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45N. Employer-provided employee independent health record bank account fees.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(e) ADDITIONAL INCENTIVE FOR CONSUMERS PARTICIPATING IN IHRB.—Revenue generated by an independent health record bank and received by an account holder, healthcare entity, or healthcare payer shall not be considered taxable income under the Internal Revenue Code of 1986.

SA 3886. Mr. FRIST proposed an amendment to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; as follows:

At the end of the modified amendment at the following;

''This act shall become effective 1 day after enactment.''

SA 3887. Mr. FRIST proposed an amendment to amendment SA 3886 proposed by Mr. FRIST to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; as follows:

In the amendment strike ''1'' day and insert ''2'' days.

SA 3888. Mr. FRIST proposed an amendment to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; as follows:

Strike all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Health Insurance Marketplace Modernization and Affordability Act of 2006''.

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

Sec. 1. Short title; table of contents; purposes.

TITLE I—SMALL BUSINESS HEALTH PLANS

Sec. 101. Rules governing small business health plans.

Sec. 102. Cooperation between Federal and State authorities.

Sec. 103. Effective date and transitional and other rules.

TITLE II—MARKET RELIEF

Sec. 201. Market relief.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

Sec. 301. Health Insurance Standards Harmonization.

(c) PURPOSES.—It is the purpose of this Act to—

(1) make more affordable health insurance options available to small businesses, working families, and all Americans;

(2) assure effective State regulatory protection of the interests of health insurance consumers; and

(3) create a more efficient and affordable health insurance marketplace through collaborative development of uniform regulatory standards.

TITLE I—SMALL BUSINESS HEALTH PLANS

SEC. 101. RULES GOVERNING SMALL BUSINESS HEALTH PLANS.

(a) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding after part 7 the following new part:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''SEC. 801. SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—For purposes of this part, the term 'small business health plan' means a fully insured group health plan whose sponsor is (or is deemed under this part to be) described in subsection (b).

''(b) SPONSORSHIP.—The sponsor of a group health plan is described in this subsection if such sponsor—

''(1) is organized and maintained in good faith, with a constitution and bylaws specifically stating its purpose and providing for periodic meetings on at least an annual basis, as a bona fide trade association, a bona fide industry association (including a rural electric cooperative association or a rural telephone cooperative association), a bona fide professional association, or a bona fide chamber of commerce (or similar bona fide business association, including a corporation or similar organization that operates on a cooperative basis (within the meaning of section 1381 of the Internal Revenue Code of 1986)), for substantial purposes other than that of obtaining medical care;

''(2) is established as a permanent entity which receives the active support of its

members and requires for membership payment on a periodic basis of dues or payments necessary to maintain eligibility for membership;

''(3) does not condition membership, such dues or payments, or coverage under the plan on the basis of health status-related factors with respect to the employees of its members (or affiliated members), or the dependents of such employees, and does not condition such dues or payments on the basis of group health plan participation; and

''(4) does not condition membership on the basis of a minimum group size.

Any sponsor consisting of an association of entities which meet the requirements of paragraphs (1), (2), (3), and (4) shall be deemed to be a sponsor described in this subsection.

''SEC. 802. CERTIFICATION OF SMALL BUSINESS HEALTH PLANS.

''(a) IN GENERAL.—Not later than 6 months after the date of enactment of this part, the applicable authority shall prescribe by interim final rule a procedure under which the applicable authority shall certify small business health plans which apply for certification as meeting the requirements of this part.

''(b) REQUIREMENTS APPLICABLE TO CERTIFIED PLANS.—A small business health plan with respect to which certification under this part is in effect shall meet the applicable requirements of this part, effective on the date of certification (or, if later, on the date on which the plan is to commence operations).

''(c) REQUIREMENTS FOR CONTINUED CERTIFICATION.—The applicable authority may provide by regulation for continued certification of small business health plans under this part. Such regulation shall provide for the revocation of a certification if the applicable authority finds that the small business health plan involved is failing to comply with the requirements of this part.

''(d) EXPEDITED AND DEEMED CERTIFICATION.—

''(1) IN GENERAL.—If the Secretary fails to act on an application for certification under this section within 90 days of receipt of such application, the applying small business health plan shall be deemed certified until such time as the Secretary may deny for cause the application for certification.

''(2) CIVIL PENALTY.—The Secretary may assess a civil penalty against the board of trustees and plan sponsor (jointly and severally) of a small business health plan that is deemed certified under paragraph (1) of up to $500,000 in the event the Secretary determines that the application for certification of such small business health plan was willfully or with gross negligence incomplete or inaccurate.

''SEC. 803. REQUIREMENTS RELATING TO SPONSORS AND BOARDS OF TRUSTEES.

''(a) SPONSOR.—The requirements of this subsection are met with respect to a small business health plan if the sponsor has met (or is deemed under this part to have met) the requirements of section 801(b) for a continuous period of not less than 3 years ending with the date of the application for certification under this part.

''(b) BOARD OF TRUSTEES.—The requirements of this subsection are met with respect to a small business health plan if the following requirements are met:

''(1) FISCAL CONTROL.—The plan is operated, pursuant to a plan document, by a board of trustees which pursuant to a trust agreement has complete fiscal control over the plan and which is responsible for all operations of the plan.

''(2) RULES OF OPERATION AND FINANCIAL CONTROLS.—The board of trustees has in effect rules of operation and financial controls, based on a 3-year plan of operation, adequate to carry out the terms of the plan and to meet all requirements of this title applicable to the plan.

''(3) RULES GOVERNING RELATIONSHIP TO PARTICIPATING EMPLOYERS AND TO CONTRACTORS.—

''(A) BOARD MEMBERSHIP.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the members of the board of trustees are individuals selected from individuals who are the owners, officers, directors, or employees of the participating employers or who are partners in the participating employers and actively participate in the business.

''(ii) LIMITATION.—

''(I) GENERAL RULE.—Except as provided in subclauses (II) and (III), no such member is an owner, officer, director, or employee of, or partner in, a contract administrator or other service provider to the plan.

''(II) LIMITED EXCEPTION FOR PROVIDERS OF SERVICES SOLELY ON BEHALF OF THE SPONSOR.—Officers or employees of a sponsor which is a service provider (other than a contract administrator) to the plan may be members of the board if they constitute not more than 25 percent of the membership of the board and they do not provide services to the plan other than on behalf of the sponsor.

''(III) TREATMENT OF PROVIDERS OF MEDICAL CARE.—In the case of a sponsor which is an association whose membership consists primarily of providers of medical care, subclause (I) shall not apply in the case of any service provider described in subclause (I) who is a provider of medical care under the plan.

''(iii) CERTAIN PLANS EXCLUDED.—Clause (i) shall not apply to a small business health plan which is in existence on the date of the enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(B) SOLE AUTHORITY.—The board has sole authority under the plan to approve applications for participation in the plan and to contract with insurers.

''(c) TREATMENT OF FRANCHISES.—In the case of a group health plan which is established and maintained by a franchiser for a franchisor or for its franchisees—

''(1) the requirements of subsection (a) and section 801(a) shall be deemed met if such requirements would otherwise be met if the franchisor were deemed to be the sponsor referred to in section 801(b) and each franchisee were deemed to be a member (of the sponsor) referred to in section 801(b); and

''(2) the requirements of section 804(a)(1) shall be deemed met.

For purposes of this subsection the terms 'franchisor' and 'franchisee' shall have the meanings given such terms for purposes of sections 436.2(a) through 436.2(c) of title 16, Code of Federal Regulations (including any such amendments to such regulation after the date of enactment of this part).

''SEC. 804. PARTICIPATION AND COVERAGE REQUIREMENTS.

''(a) COVERED EMPLOYERS AND INDIVIDUALS.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan—

''(1) each participating employer must be—

''(A) a member of the sponsor;

''(B) the sponsor; or

''(C) an affiliated member of the sponsor, except that, in the case of a sponsor which is a professional association or other individual-based association, if at least one of the officers, directors, or employees of an employer, or at least one of the individuals who are partners in an employer and who actively participates in the business, is a member or such an affiliated member of the sponsor, participating employers may also include such employer; and

''(2) all individuals commencing coverage under the plan after certification under this part must be—

''(A) active or retired owners (including self-employed individuals), officers, directors, or employees of, or partners in, participating employers; or

''(B) the dependents of individuals described in subparagraph (A).

''(b) INDIVIDUAL MARKET UNAFFECTED.—The requirements of this subsection are met with respect to a small business health plan if, under the terms of the plan, no participating employer may provide health insurance coverage in the individual market for any employee not covered under the plan which is similar to the coverage contemporaneously provided to employees of the employer under the plan, if such exclusion of the employee from coverage under the plan is based on a health status-related factor with respect to the employee and such employee would, but for such exclusion on such basis, be eligible for coverage under the plan.

''(c) PROHIBITION OF DISCRIMINATION AGAINST EMPLOYERS AND EMPLOYEES ELIGIBLE TO PARTICIPATE.—The requirements of this subsection are met with respect to a small business health plan if—

''(1) under the terms of the plan, all employers meeting the preceding requirements of this section are eligible to qualify as participating employers for all geographically available coverage options, unless, in the case of any such employer, participation or contribution requirements of the type referred to in section 2711 of the Public Health Service Act are not met;

''(2) information regarding all coverage options available under the plan is made readily available to any employer eligible to participate; and

''(3) the applicable requirements of sections 701, 702, and 703 are met with respect to the plan.

''SEC. 805. OTHER REQUIREMENTS RELATING TO PLAN DOCUMENTS, CONTRIBUTION RATES, AND BENEFIT OPTIONS.

''(a) IN GENERAL.—The requirements of this section are met with respect to a small business health plan if the following requirements are met:

''(1) CONTENTS OF GOVERNING INSTRUMENTS.—

''(A) IN GENERAL.—The instruments governing the plan include a written instrument, meeting the requirements of an instrument required under section 402(a)(1), which—

''(i) provides that the board of trustees serves as the named fiduciary required for plans under section 402(a)(1) and serves in the capacity of a plan administrator (referred to in section 3(16)(A)); and

''(ii) provides that the sponsor of the plan is to serve as plan sponsor (referred to in section 3(16)(B)).

''(B) DESCRIPTION OF MATERIAL PROVISIONS.—The terms of the health insurance coverage (including the terms of any individual certificates that may be offered to individuals in connection with such coverage) describe the material benefit and rating, and other provisions set forth in this section and such material provisions are included in the summary plan description.

''(2) CONTRIBUTION RATES MUST BE NONDISCRIMINATORY.—

''(A) IN GENERAL.—The contribution rates for any participating small employer shall not vary on the basis of any health status-related factor in relation to employees of such employer or their beneficiaries and shall not vary on the basis of the type of business or industry in which such employer is engaged,

subject to subparagraph (B) and the terms of this title.

''(B) EFFECT OF TITLE.—Nothing in this title or any other provision of law shall be construed to preclude a health insurance issuer offering health insurance coverage in connection with a small business health plan that meets the requirements of this part, and at the request of such small business health plan, from—

''(i) setting contribution rates for the small business health plan based on the claims experience of the small business health plan so long as any variation in such rates for participating small employers complies with the requirements of clause (ii), except that small business health plans shall not be subject, in non-adopting states, to subparagraphs (A)(ii) and (C) of section 2912(a)(2) of the Public Health Service Act, and in adopting states, to any State law that would have the effect of imposing requirements as outlined in such subparagraphs (A)(ii) and (C); or

''(ii) varying contribution rates for participating small employers in a small business health plan in a State to the extent that such rates could vary using the same methodology employed in such State for regulating small group premium rates, subject to the terms of part I of subtitle A of title XXIX of the Public Health Service Act (relating to rating requirements), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(3) EXCEPTIONS REGARDING SELF-EMPLOYED AND LARGE EMPLOYERS.—

''(A) SELF EMPLOYED.—

''(i) IN GENERAL.—Small business health plans with participating employers who are self-employed individuals (and their dependents) shall enroll such self-employed participating employers in accordance with rating rules that do not violate the rating rules for self-employed individuals in the State in which such self-employed participating employers are located.

''(ii) GUARANTEE ISSUE.—Small business health plans with participating employers who are self-employed individuals (and their dependents) may decline to guarantee issue to such participating employers in States in which guarantee issue is not otherwise required for the self-employed in that State.

''(B) LARGE EMPLOYERS.—Small business health plans with participating employers that are larger than small employers (as defined in section 808(a)(10)) shall enroll such large participating employers in accordance with rating rules that do not violate the rating rules for large employers in the State in which such large participating employers are located.

''(4) REGULATORY REQUIREMENTS.—Such other requirements as the applicable authority determines are necessary to carry out the purposes of this part, which shall be prescribed by the applicable authority by regulation.

''(b) ABILITY OF SMALL BUSINESS HEALTH PLANS TO DESIGN BENEFIT OPTIONS.—Nothing in this part or any provision of State law (as defined in section 514(c)(1)) shall be construed to preclude a small business health plan or a health insurance issuer offering health insurance coverage in connection with a small business health plan from exercising its sole discretion in selecting the specific benefits and services consisting of medical care to be included as benefits under such plan or coverage, except that such benefits and services must meet the terms and specifications of part II of subtitle A of title XXIX of the Public Health Service Act (relating to lower cost plans), as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''(c) DOMICILE AND NON-DOMICILE STATES.—

''(1) DOMICILE STATE.—Coverage shall be issued to a small business health plan in the State in which the sponsor's principal place of business is located.

''(2) NON-DOMICILE STATES.—With respect to a State (other than the domicile State) in which participating employers of a small business health plan are located but in which the insurer of the small business health plan in the domicile State is not yet licensed, the following shall apply:

''(A) TEMPORARY PREEMPTION.—If, upon the expiration of the 90-day period following the submission of a licensure application by such insurer (that includes a certified copy of an approved licensure application as submitted by such insurer in the domicile State) to such State, such State has not approved or denied such application, such State's health insurance licensure laws shall be temporarily preempted and the insurer shall be permitted to operate in such State, subject to the following terms:

''(i) APPLICATION OF NON-DOMICILE STATE LAW.—Except with respect to licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits as added by the Health Insurance Marketplace Modernization and Affordability Act of 2006), the laws and authority of the non-domicile State shall remain in full force and effect.

''(ii) REVOCATION OF PREEMPTION.—The preemption of a non-domicile State's health insurance licensure laws pursuant to this subparagraph, shall be terminated upon the occurrence of either of the following:

''(I) APPROVAL OR DENIAL OF APPLICATION.—The approval of denial of an insurer's licensure application, following the laws and regulations of the non-domicile State with respect to licensure.

''(II) DETERMINATION OF MATERIAL VIOLATION.—A determination by a non-domicile State that an insurer operating in a non-domicile State pursuant to the preemption provided for in this subparagraph is in material violation of the insurance laws (other than licensure and with respect to the terms of subtitle A of title XXIX of the Public Health Service Act (relating to rating and benefits added by the Health Insurance Marketplace Modernization and Affordability Act of 2006)) of such State.

''(B) NO PROHIBITION ON PROMOTION.—Nothing in this paragraph shall be construed to prohibit a small business health plan or an insurer from promoting coverage prior to the expiration of the 90-day period provided for in subparagraph (A), except that no enrollment or collection of contributions shall occur before the expiration of such 90-day period.

''(C) LICENSURE.—Except with respect to the application of the temporary preemption provision of this paragraph, nothing in this part shall be construed to limit the requirement that insurers issuing coverage to small business health plans shall be licensed in each State in which the small business health plans operate.

''(D) SERVICING BY LICENSED INSURERS.—Notwithstanding subparagraph (C), the requirements of this subsection may also be satisfied if the participating employers of a small business health plan are serviced by a licensed insurer in that State, even where such insurer is not the insurer of such small business health plan in the State in which such small business health plan is domiciled.

''SEC. 806. REQUIREMENTS FOR APPLICATION AND RELATED REQUIREMENTS.

''(a) FILING FEE.—Under the procedure prescribed pursuant to section 802(a), a small business health plan shall pay to the applicable authority at the time of filing an application for certification under this part a filing fee in the amount of $5,000, which shall be available in the case of the Secretary, to the extent provided in appropriation Acts, for the sole purpose of administering the certification procedures applicable with respect to small business health plans.

''(b) INFORMATION TO BE INCLUDED IN APPLICATION FOR CERTIFICATION.—An application for certification under this part meets the requirements of this section only if it includes, in a manner and form which shall be prescribed by the applicable authority by regulation, at least the following information:

''(1) IDENTIFYING INFORMATION.—The names and addresses of—

''(A) the sponsor; and

''(B) the members of the board of trustees of the plan.

''(2) STATES IN WHICH PLAN INTENDS TO DO BUSINESS.—The States in which participants and beneficiaries under the plan are to be located and the number of them expected to be located in each such State.

''(3) BONDING REQUIREMENTS.—Evidence provided by the board of trustees that the bonding requirements of section 412 will be met as of the date of the application or (if later) commencement of operations.

''(4) PLAN DOCUMENTS.—A copy of the documents governing the plan (including any bylaws and trust agreements), the summary plan description, and other material describing the benefits that will be provided to participants and beneficiaries under the plan.

''(5) AGREEMENTS WITH SERVICE PROVIDERS.—A copy of any agreements between the plan, health insurance issuer, and contract administrators and other service providers.

''(c) FILING NOTICE OF CERTIFICATION WITH STATES.—A certification granted under this part to a small business health plan shall not be effective unless written notice of such certification is filed with the applicable State authority of each State in which the small business health plans operate.

''(d) NOTICE OF MATERIAL CHANGES.—In the case of any small business health plan certified under this part, descriptions of material changes in any information which was required to be submitted with the application for the certification under this part shall be filed in such form and manner as shall be prescribed by the applicable authority by regulation. The applicable authority may require by regulation prior notice of material changes with respect to specified matters which might serve as the basis for suspension or revocation of the certification.

''SEC. 807. NOTICE REQUIREMENTS FOR VOLUNTARY TERMINATION.

''A small business health plan which is or has been certified under this part may terminate (upon or at any time after cessation of accruals in benefit liabilities) only if the board of trustees, not less than 60 days before the proposed termination date—

''(1) provides to the participants and beneficiaries a written notice of intent to terminate stating that such termination is intended and the proposed termination date;

''(2) develops a plan for winding up the affairs of the plan in connection with such termination in a manner which will result in timely payment of all benefits for which the plan is obligated; and

''(3) submits such plan in writing to the applicable authority.

Actions required under this section shall be taken in such form and manner as may be prescribed by the applicable authority by regulation.

''SEC. 808. DEFINITIONS AND RULES OF CONSTRUCTION.

''(a) DEFINITIONS.—For purposes of this part—

''(1) AFFILIATED MEMBER.—The term 'affiliated member' means, in connection with a sponsor—

''(A) a person who is otherwise eligible to be a member of the sponsor but who elects an affiliated status with the sponsor, or

''(B) in the case of a sponsor with members which consist of associations, a person who is a member or employee of any such association and elects an affiliated status with the sponsor.

''(2) APPLICABLE AUTHORITY.—The term 'applicable authority' means the Secretary of Labor, except that, in connection with any exercise of the Secretary's authority with respect to which the Secretary is required under section 506(d) to consult with a State, such term means the Secretary, in consultation with such State.

''(3) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the requirements of title XXVII of the Public Health Service Act for the State involved with respect to such issuer.

''(4) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning provided in section 733(a)(1) (after applying subsection (b) of this section).

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning provided in section 733(b)(1), except that such term shall not include excepted benefits (as defined in section 733(c)).

''(6) HEALTH INSURANCE ISSUER.—The term 'health insurance issuer' has the meaning provided in section 733(b)(2).

''(7) INDIVIDUAL MARKET.—

''(A) IN GENERAL.—The term 'individual market' means the market for health insurance coverage offered to individuals other than in connection with a group health plan.

''(B) TREATMENT OF VERY SMALL GROUPS.—

''(i) IN GENERAL.—Subject to clause (ii), such term includes coverage offered in connection with a group health plan that has fewer than 2 participants as current employees or participants described in section 732(d)(3) on the first day of the plan year.

''(ii) STATE EXCEPTION.—Clause (i) shall not apply in the case of health insurance coverage offered in a State if such State regulates the coverage described in such clause in the same manner and to the same extent as coverage in the small group market (as defined in section 2791(e)(5) of the Public Health Service Act) is regulated by such State.

''(8) MEDICAL CARE.—The term 'medical care' has the meaning provided in section 733(a)(2).

''(9) PARTICIPATING EMPLOYER.—The term 'participating employer' means, in connection with a small business health plan, any employer, if any individual who is an employee of such employer, a partner in such employer, or a self-employed individual who is such employer (or any dependent, as defined under the terms of the plan, of such individual) is or was covered under such plan in connection with the status of such individual as such an employee, partner, or self-employed individual in relation to the plan.

''(10) SMALL EMPLOYER.—The term 'small employer' means, in connection with a group health plan with respect to a plan year, a small employer as defined in section 2791(e)(4).

''(11) TRADE ASSOCIATION AND PROFESSIONAL ASSOCIATION.—The terms 'trade association' and 'professional association' mean an entity that meets the requirements of section 1.501(c)(6)-1 of title 26, Code of Federal Regulations (as in effect on the date of enactment of this Act).

''(b) RULE OF CONSTRUCTION.—For purposes of determining whether a plan, fund, or program is an employee welfare benefit plan which is a small business health plan, and for purposes of applying this title in connection with such plan, fund, or program so determined to be such an employee welfare benefit plan—

''(1) in the case of a partnership, the term 'employer' (as defined in section 3(5)) includes the partnership in relation to the partners, and the term 'employee' (as defined in section 3(6)) includes any partner in relation to the partnership; and

''(2) in the case of a self-employed individual, the term 'employer' (as defined in section 3(5)) and the term 'employee' (as defined in section 3(6)) shall include such individual.

''(c) RENEWAL.—Notwithstanding any provision of law to the contrary, a participating employer in a small business health plan shall not be deemed to be a plan sponsor in applying requirements relating to coverage renewal.

''(d) HEALTH SAVINGS ACCOUNTS.—Nothing in this part shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS TO PREEMPTION RULES.—

(1) Section 514(b)(6) of such Act (29 U.S.C. 1144(b)(6)) is amended by adding at the end the following new subparagraph:

''(E) The preceding subparagraphs of this paragraph do not apply with respect to any State law in the case of a small business health plan which is certified under part 8.''.

(2) Section 514 of such Act (29 U.S.C. 1144) is amended—

(A) in subsection (b)(4), by striking ''Subsection (a)'' and inserting ''Subsections (a) and (d)'';

(B) in subsection (b)(5), by striking ''subsection (a)'' in subparagraph (A) and inserting ''subsection (a) of this section and subsections (a)(2)(B) and (b) of section 805'', and by striking ''subsection (a)'' in subparagraph (B) and inserting ''subsection (a) of this section or subsection (a)(2)(B) or (b) of section 805'';

(C) by redesignating subsection (d) as subsection (e); and

(D) by inserting after subsection (c) the following new subsection:

''(d)(1) Except as provided in subsection (b)(4), the provisions of this title shall supersede any and all State laws insofar as they may now or hereafter preclude a health insurance issuer from offering health insurance coverage in connection with a small business health plan which is certified under part 8.

''(2) In any case in which health insurance coverage of any policy type is offered under a small business health plan certified under part 8 to a participating employer operating in such State, the provisions of this title shall supersede any and all laws of such State insofar as they may establish rating and benefit requirements that would otherwise apply to such coverage, provided the requirements of subtitle A of title XXIX of the Public Health Service Act (as added by title II of the Health Insurance Marketplace Modernization and Affordability Act of 2006) (concerning health plan rating and benefits) are met.''.

(c) PLAN SPONSOR.—Section 3(16)(B) of such Act (29 U.S.C. 102(16)(B)) is amended by adding at the end the following new sentence: ''Such term also includes a person serving as the sponsor of a small business health plan under part 8.''.

(d) SAVINGS CLAUSE.—Section 731(c) of such Act is amended by inserting ''or part 8'' after ''this part''.

(e) CLERICAL AMENDMENT.—The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 734 the following new items:

''PART 8—RULES GOVERNING SMALL BUSINESS HEALTH PLANS

''801. Small business health plans.
''802. Certification of small business health plans.
''803. Requirements relating to sponsors and boards of trustees.
''804. Participation and coverage requirements.
''805. Other requirements relating to plan documents, contribution rates, and benefit options.
''806. Requirements for application and related requirements.
''807. Notice requirements for voluntary termination.
''808. Definitions and rules of construction.''.

SEC. 102. COOPERATION BETWEEN FEDERAL AND STATE AUTHORITIES.

Section 506 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1136) is amended by adding at the end the following new subsection:

''(d) CONSULTATION WITH STATES WITH RESPECT TO SMALL BUSINESS HEALTH PLANS.—

''(1) AGREEMENTS WITH STATES.—The Secretary shall consult with the State recognized under paragraph (2) with respect to a small business health plan regarding the exercise of—

''(A) the Secretary's authority under sections 502 and 504 to enforce the requirements for certification under part 8; and

''(B) the Secretary's authority to certify small business health plans under part 8 in accordance with regulations of the Secretary applicable to certification under part 8.

''(2) RECOGNITION OF DOMICILE STATE.—In carrying out paragraph (1), the Secretary shall ensure that only one State will be recognized, with respect to any particular small business health plan, as the State with which consultation is required. In carrying out this paragraph such State shall be the domicile State, as defined in section 805(c).''.

SEC. 103. EFFECTIVE DATE AND TRANSITIONAL AND OTHER RULES.

(a) EFFECTIVE DATE.—The amendments made by this title shall take effect 12 months after the date of the enactment of this Act. The Secretary of Labor shall first issue all regulations necessary to carry out the amendments made by this title within 6 months after the date of the enactment of this Act.

(b) TREATMENT OF CERTAIN EXISTING HEALTH BENEFITS PROGRAMS.—

(1) IN GENERAL.—In any case in which, as of the date of the enactment of this Act, an arrangement is maintained in a State for the purpose of providing benefits consisting of medical care for the employees and beneficiaries of its participating employers, at least 200 participating employers make contributions to such arrangement, such arrangement has been in existence for at least 10 years, and such arrangement is licensed under the laws of one or more States to provide such benefits to its participating employers, upon the filing with the applicable authority (as defined in section 808(a)(2) of the Employee Retirement Income Security Act of 1974 (as amended by this subtitle)) by the arrangement of an application for certification of the arrangement under part 8 of subtitle B of title I of such Act—

(A) such arrangement shall be deemed to be a group health plan for purposes of title I of such Act;

(B) the requirements of sections 801(a) and 803(a) of the Employee Retirement Income Security Act of 1974 shall be deemed met with respect to such arrangement;

(C) the requirements of section 803(b) of such Act shall be deemed met, if the arrangement is operated by a board of trustees which has control over the arrangement;

(D) the requirements of section 804(a) of such Act shall be deemed met with respect to such arrangement; and

(E) the arrangement may be certified by any applicable authority with respect to its operations in any State only if it operates in such State on the date of certification.

The provisions of this subsection shall cease to apply with respect to any such arrangement at such time after the date of the enactment of this Act as the applicable requirements of this subsection are not met with respect to such arrangement or at such time that the arrangement provides coverage to participants and beneficiaries in any State other than the States in which coverage is provided on such date of enactment.

(2) DEFINITIONS.—For purposes of this subsection, the terms ''group health plan'', ''medical care'', and ''participating employer'' shall have the meanings provided in section 808 of the Employee Retirement Income Security Act of 1974, except that the reference in paragraph (7) of such section to an ''small business health plan'' shall be deemed a reference to an arrangement referred to in this subsection.

TITLE II—MARKET RELIEF

SEC. 201. MARKET RELIEF.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH CARE INSURANCE MARKETPLACE MODERNIZATION

''SEC. 2901. GENERAL INSURANCE DEFINITIONS.

''In this title, the terms 'health insurance coverage', 'health insurance issuer', 'group health plan', and 'individual health insurance' shall have the meanings given such terms in section 2791.

''Subtitle A—Market Relief

''PART I—RATING REQUIREMENTS

''SEC. 2911. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that, with respect to the small group market, has enacted small group rating rules that meet the minimum standards set forth in section 2912(a)(1) or, as applicable, transitional small group rating rules set forth in section 2912(b).

''(2) APPLICABLE STATE AUTHORITY.—The term 'applicable State authority' means, with respect to a health insurance issuer in a State, the State insurance commissioner or official or officials designated by the State to enforce the insurance laws of such State.

''(3) BASE PREMIUM RATE.—The term 'base premium rate' means, for each class of business with respect to a rating period, the lowest premium rate charged or that could have been charged under a rating system for that class of business by the small employer carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage

''(4) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Model Small Group Rating Rules or, as applicable, transitional small group rating rules in a State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer small group health insurance coverage in that State consistent with the Model Small Group Rating Rules, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency); and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Model Small Group Rating Rules and an affirmation that such Rules are included in the terms of such contract.

''(5) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the small group health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(6) INDEX RATE.—The term 'index rate' means for each class of business with respect to the rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

''(7) MODEL SMALL GROUP RATING RULES.—The term ' Model Small Group Rating Rules' means the rules set forth in section 2912(a)(2).

''(8) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(9) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(10) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''(11) VARIATION LIMITS.—

''(A) COMPOSITE VARIATION LIMIT.—

''(i) IN GENERAL.—The term 'composite variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on the following factors or case characteristics:

''(I) Age.

''(II) Duration of coverage.

''(III) Claims experience.

''(IV) Health status.

''(ii) USE OF FACTORS.—With respect to the use of the factors described in clause (i) in setting premium rates, a health insurance issuer shall use one or both of the factors described in subclauses (I) or (IV) of such clause and may use the factors described in subclauses (II) or (III) of such clause.

''(B) TOTAL VARIATION LIMIT.—The term 'total variation limit' means the total variation in premium rates charged by a health insurance issuer in the small group market as permitted under applicable State law based on all factors and case characteristics (as described in section 2912(a)(1)).

''SEC. 2912. RATING RULES.

''(a) ESTABLISHMENT OF MINIMUM STANDARDS FOR PREMIUM VARIATIONS AND MODEL SMALL GROUP RATING RULES.—Not later than 6 months after the date of enactment of this title, the Secretary shall promulgate regulations establishing the following Minimum Standards and Model Small Group Rating Rules:

''(1) MINIMUM STANDARDS FOR PREMIUM VARIATIONS.—

''(A) COMPOSITE VARIATION LIMIT.—The composite variation limit shall not be less than 3:1.

''(B) TOTAL VARIATION LIMIT.—The total variation limit shall not be less than 5:1.

''(C) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTICS.—For purposes of this paragraph, in calculating the total variation limit, the State shall not use case characteristics other than those used in calculating the composite variation limit and industry, geographic area, group size, participation rate, class of business, and participation in wellness programs.

''(2) MODEL SMALL GROUP RATING RULES.—The following apply to an eligible insurer in a non-adopting State:

''(A) PREMIUM RATES.—Premium rates for small group health benefit plans to which this title applies shall comply with the following provisions relating to premiums, except as provided for under subsection (b):

''(i) VARIATION IN PREMIUM RATES.—The plan may not vary premium rates by more than the minimum standards provided for under paragraph (1).

''(ii) INDEX RATE.—The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business by more than 20 percent, excluding those classes of business related to association groups under this title.

''(iii) CLASS OF BUSINESSES.—With respect to a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage or the rates that could be charged to such employers under the rating system for that class of business, shall not vary from the index rate by more than 25 percent of the index rate under clause (ii).

''(iv) INCREASES FOR NEW RATING PERIODS.—The percentage increase in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

''(I) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a health benefit plan into which the small employer carrier is no longer enrolling new small employers, the small employer carrier shall use the percentage change in the base premium rate, except that such change shall not exceed, on a percentage basis, the change in the new business premium rate for the most similar health benefit plan into which the small employer carrier is actively enrolling new small employers.

''(II) Any adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less then 1 year, due to the claim experience, health status or duration of coverage of the employees or dependents of the small employer as determined from the small employer carrier's rate manual for the class of business involved.

''(III) Any adjustment due to change in coverage or change in the case characteristics of the small employer as determined from the small employer carrier's rate manual for the class of business.

''(v) UNIFORM APPLICATION OF ADJUSTMENTS.—Adjustments in premium rates for claim experience, health status, or duration of coverage shall not be charged to individual employees or dependents. Any such adjustment shall be applied uniformly to the rates charged for all employees and dependents of the small employer.

''(vi) PROHIBITION ON USE OF CERTAIN CASE CHARACTERISTIC.—A small employer carrier shall not utilize case characteristics, other than those permitted under paragraph (1)(C), without the prior approval of the applicable State authority.

''(vii) CONSISTENT APPLICATION OF FACTORS.—Small employer carriers shall apply

rating factors, including case characteristics, consistently with respect to all small employers in a class of business. Rating factors shall produce premiums for identical groups which differ only by the amounts attributable to plan design and do not reflect differences due to the nature of the groups assumed to select particular health benefit plans.

''(viii) TREATMENT OF PLANS AS HAVING SAME RATING PERIOD.—A small employer carrier shall treat all health benefit plans issued or renewed in the same calendar month as having the same rating period.

''(ix) REQUIRE COMPLIANCE.—Premium rates for small business health benefit plans shall comply with the requirements of this subsection notwithstanding any assessments paid or payable by a small employer carrier as required by a State's small employer carrier reinsurance program.

''(B) ESTABLISHMENT OF SEPARATE CLASS OF BUSINESS.—Subject to subparagraph (C), a small employer carrier may establish a separate class of business only to reflect substantial differences in expected claims experience or administrative costs related to the following:

''(i) The small employer carrier uses more than one type of system for the marketing and sale of health benefit plans to small employers.

''(ii) The small employer carrier has acquired a class of business from another small employer carrier.

''(iii) The small employer carrier provides coverage to one or more association groups that meet the requirements of this title.

''(C) LIMITATION.—A small employer carrier may establish up to 9 separate classes of business under subparagraph (B), excluding those classes of business related to association groups under this title.

''(D) LIMITATION ON TRANSFERS.—A small employer carrier shall not transfer a small employer involuntarily into or out of a class of business. A small employer carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, claim experience, health status or duration of coverage since issue.

''(b) TRANSITIONAL MODEL SMALL GROUP RATING RULES.—

''(1) IN GENERAL.—Not later than 6 months after the date of enactment of this title and to the extent necessary to provide for a graduated transition to the minimum standards for premium variation as provided for in subsection (a)(1), the Secretary, in consultation with the National Association of Insurance Commissioners (NAIC), shall promulgate State-specific transitional small group rating rules in accordance with this subsection, which shall be applicable with respect to non-adopting States and eligible insurers operating in such States for a period of not to exceed 3 years from the date of the promulgation of the minimum standards for premium variation pursuant to subsection (a).

''(2) COMPLIANCE WITH TRANSITIONAL MODEL SMALL GROUP RATING RULES.—During the transition period described in paragraph (1), a State that, on the date of enactment of this title, has in effect a small group rating rules methodology that allows for a variation that is less than the variation provided for under subsection (a)(1) (concerning minimum standards for premium variation), shall be deemed to be an adopting State if the State complies with the transitional small group rating rules as promulgated by the Secretary pursuant to paragraph (1).

''(3) TRANSITIONING OF OLD BUSINESS.—

''(A) IN GENERAL.—In developing the transitional small group rating rules under paragraph (1), the Secretary shall, after consultation with the National Association of Insurance Commissioners and representatives of insurers operating in the small group health insurance market in non-adopting States, promulgate special transition standards with respect to independent rating classes for old and new business, to the extent reasonably necessary to protect health insurance consumers and to ensure a stable and fair transition for old and new market entrants.

''(B) PERIOD FOR OPERATION OF INDEPENDENT RATING CLASSES.—In developing the special transition standards pursuant to subparagraph (A), the Secretary shall permit a carrier in a non-adopting State, at its option, to maintain independent rating classes for old and new business for a period of up to 5 years, with the commencement of such 5-year period to begin at such time, but not later than the date that is 3 years after the date of enactment of this title, as the carrier offers a book of business meeting the minimum standards for premium variation provided for in subsection (a)(1) or the transitional small group rating rules under paragraph (1).

''(4) OTHER TRANSITIONAL AUTHORITY.—In developing the transitional small group rating rules under paragraph (1), the Secretary shall provide for the application of the transitional small group rating rules in transition States as the Secretary may determine necessary for a an effective transition.

''(c) MARKET RE-ENTRY.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that has voluntarily withdrawn from providing coverage in the small group market prior to the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006 shall not be excluded from re-entering such market on a date that is more than 180 days after such date of enactment.

''(2) TERMINATION.—The provision of this subsection shall terminate on the date that is 24 months after the date of enactment of the Health Insurance Marketplace Modernization and Affordability Act of 2006.

''SEC. 2913. APPLICATION AND PREEMPTION.

''(a) SUPERSEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws of a non-adopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle) relate to rating in the small group insurance market as applied to an eligible insurer, or small group health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small employer through a small business health plan, in a State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State insofar as such State laws (whether enacted prior to or after the date of enactment of this subtitle)—

''(A) prohibit an eligible insurer from offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing small group health insurance coverage consistent with the Model Small Group Rating Rules or transitional model small group rating rules.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting states.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers that offer small group health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law in a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Model Small Group Rating Rules or transitional model small group rating rules.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO RATING.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State rating rules that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply, at the election of the eligible insurer, beginning in the first plan year or the first calendar year following the issuance of the final rules by the Secretary under the Model Small Group Rating Rules or, as applicable, the Transitional Model Small Group Rating Rules, but in no event earlier than the date that is 12 months after the date of enactment of this title.

''SEC. 2914. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2913.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2915. ONGOING REVIEW.

''Not later than 5 years after the date on which the Model Small Group Rating Rules

are issued under this part, and every 5 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the Model Small Group Rating Rules on access, cost, and market functioning in the small group market. Such report may, if the Secretary, in consultation with the National Association of Insurance Commissioners, determines such is appropriate for improving access, costs, and market functioning, contain legislative proposals for recommended modification to such Model Small Group Rating Rules.

"PART II—AFFORDABLE PLANS

"SEC. 2921. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the Benefit Choice Standards in their entirety and as the exclusive laws of the State that relate to benefit, service, and provider mandates in the group and individual insurance markets.

''(2) BENEFIT CHOICE STANDARDS.—The term 'Benefit Choice Standards' means the Standards issued under section 2922.

''(3) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the Benefit Choice Standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the Benefit Choice Standards, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the Benefit Choice Standards and that adherence to such Standards is included as a term of such contract.

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the group or individual health insurance markets, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(6) SMALL GROUP INSURANCE MARKET.—The term 'small group insurance market' shall have the meaning given the term 'small group market' in section 2791(e)(5).

''(7) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

"SEC. 2922. OFFERING AFFORDABLE PLANS.

''(a) BENEFIT CHOICE OPTIONS.—

''(1) DEVELOPMENT.—Not later than 6 months after the date of enactment of this title, the Secretary shall issue, by interim final rule, Benefit Choice Standards that implement the standards provided for in this part.

''(2) BASIC OPTIONS.—The Benefit Choice Standards shall provide that a health insurance issuer in a State, may offer a coverage plan or plan in the small group market, individual market, large group market, or through a small business health plan, that does not comply with one or more mandates regarding covered benefits, services, or category of provider as may be in effect in such State with respect to such market or markets (either prior to or following the date of enactment of this title), if such issuer also offers in such market or markets an enhanced option as provided for in paragraph (3).

''(3) ENHANCED OPTION.—A health insurance issuer issuing a basic option as provided for in paragraph (2) shall also offer to purchasers (including, with respect to a small business health plan, the participating employers of such plan) an enhanced option, which shall at a minimum include such covered benefits, services, and categories of providers as are covered by a State employee coverage plan in one of the 5 most populous States as are in effect in the calendar year in which such enhanced option is offered.

''(4) PUBLICATION OF BENEFITS.—Not later than 3 months after the date of enactment of this title, and on the first day of every calendar year thereafter, the Secretary shall publish in the Federal Register such covered benefits, services, and categories of providers covered in that calendar year by the State employee coverage plans in the 5 most populous States.

''(b) EFFECTIVE DATES.—

''(1) SMALL BUSINESS HEALTH PLANS.—With respect to health insurance provided to participating employers of small business health plans, the requirements of this part (concerning lower cost plans) shall apply beginning on the date that is 12 months after the date of enactment of this title.

''(2) NON-ASSOCIATION COVERAGE.—With respect to health insurance provided to groups or individuals other than participating employers of small business health plans, the requirements of this part shall apply beginning on the date that is 15 months after the date of enactment of this title.

"SEC. 2923. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—This part shall supersede any and all State laws insofar as such laws relate to mandates relating to covered benefits, services, or categories of provider in the health insurance market as applied to an eligible insurer, or health insurance coverage issued by an eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This part shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as such laws—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards, as provided for in section 2922(a); or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the Benefit Choice Standards.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supercede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the Benefit Choice Standards.

''(4) NO EFFECT ON PREEMPTION.—In no case shall this part be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this part be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(5) PREEMPTION LIMITED TO BENEFITS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State mandates regarding covered benefits, services, or categories of providers that would otherwise apply to eligible insurers.

"SEC. 2924. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this part.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2923.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

"SEC. 2925. RULES OF CONSTRUCTION.

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a health insurance issuer in an adopting State or an eligible insurer in a non-adopting State may amend its existing policies to be consistent with the terms of this subtitle (concerning rating and benefits).

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create

any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

TITLE III—HARMONIZATION OF HEALTH INSURANCE STANDARDS

SEC. 301. HEALTH INSURANCE STANDARDS HARMONIZATION.

Title XXIX of the Public Health Service Act (as added by section 201) is amended by adding at the end the following:

''Subtitle B—Standards Harmonization

''SEC. 2931. DEFINITIONS.

''In this subtitle:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted the harmonized standards adopted under this subtitle in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the harmonized standards in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the harmonized standards published pursuant to section 2932(d), and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such health coverage) and filed with the State pursuant to subparagraph (B), a description of the harmonized standards published pursuant to section 2932(g)(2) and an affirmation that such standards are a term of the contract.

''(3) HARMONIZED STANDARDS.—The term 'harmonized standards' means the standards certified by the Secretary under section 2932(d).

''(4) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the health insurance market, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that fails to enact, within 18 months of the date on which the Secretary certifies the harmonized standards under this subtitle, the harmonized standards in their entirety and as the exclusive laws of the State that relate to the harmonized standards.

''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''SEC. 2932. HARMONIZED STANDARDS.

''(a) BOARD.—

''(1) ESTABLISHMENT.—Not later than 3 months after the date of enactment of this title, the Secretary, in consultation with the NAIC, shall establish the Health Insurance Consensus Standards Board (referred to in this subtitle as the 'Board') to develop recommendations that harmonize inconsistent State health insurance laws in accordance with the procedures described in subsection (b).

''(2) COMPOSITION.—

''(A) IN GENERAL.—The Board shall be composed of the following voting members to be appointed by the Secretary after considering the recommendations of professional organizations representing the entities and constituencies described in this paragraph:

''(i) Four State insurance commissioners as recommended by the National Association of Insurance Commissioners, of which 2 shall be Democrats and 2 shall be Republicans, and of which one shall be designated as the chairperson and one shall be designated as the vice chairperson.

''(ii) Four representatives of State government, two of which shall be governors of States and two of which shall be State legislators, and two of which shall be Democrats and two of which shall be Republicans.

''(iii) Four representatives of health insurers, of which one shall represent insurers that offer coverage in the small group market, one shall represent insurers that offer coverage in the large group market, one shall represent insurers that offer coverage in the individual market, and one shall represent carriers operating in a regional market.

''(iv) Two representatives of insurance agents and brokers.

''(v) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

''(B) EX OFFICIO MEMBER.—A representative of the Secretary shall serve as an ex officio member of the Board.

''(3) ADVISORY PANEL.—The Secretary shall establish an advisory panel to provide advice to the Board, and shall appoint its members after considering the recommendations of professional organizations representing the entities and constituencies identified in this paragraph:

''(A) Two representatives of small business health plans.

''(B) Two representatives of employers, of which one shall represent small employers and one shall represent large employers.

''(C) Two representatives of consumer organizations.

''(D) Two representatives of health care providers.

''(4) QUALIFICATIONS.—The membership of the Board shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health plans, providers of health services, and other related fields, who provide a mix of different professionals, broad geographic representation, and a balance between urban and rural representatives.

''(5) ETHICAL DISCLOSURE.—The Secretary shall establish a system for public disclosure by members of the Board of financial and other potential conflicts of interest relating to such members. Members of the Board shall be treated as employees of Congress for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95–521).

''(6) DIRECTOR AND STAFF.—Subject to such review as the Secretary deems necessary to assure the efficient administration of the Board, the chair and vice-chair of the Board may—

''(A) employ and fix the compensation of an Executive Director (subject to the approval of the Comptroller General) and such other personnel as may be necessary to carry out its duties (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service);

''(B) seek such assistance and support as may be required in the performance of its duties from appropriate Federal departments and agencies;

''(C) enter into contracts or make other arrangements, as may be necessary for the conduct of the work of the Board (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5));

''(D) make advance, progress, and other payments which relate to the work of the Board;

''(E) provide transportation and subsistence for persons serving without compensation; and

''(F) prescribe such rules as it deems necessary with respect to the internal organization and operation of the Board.

''(7) TERMS.—The members of the Board shall serve for the duration of the Board. Vacancies in the Board shall be filled as needed in a manner consistent with the composition described in paragraph (2).

''(b) DEVELOPMENT OF HARMONIZED STANDARDS.—

''(1) IN GENERAL.—In accordance with the process described in subsection (c), the Board shall identify and recommend nationally harmonized standards for each of the following process categories:

''(A) FORM FILING AND RATE FILING.—Form and rate filing standards shall be established which promote speed to market and include the following defined areas for States that require such filings:

''(i) Procedures for form and rate filing pursuant to a streamlined administrative filing process.

''(ii) Timeframes for filings to be reviewed by a State if review is required before they are deemed approved.

''(iii) Timeframes for an eligible insurer to respond to State requests following its review.

''(iv) A process for an eligible insurer to self-certify.

''(v) State development of form and rate filing templates that include only non-preempted State law and Federal law requirements for eligible insurers with timely updates.

''(vi) Procedures for the resubmission of forms and rates.

''(vii) Disapproval rationale of a form or rate filing based on material omissions or violations of non-preempted State law or Federal law with violations cited and explained.

''(viii) For States that may require a hearing, a rationale for hearings based on violations of non-preempted State law or insurer requests.

''(B) MARKET CONDUCT REVIEW.—Market conduct review standards shall be developed which provide for the following:

''(i) Mandatory participation in national databases.

''(ii) The confidentiality of examination materials.

''(iii) The identification of the State agency with primary responsibility for examinations.

''(iv) Consultation and verification of complaint data with the eligible insurer prior to State actions.

''(v) Consistency of reporting requirements with the recordkeeping and administrative practices of the eligible insurer.

''(vi) Examinations that seek to correct material errors and harmful business practices rather than infrequent errors.

''(vii) Transparency and publishing of the State's examination standards.

''(viii) Coordination of market conduct analysis.

''(ix) Coordination and nonduplication between State examinations of the same eligible insurer.

''(x) Rationale and protocols to be met before a full examination is conducted.

''(xi) Requirements on examiners prior to beginning examinations such as budget planning and work plans.

''(xii) Consideration of methods to limit examiners' fees such as caps, competitive bidding, or other alternatives.

''(xiii) Reasonable fines and penalties for material errors and harmful business practices.

''(C) PROMPT PAYMENT OF CLAIMS.—The Board shall establish prompt payment standards for eligible insurers based on standards similar to those applicable to the Social Security Act as set forth in section 1842(c)(2) of such Act (42 U.S.C. 1395u(c)(2)). Such prompt payment standards shall be consistent with the timing and notice requirements of the claims procedure rules to be specified under subparagraph (D), and shall include appropriate exceptions such as for fraud, nonpayment of premiums, or late submission of claims.

''(D) INTERNAL REVIEW.—The Board shall establish standards for claims procedures for eligible insurers that are consistent with the requirements relating to initial claims for benefits and appeals of claims for benefits under the Employee Retirement Income Security Act of 1974 as set forth in section 503 of such Act (29 U.S.C. 1133) and the regulations thereunder.

''(2) RECOMMENDATIONS.—The Board shall recommend harmonized standards for each element of the categories described in subparagraph (A) through (D) of paragraph (1) within each such market. Notwithstanding the previous sentence, the Board shall not recommend any harmonized standards that disrupt, expand, or duplicate the covered benefit, service, or category of provider mandate standards provided for in section 2922.

''(c) PROCESS FOR IDENTIFYING HARMONIZED STANDARDS.—

''(1) IN GENERAL.—The Board shall develop recommendations to harmonize inconsistent State insurance laws with respect to each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(2) REQUIREMENTS.—In adopting standards under this section, the Board shall consider the following:

''(A) Any model acts or regulations of the National Association of Insurance Commissioners in each of the process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(B) Substantially similar standards followed by a plurality of States, as reflected in existing State laws, relating to the specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(C) Any Federal law requirement related to specific process categories described in subparagraphs (A) through (D) of subsection (b)(1).

''(D) In the case of the adoption of any standard that differs substantially from those referred to in subparagraphs (A), (B), or (C), the Board shall provide evidence to the Secretary that such standard is necessary to protect health insurance consumers or promote speed to market or administrative efficiency.

''(E) The criteria specified in clauses (i) through (iii) of subsection (d)(2)(B).

''(d) RECOMMENDATIONS AND CERTIFICATION BY SECRETARY.—

''(1) RECOMMENDATIONS.—Not later than 18 months after the date on which all members of the Board are selected under subsection (a), the Board shall recommend to the Secretary the certification of the harmonized standards identified pursuant to subsection (c).

''(2) CERTIFICATION.—

''(A) IN GENERAL.—Not later than 120 days after receipt of the Board's recommendations under paragraph (1), the Secretary shall certify the recommended harmonized standards as provided for in subparagraph (B), and issue such standards in the form of an interim final regulation.

''(B) CERTIFICATION PROCESS.—The Secretary shall establish a process for certifying the recommended harmonized standard, by category, as recommended by the Board under this section. Such process shall—

''(i) ensure that the certified standards for a particular process area achieve regulatory harmonization with respect to health plans on a national basis;

''(ii) ensure that the approved standards are the minimum necessary, with regard to substance and quantity of requirements, to protect health insurance consumers and maintain a competitive regulatory environment; and

''(iii) ensure that the approved standards will not limit the range of group health plan designs and insurance products, such as catastrophic coverage only plans, health savings accounts, and health maintenance organizations, that might otherwise be available to consumers.

''(3) EFFECTIVE DATE.—The standards certified by the Secretary under paragraph (2) shall be effective on the date that is 18 months after the date on which the Secretary certifies the harmonized standards.

''(e) TERMINATION.—The Board shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

''(f) ONGOING REVIEW.—Not earlier than 3 years after the termination of the Board under subsection (e), and not earlier than every 3 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, shall prepare and submit to the appropriate committees of Congress a report that assesses the effect of the harmonized standards on access, cost, and health insurance market functioning. The Secretary may, based on such report and applying the process established for certification under subsection (d)(2)(B), in consultation with the National Association of Insurance Commissioners and the entities and constituencies represented on the Board and the Advisory Panel, update the harmonized standards through notice and comment rulemaking.

''(g) PUBLICATION.—

''(1) LISTING.—The Secretary shall maintain an up to date listing of all harmonized standards certified under this section on the Internet website of the Department of Health and Human Services.

''(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish on the Internet website of the Department of Health and Human Services sample contract language that incorporates the harmonized standards certified under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of harmonized standards that shall be included in sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

''(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 18 months after the certification by the Secretary of harmonized standards under this section, the States may adopt such harmonized standards (and become an adopting State) and, in which case, shall enforce the harmonized standards pursuant to State law.

''SEC. 2933. APPLICATION AND PREEMPTION.

''(a) SUPERCEDING OF STATE LAW.—

''(1) IN GENERAL.—The harmonized standards certified under this subtitle shall supersede any and all State laws of a non-adopting State insofar as such State laws relate to the areas of harmonized standards as applied to an eligible insurer, or health insurance coverage issued by a eligible insurer, including with respect to coverage issued to a small business health plan, in a nonadopting State.

''(2) NONADOPTING STATES.—This subtitle shall supersede any and all State laws of a nonadopting State (whether enacted prior to or after the date of enactment of this title) insofar as they may—

''(A) prohibit an eligible insurer from offering, marketing, or implementing health insurance coverage consistent with the harmonized standards; or

''(B) have the effect of retaliating against or otherwise punishing in any respect an eligible insurer for offering, marketing, or implementing health insurance coverage consistent with the harmonized standards under this subtitle.

''(b) SAVINGS CLAUSE AND CONSTRUCTION.—

''(1) NONAPPLICATION TO ADOPTING STATES.—Subsection (a) shall not apply with respect to adopting States.

''(2) NONAPPLICATION TO CERTAIN INSURERS.—Subsection (a) shall not apply with respect to insurers that do not qualify as eligible insurers who offer health insurance coverage in a nonadopting State.

''(3) NONAPPLICATION WHERE OBTAINING RELIEF UNDER STATE LAW.—Subsection (a)(1) shall not supersede any State law of a nonadopting State to the extent necessary to permit individuals or the insurance department of the State (or other State agency) to obtain relief under State law to require an eligible insurer to comply with the harmonized standards under this subtitle.

''(4) NON-APPLICATION WHERE CONSISTENT WITH MARKET CONDUCT EXAMINATION HARMONIZED STANDARD.—Subsection (a)(1) shall not supersede any State law of a nonadopting State that relates to the harmonized standards issued under section 2932(b)(1)(B) to the extent that the State agency responsible for regulating insurance (or other applicable State agency) exercises its authority under State law consistent with the harmonized standards issued under section 2932(b)(1)(B).

''(5) NO EFFECT ON PREEMPTION.—In no case shall this subtitle be construed to limit or affect in any manner the preemptive scope of sections 502 and 514 of the Employee Retirement Income Security Act of 1974. In no case shall this subtitle be construed to create any cause of action under Federal or State law or enlarge or affect any remedy available under the Employee Retirement Income Security Act of 1974.

''(6) PREEMPTION LIMITED TO HARMONIZED STANDARDS.—Subsection (a) shall not preempt any State law that does not have a reference to or a connection with State requirements for form and rate filing, market conduct reviews, prompt payment of claims, or internal reviews that would otherwise apply to eligible insurers.

''(c) EFFECTIVE DATE.—This section shall apply beginning on the date that is 18 months and one day after the date on harmonized standards are certified by the Secretary under this subtitle.

''SEC. 2934. CIVIL ACTIONS AND JURISDICTION.

''(a) IN GENERAL.—The courts of the United States shall have exclusive jurisdiction over civil actions involving the interpretation of this subtitle.

''(b) ACTIONS.—An eligible insurer may bring an action in the district courts of the United States for injunctive or other equitable relief against any officials or agents of a nonadopting State in connection with any

conduct or action, or proposed conduct or action, by such officials or agents which violates, or which would if undertaken violate, section 2933.

''(c) DIRECT FILING IN COURT OF APPEALS.—At the election of the eligible insurer, an action may be brought under subsection (b) directly in the United States Court of Appeals for the circuit in which the nonadopting State is located by the filing of a petition for review in such Court.

''(d) EXPEDITED REVIEW.—

''(1) DISTRICT COURT.—In the case of an action brought in a district court of the United States under subsection (b), such court shall complete such action, including the issuance of a judgment, prior to the end of the 120-day period beginning on the date on which such action is filed, unless all parties to such proceeding agree to an extension of such period.

''(2) COURT OF APPEALS.—In the case of an action brought directly in a United States Court of Appeal under subsection (c), or in the case of an appeal of an action brought in a district court under subsection (b), such Court shall complete all action on the petition, including the issuance of a judgment, prior to the end of the 60-day period beginning on the date on which such petition is filed with the Court, unless all parties to such proceeding agree to an extension of such period.

''(e) STANDARD OF REVIEW.—A court in an action filed under this section, shall render a judgment based on a review of the merits of all questions presented in such action and shall not defer to any conduct or action, or proposed conduct or action, of a nonadopting State.

''SEC. 2935. AUTHORIZATION OF APPROPRIATIONS; RULE OF CONSTRUCTION.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

''(b) HEALTH SAVINGS ACCOUNTS.—Nothing in this subtitle shall be construed to create any mandates for coverage of benefits for HSA-qualified health plans that would require reimbursements in violation of section 223(c)(2) of the Internal Revenue Code of 1986.''.

SA 3889. Mr. FRIST proposed an amendment to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; as follows:

In the amendment strike the number ''3'' and insert the number ''4''.

SA 3890. Mr. FRIST proposed an amendment to amendment SA 3889 proposed by Mr. FRIST to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; as follows:

At the end of the amendment add the following:

''This act shall become effective 3 days after enactment.''

SA 3891. Ms. COLLINS (for herself and Ms. MURKOWSKI) submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROHIBITION ON DISCRIMINATION AGAINST HEALTH CARE PROVIDERS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), a health insurance issuer to which this Act (or amendment) applies shall comply with applicable State laws that prohibit discrimination with respect to participation, reimbursement, or indemnification under a health plan or other health insurance coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable State law.

SA 3892. Ms. COLLINS (for herself and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DIABETES TREATMENT, EDUCATION, AND SUPPLIES.

Notwithstanding any other provision of this Act (or an amendment made by this Act), a health insurance issuer to which this Act (or amendment) applies shall comply with State laws that require coverage for diabetes treatment, education, supplies, and prescription drugs and biologics.

SA 3893. Ms. COLLINS (for herself and Mr. FEINGOLD) submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. COVERAGE OF CERTAIN INJURIES SUSTAINED DURING LEGAL ACTIVITIES.

(a) ERISA.—Section 702(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1182(a)(3)) is amended—

(1) by striking ''CONSTRUCTION.—For'' and inserting the following: ''SCOPE.—

''(A) WAITING PERIODS.—For''; and

(2) by adding at the end the following:

''(B) LIMITATION ON DENIAL OF BENEFITS.—For purposes of paragraph (2), a group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not deny benefits otherwise provided under the plan or coverage for the treatment of an injury solely because such injury resulted from the participation of the individual in a legal mode of transportation or a legal recreational activity.''.

(b) PHSA.—Section 2702(a)(3) of the Public Health Service Act (42 U.S.C. 300gg–1(a)(3)) is amended—

(1) by striking ''CONSTRUCTION.—For'' and inserting the following: ''SCOPE.—

''(A) WAITING PERIODS.—For''; and

(2) by adding at the end the following:

''(B) LIMITATION ON DENIAL OF BENEFITS.—For purposes of paragraph (2), a group health plan, or a health insurance issuer offering group health insurance coverage in connection with a group health plan, may not deny benefits otherwise provided under the plan or coverage for the treatment of an injury solely because such injury resulted from the participation of the individual in a legal mode of transportation or a legal recreational activity.''.

(c) INTERNAL REVENUE CODE.—Section 9802(a)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''CONSTRUCTION.—For'' and inserting the following: ''SCOPE.—

''(A) WAITING PERIODS.—For''; and

(2) by adding at the end the following:

''(B) LIMITATION ON DENIAL OF BENEFITS.—For purposes of paragraph (2), a group health plan may not deny benefits otherwise provided under the plan for the treatment of an injury solely because such injury resulted from the participation of the individual in a legal mode of transportation or a legal recreational activity.''.

SA 3894. Ms. LANDRIEU submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. WAIVERS UNDER TITLE XXVI OF THE PUBLIC HEALTH SERVICE ACT FOR LOUISIANA FOR FISCAL YEARS 2007 AND 2008.

(a) IN GENERAL.—For fiscal years 2007 and 2008, the Secretary of Health and Human Services shall waive the requirements of, with respect to Louisiana and any eligible metropolitan area in Louisiana, the following sections of the Public Health Service Act:

(1) Section 2611(b)(1) of such Act (42 U.S.C. 300ff–21(b)(1)).

(2) Section 2617(b)(6)(E) of such Act (42 U.S.C. 300ff–27(b)(6)(E)).

(3) Section 2617(d) of such Act (42 U.S.C. 300ff–27(d)).

(b) CONSEQUENCE OF WAIVER.—For fiscal years 2007 and 2008, the Secretary of Health and Human Services—

(1) may not prevent Louisiana or any eligible metropolitan area in Louisiana from receiving or utilizing, or both, funds granted or distributed, or both, pursuant to title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11 et seq.) because of the failure of Louisiana or any eligible metropolitan area in Louisiana to comply with the requirements of the sections listed in paragraphs (1) through (3) of subsection (a);

(2) may not take action due to such noncompliance; and

(3) shall assess, evaluate, and review Louisiana or any eligible metropolitan area's eligibility for funds under such title XXVI as if Louisiana or such eligible metropolitan

area had fully complied with the requirements of the sections listed in paragraphs (1) through (3) of subsection (a).

(c) SUNSET OF WAIVER.—The waiver authority provided under subsection (a) shall apply for fiscal years 2007 and 2008 only. For fiscal year 2009 and each succeeding fiscal year, Louisiana and any eligible metropolitan area in Louisiana shall comply with each of the applicable requirements under title XXVI of the Public Health Service Act (42 U.S.C. 300ff–11 et seq.).

SA 3895. Ms. LANDRIEU submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. ELIGIBILITY OF HOSPITALS INCURRING HURRICANE-RELATED DAMAGE AND LOSSES FOR STAFFORD ACT RELIEF AND ASSISTANCE.

(a) ELIGIBILITY OF HOSPITALS FOR RELIEF AND ASSISTANCE RELATED TO HURRICANES KATRINA AND RITA.—Notwithstanding sections 406(a)(1)(B) and 407(a)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5172(a)(1)(B) and 42 U.S.C. 5173(a)(2)) or any other provision of such Act, any hospital that is located in a State for which the President has issued a declaration of major disaster with respect to Hurricane Katrina or Hurricane Rita shall be eligible for relief and assistance under title IV of such Act on the same terms and conditions as a hospital that is a private nonprofit facility.

(b) LIMITATION ON USE OF CERTAIN FUNDS BY HOSPITALS.—Notwithstanding section 406(c)(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5172(c)(2)(B)), any in lieu contributions elected by a hospital eligible for such contributions pursuant to a declaration of major disaster referred to in subsection (a) may be used by the person owning or operating the hospital only for the purposes specified in such section and only in—

(1) the parish or county in which the hospital is located or was located;

(2) a parish or county that is contiguous to the parish or county referred to in paragraph (1); or

(3) a parish or county that is not more than 3 parishes or counties away from the parish or county referred to in paragraph (1).

SA 3896. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Responsible Public Readiness and Emergency Preparedness Act''.

SEC. 2. REPEAL.

The Public Readiness and Emergency Preparedness Act (division C of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148)) is repealed.

SEC. 3. NATIONAL BIODEFENSE INJURY COMPENSATION PROGRAM.

(a) ESTABLISHMENT.—Section 224 of the Public Health Service Act (42 U.S.C. 233) is amended by adding at the end the following:

''(q) BIODEFENSE INJURY COMPENSATION PROGRAM.—

''(1) ESTABLISHMENT.—There is established the Biodefense Injury Compensation Program (referred to in this subsection as the 'Compensation Program') under which compensation may be paid for death or any injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(2) ADMINISTRATION AND INTERPRETATION.—The statutory provisions governing the Compensation Program shall be administered and interpreted in consideration of the program goals described in paragraph (4)(B)(iii).

''(3) PROCEDURES AND STANDARDS.—The Secretary shall by regulation establish procedures and standards applicable to the Compensation Program that follow the procedures and standards applicable under the National Vaccine Injury Compensation Program established under section 2110, except that the regulations promulgated under this paragraph shall permit a person claiming injury or death related to the administration of any covered countermeasure to file either—

''(A) a civil action for relief under subsection (p); or

''(B) a petition for compensation under this subsection.

''(4) INJURY TABLE.—

''(A) INCLUSION.—For purposes of receiving compensation under the Compensation Program with respect to a countermeasure that is the subject of a declaration under subsection (p)(2), the Vaccine Injury Table under section 2114 shall be deemed to include death and the injuries, disabilities, illnesses, and conditions specified by the Secretary under subparagraph (B)(ii).

''(B) INJURIES, DISABILITIES, ILLNESSES, AND CONDITIONS.—

''(i) INSTITUTE OF MEDICINE.—Not later than 30 days after making a declaration described in subsection (p)(2), the Secretary shall enter into a contract with the Institute of Medicine, under which the Institute shall, within 180 days of the date on which the contract is entered into, and periodically thereafter as new information, including information derived from the monitoring of those who were administered the countermeasure, becomes available, provide its expert recommendations on the injuries, disabilities, illnesses, and conditions whose occurrence in one or more individuals are likely (based on best available evidence) to have been caused by the administration of a countermeasure that is the subject of the declaration.

''(ii) SPECIFICATION BY SECRETARY.—Not later than 30 days after the receipt of the expert recommendations described in clause (i), the Secretary shall, based on such recommendations, specify those injuries, disabilities, illnesses, and conditions deemed to be included in the Vaccine Injury Table under section 2114 for the purposes described in subparagraph (A).

''(iii) PROGRAM GOALS.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation Program under this subsection shall be processed and decided taking into account the following goals of such program:

''(I) To encourage persons to develop, manufacture, and distribute countermeasures, and to administer covered countermeasures to individuals, by limiting such persons' liability for damages related to death and such injuries, disabilities, illnesses, and conditions.

''(II) To encourage individuals to consent to the administration of a covered countermeasure by providing adequate and just compensation for damages related to death and such injuries, disabilities, illnesses, or conditions.

''(III) To provide individuals seeking compensation for damages related to the administration of a countermeasure with a non-adversarial administrative process for obtaining adequate and just compensation.

''(iv) USE OF BEST AVAILABLE EVIDENCE.—The Institute of Medicine, under the contract under clause (i), shall make such recommendations, the Secretary shall specify, under clause (ii), such injuries, disabilities, illnesses, and conditions, and claims under the Compensation Program under this subsection shall be processed and decided using the best available evidence, including information from adverse event reporting or other monitoring of those individuals who were administered the countermeasure, whether evidence from clinical trials or other scientific studies in humans is available.

''(v) APPLICATION OF SECTION 2115.—With respect to section 2115(a)(2) as applied for purposes of this subsection, an award for the estate of the deceased shall be—

''(I) if the deceased was under the age of 18, an amount equal to the amount that may be paid to a survivor or survivors as death benefits under the Public Safety Officers' Benefits Program under subpart 1 of part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.); or

''(II) if the deceased was 18 years of age or older, the greater of—

''(aa) the amount described in subclause (I); or

''(bb) the projected loss of employment income, except that the amount under this item may not exceed an amount equal to 400 percent of the amount that applies under item (aa).

''(vi) APPLICATION OF SECTION 2116.—Section 2116(b) shall apply to injuries, disabilities, illnesses, and conditions initially specified or revised by the Secretary under clause (ii), except that the exceptions contained in paragraphs (1) and (2) of such section shall not apply.

''(C) RULE OF CONSTRUCTION.—Section 13632(a)(3) of Public Law 103–66 (107 Stat. 646) (making revisions by Secretary to the Vaccine Injury Table effective on the effective date of a corresponding tax) shall not be construed to apply to any revision to the Vaccine Injury Table made under regulations under this paragraph.

''(5) APPLICATION.—The Compensation Program applies to any death or injury, illness, disability, or condition that is likely (based on best available evidence) to have been caused by the administration of a covered countermeasure to an individual pursuant to a declaration under subsection (p)(2).

''(6) SPECIAL MASTERS.—

''(A) HIRING.—In accordance with section 2112, the judges of the United States Claims Court shall appoint a sufficient number of special masters to address claims for compensation under this subsection.

''(B) BUDGET AUTHORITY.—There are appropriated to carry out this subsection such sums as may be necessary for fiscal year 2006

and each fiscal year thereafter. This subparagraph constitutes budget authority in advance of appropriations and represents the obligation of the Federal Government.

''(7) COVERED COUNTERMEASURE.—For purposes of this subsection, the term 'covered countermeasure' has the meaning given to such term in subsection (p)(7)(A).

''(8) FUNDING.—Compensation made under the Compensation Program shall be made from the same source of funds as payments made under subsection (p).''.

(b) EFFECTIVE DATE.—This section shall take effect as of November 25, 2002 (the date of enactment of the Homeland Security Act of 2002 (Pub. L. 107–296; 116 Stat. 2135)).

SEC. 4. INDEMNIFICATION FOR MANUFACTURERS AND HEALTH CARE PROFESSIONALS WHO ADMINISTER MEDICAL PRODUCTS NEEDED FOR BIODEFENSE.

Section 224(p) of the Public Health Service Act (42 U.S.C. 233(p)) is amended—

(1) in the subsection heading by striking ''SMALLPOX'';

(2) in paragraph (1), by striking ''against smallpox'';

(3) in paragraph (2)—

(A) in the paragraph heading, by striking ''AGAINST SMALLPOX''; and

(B) in subparagraph (B), by striking clause (ii);

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

''(3) EXCLUSIVITY; OFFSET.—

''(A) EXCLUSIVITY.—With respect to an individual to which this subsection applies, such individual may bring a claim for relief under—

''(i) this subsection;

''(ii) subsection (q); or

''(iii) part C.

''(B) ELECTION OF ALTERNATIVES.—An individual may only pursue one remedy under subparagraph (A) at any one time based on the same incident or series of incidents. An individual who elects to pursue the remedy under subsection (q) or part C may decline any compensation awarded with respect to such remedy and subsequently pursue the remedy provided for under this subsection. An individual who elects to pursue the remedy provided for under this subsection may not subsequently pursue the remedy provided for under subsection (q) or part C.

''(C) STATUTE OF LIMITATIONS.—For purposes of determining how much time has lapsed when applying statute of limitations requirements relating to remedies under subparagraph (A), any limitation of time for commencing an action, or filing an application, petition, or claim for such remedies, shall be deemed to have been suspended for the periods during which an individual pursues a remedy under such subparagraph.

''(D) OFFSET.—The value of all compensation and benefits provided under subsection (q) or part C of this title for an incident or series of incidents shall be offset against the amount of an award, compromise, or settlement of money damages in a claim or suit under this subsection based on the same incident or series of incidents.'';

(5) in paragraph (6)—

(A) in subparagraph (A), by inserting ''or under subsection (q) or part C'' after ''under this subsection''; and

(B) by redesignating subparagraph (B) as subparagraph (C);

(C) by inserting after subparagraph (A), the following:

''(B) GROSSLY NEGLIGENT, RECKLESS, OR ILLEGAL CONDUCT AND WILLFUL MISCONDUCT.—For purposes of subparagraph (A), grossly negligent, reckless, or illegal conduct or willful misconduct shall include the administration by a qualified person of a covered countermeasure to an individual who was not within a category of individuals covered by a declaration under subsection (p)(2) with respect to such countermeasure where the qualified person fails to have had reasonable grounds to believe such individual was within such a category.''; and

(D) by adding at the end the following:

''(D) LIABILITY OF THE UNITED STATES.—The United States shall be liable under this subsection with respect to a claim arising out of the manufacture, distribution, or administration of a covered countermeasure regardless of whether—

''(i) the cause of action seeking compensation is alleged as negligence, strict liability, breach of warranty, failure to warn, or other action; or

''(ii) the covered countermeasure is designated as a qualified anti-terrorism technology under the SAFETY Act (6 U.S.C. 441 et seq.).''

''(E) GOVERNING LAW.—Notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the place of injury.

''(F) MILITARY PERSONNEL AND UNITED STATES CITIZENS OVERSEAS.—

''(i) MILITARY PERSONNEL.—The liability of the United States as provided in this subsection shall extend to claims brought by United States military personnel.

''(ii) CLAIMS ARISING IN A FOREIGN COUNTRY.—Notwithstanding the provisions of section 2680(k) of title 28, United States Code, the liability of the United States as provided for in the subsection shall extend to claims based on injuries arising in a foreign country where the injured party is a member of the United States military, is the spouse or child of a member of the United States military, or is a United States citizen.

''(iii) GOVERNING LAW.—With regard to all claims brought under clause (ii), and notwithstanding the provisions of section 1346(b)(1) and chapter 171 of title 28, United States Code, and of subparagraph (C), as they relate to governing law, the liability of the United States as provided in this subsection shall be in accordance with the law of the claimant's domicile in the United States or most recent domicile with the United States.''; and

(6) in paragraph (7)—

(A) by striking subparagraph (A) and inserting the following:

''(A) COVERED COUNTERMEASURE.—The term 'covered countermeasure', means—

''(i) a substance that is—

''(I)(aa) used to prevent or treat smallpox (including the vaccinia or another vaccine); or

''(bb) vaccinia immune globulin used to control or treat the adverse effects of vaccinia inoculation; and

''(II) specified in a declaration under paragraph (2); or

''(ii) a drug (as such term is defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act), biological product (as such term is defined in section 351(i) of this Act), or device (as such term is defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) that—

''(I) the Secretary determines to be a priority (consistent with sections 302(2) and 304(a) of the Homeland Security Act of 2002) to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent identified as a material threat under section 319F–2(c)(2)(A)(ii), or to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug, biological product, or device against such an agent;

''(II) is—

''(aa) authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act, so long as the manufacturer of such drug, biological product, or device has—

''(AA) made all reasonable efforts to obtain applicable approval, clearance, or licensure; and

''(BB) cooperated fully with the requirements of the Secretary under such section 564; or

''(bb) approved or licensed solely pursuant to the regulations under subpart I of part 314 or under subpart H of part 601 of title 21, Code of Federal Regulations (as in effect on the date of enactment of the National Biodefense Act of 2005); and

''(III) is specified in a declaration under paragraph (2).''; and

(B) in subparagraph (B)—

(i) by striking clause (ii), and inserting the following:

''(ii) a health care entity, a State, or a political subdivision of a State under whose auspices such countermeasure was administered;'' and

(vi) in clause (viii), by inserting before the period ''if such individual performs a function for which a person described in clause (i), (ii), or (iv) is a covered person''.

SA 3897. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Medicare for All Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Medicare for all.
''TITLE XXII—MEDICARE FOR ALL
''Sec. 2201. Description of program.
''Sec. 2202. Eligibility, enrollment, and coverage.
''Sec. 2203. Benefits.
''Sec. 2204. Choice of coverage under private health care delivery systems.
''Sec. 2205. Medicare for All Trust Fund.
''Sec. 2206. Administration.
Sec. 3. Financing through employment tax.

SEC. 2. MEDICARE FOR ALL.

(a) ESTABLISHMENT OF PROGRAM.—The Social Security Act is amended by adding at the end the following:

''TITLE XXII—MEDICARE FOR ALL

''SEC. 2201. DESCRIPTION OF PROGRAM.

''The program under this title—

''(1) ensures that all Americans have high quality, affordable health care;

''(2) ensures that all Americans have access to health care as good as their Member of Congress receives; and

''(3) reduces the cost of health care and enhances American economic competitiveness in the global marketplace.

''SEC. 2202. ELIGIBILITY, ENROLLMENT, AND COVERAGE.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—Each eligible individual is entitled to benefits under the program under this title.

''(2) ELIGIBLE INDIVIDUAL.—

''(A) IN GENERAL.—For purposes of this title, the term 'eligible individual' means an individual who—

''(i) is—

''(I) a citizen of the United States; or

''(II) a person who is lawfully present in the United States; and

''(ii) is not eligible for benefits under part A or B of title XVIII.

''(B) LAWFULLY PRESENT.—For purposes of subparagraph (A)(i)(II), a person is lawfully present in the United States if such person—

''(i) is described in section 431 of Public Law 104–193;

''(ii) is described in section 103.12 of title 8, Code of Federal Regulations (as in effect as of the date of enactment of the Medicare for All Act);

''(iii) is eligible to apply for employment authorization from the Department of Homeland Security as listed in section 274a.12 of title 8, Code of Federal Regulations (as in effect as of the date of enactment of the Medicare for All Act); or

''(iv) is otherwise determined to be lawfully present in the United States under criteria established by the Secretary, in consultation with the Secretary of Homeland Security.

''(3) PHASE-IN OF ELIGIBILITY.—Under rules established by the Secretary, eligibility for benefits under this title shall be phased-in as follows:

''(A) During the first 5 years the program under this title is in operation, eligible individuals who are under 20 years of age or who are over 55 years of age are eligible for such benefits.

''(B) During the second 5 years the program under this title is in operation, eligible individuals who are under 30 years of age or who are over 45 years of age are eligible for such benefits.

''(C) All eligible individuals are eligible for such benefits beginning with the eleventh year in which the program under this title is in operation.

''(4) ENSURING THAT ELIGIBLE INDIVIDUALS DO NOT AGE-OUT OF PROGRAM.—For purposes of subparagraphs (A) and (B) of paragraph (3)—

''(A) the determination of whether an eligible individual meets the age requirements under such subparagraphs shall be made on the date of enrollment in the program under this title; and

''(B) such an individual's enrollment under such program may not be terminated because the individual no longer meets such age requirements.

''(b) AUTOMATIC ENROLLMENT.—

''(1) IN GENERAL.—The Secretary shall establish a process under which each eligible individual is deemed to be enrolled under the program under this title. Such process shall include the following:

''(A) Deemed enrollment of an eligible individual upon birth in the United States.

''(B) Enrollment of eligible individuals at the time of immigration into the United States.

''(2) ISSUANCE OF CARD.—The Secretary shall provide for issuance of an appropriate card for individuals entitled to benefits under the program under this title. Not later than the sixth year the program under this title is in operation, the Secretary shall ensure that each such card is linked securely, and with strong privacy protections, to an electronic health record for each such individual. In order to accomplish such linkage, the Secretary is authorized to award grants, issue contracts, alter reimbursement under the program under this title, or provide such other incentives as are reasonable and necessary.

''(c) COVERAGE.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide for coverage of benefits for items and services furnished on and after the date an individual is entitled to benefits under the program under this title.

''(2) INITIAL COVERAGE.—No coverage is available under the program under this title for items and services furnished before the date that is 18 months after the date of the enactment of the Medicare For All Act.

''(3) EXPIRATION OF COVERAGE.—An individual's coverage under the program under this title shall terminate as of the date the individual is no longer an eligible individual.

''(d) RELATION TO OTHER PROGRAMS.—

''(1) CONSTRUCTION.—

''(A) CONTINUED OPERATION OF PUBLIC PROGRAMS.—Nothing in this title shall be construed as requiring (or preventing) an individual who is entitled to benefits under the program under this title from obtaining benefits under any other public health care program to which the individual is entitled, including under a State Medicaid plan under title XIX, the State Children's Health Insurance Program under title XXI, a health program of the Department of Defense under chapter 55 of title 10, United States Code, a health program of the Department of Veterans Affairs under chapter 17 of title 38 of such Code, or a medical care program of the Indian Health Service or of a tribal organization.

''(B) CONTINUED OPERATION OF PRIVATE HEALTH INSURANCE.—Nothing in this title shall be construed as preventing an individual who is entitled to benefits under the program under this title from obtaining benefits that supplement or improve the benefits available under such program from any private health insurance plan or policy.

''(2) PRIMARY PAYOR; OTHER PUBLIC PROGRAMS PROVIDING WRAP AROUND BENEFITS.—The program under this title shall be primary payor to other public health care benefit programs and the benefits under such other public health care benefit programs shall supplement the benefits under the program under this title.

''SEC. 2203. BENEFITS.

''(a) COMPREHENSIVE BENEFIT PACKAGE.—The Secretary shall provide for benefits under the program under this title consistent with the following:

''(1) MEDICARE FEE-FOR-SERVICE BENEFITS.—The benefits include the full range and scope of benefits available under the original fee-for-service program under parts A and B of title XVIII.

''(2) PRESCRIPTION DRUG COVERAGE.—The benefits include coverage of prescription drugs at least as comprehensive as the prescription drug coverage offered as of January 1, 2006, under the Blue Cross/Blue Shield Standard Plan provided under the Federal employees health benefits program under chapter 89 of title 5, United States Code (in this title referred to as 'FEHBP'). Such coverage shall be administered in the same manner as other benefits under this section.

''(3) INCLUSION OF EPSDT.—The benefits include benefits for early and periodic screening, diagnostic, and treatment services (as defined in section 1905(r)) for individuals who are under the age of 21.

''(4) PARITY IN COVERAGE OF MENTAL HEALTH BENEFITS.—

''(A) IN GENERAL.—There shall not be any treatment limitations or financial requirements with respect to the coverage of benefits for mental illnesses unless comparable treatment limitations or financial requirements are imposed on medical and surgical benefits. Nothing in this subparagraph shall be construed to require coverage for mental health benefits that are not medically necessary or to prohibit the appropriate medical management of such benefits.

''(B) RELATED DEFINITIONS.—For purposes of this paragraph—

''(i) FINANCIAL REQUIREMENTS.—The term 'financial requirements' includes deductibles, coinsurance, co-payments, other cost-sharing, and limitations on the total amount that may be paid by an individual with respect to benefits and shall include the application of annual and lifetime limits.

''(ii) MENTAL HEALTH BENEFITS.—The term 'mental health benefits' means benefits with respect to services for all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV–TR), or the most recent edition if different than the Fourth Edition, if such services are included as part of an authorized treatment plan that is in accordance with standard protocols and such services meet medical necessity criteria. Such term does not include benefits with respect to the treatment of substance abuse or chemical dependency.

''(iii) TREATMENT LIMITATIONS.—The term 'treatment limitations' means limitations on the frequency of treatment, number of visits or days of coverage, or other similar limits on the duration or scope of treatment under the qualifying health benefit plan.

''(5) PREVENTIVE SERVICES.—The benefits shall include coverage of such additional preventive health care items and services as the Secretary shall specify, in consultation with the United States Preventive Services Task Force.

''(6) HOME AND COMMUNITY BASED SERVICES.—The benefits shall include coverage of home and community-based services described in section 1915(c)(4)(B).

''(7) ADDITIONAL BENEFITS.—The benefits shall include such additional benefits that the Secretary determines appropriate.

''(8) REVISION.—Nothing in this subsection shall be construed as preventing the Secretary from improving the benefit package from time to time to account for changes in medical practice, new information from medical research, and other relevant developments in health science.

''(9) ADJUSTMENT AUTHORIZED.—The Secretary shall, on a regular basis, evaluate whether adding any of the benefits described in paragraphs (1) through (7) is necessary or advisable to promote the health of beneficiaries under the program under title XVIII. The Secretary is authorized to improve the benefits available under such program, based upon such evaluation.

''(b) COST-SHARING.—

''(1) IN GENERAL.—Except as otherwise provided under this subsection or subsection (a)(4), with respect to the benefits described in subsection (a)(1), such benefits shall be subject to the cost-sharing (in the form of deductibles, coinsurance, and copayments) and premiums applicable under the program described in such subsection.

''(2) PRESCRIPTION DRUG COVERAGE.—With respect to the benefits described in subsection (a)(2), such benefits shall be subject to the cost-sharing (in the form of deductibles, coinsurance, and copayments) applicable under the plan described in such subsection.

''(3) TREATMENT OF PREVENTIVE AND ADDITIONAL SERVICES.—With respect to benefits described in paragraphs (5) and (7) of subsection (a), such benefits shall be subject to cost-sharing (in the form of deductibles, coinsurance, and copayments) that is consistent (as determined by the Secretary) with the cost-sharing applicable under paragraph (1).

''(4) TREATMENT OF EPSDT AND HOME AND COMMUNITY-BASED SERVICES.—With respect to benefits described in paragraphs (3) and (6) of subsection (a), such benefits shall be subject to nominal cost-sharing (in the form of deductibles, coinsurance, and copayments)

that is consistent (as determined by the Secretary) with the cost-sharing applicable to such services under section 1916 (as in effect on January 1, 2006).

''(5) REDUCTION IN COST-SHARING FOR LOW-INCOME INDIVIDUALS.—The Secretary shall provide for reduced cost-sharing for low-income individuals in a manner that is no less protective than the reduced cost-sharing for individuals under section 1902(a)(10)(E) (as in effect on January 1, 2006).

''(c) FREEDOM TO CHOOSE YOUR OWN DOCTOR AND HEALTH PLAN.—Except in the case of individuals who elect enrollment in a private health plan under section 2204, the provisions of section 1802 shall apply under this title.

''(d) PAYMENT SCHEDULE.—

''(1) IN GENERAL.—The Secretary, with the assistance of the Medicare Payment Advisory Commission, shall develop and implement a payment schedule for benefits covered under the program under this title which are provided other than through private health plans. To the extent feasible, such payment schedule shall be consistent with comparable payment schedules and reimbursement methodologies applied to benefits provided under parts A and B of title XVIII, except, that with respect to the coverage of prescription drugs, the Secretary shall provide for payment in accordance with a payment schedule developed and implemented under the previous sentence.

''(2) ADDITIONAL PAYMENTS FOR QUALITY.—The Secretary shall establish procedures to provide reimbursement in addition to the reimbursement under paragraph (1) to health care providers that achieve measures (as established by the Secretary in consultation with health care professionals and groups representing eligible individuals) of health care quality. The Secretary shall ensure that such measures include measures of appropriate use of health information technology.

''(e) APPLICATION OF BENEFICIARY PROTECTIONS.—The Secretary shall provide for protections of beneficiaries under the program under this title that are not less than the beneficiary protections provided under title XVIII, including appeal rights and limitations on balance billing.

''SEC. 2204. CHOICE OF COVERAGE UNDER PRIVATE HEALTH CARE DELIVERY SYSTEMS.

''(a) IN GENERAL.—The Secretary shall provide a process for—

''(1) the offering of private health plans for the provision of benefits under the program under this title; and

''(2) the enrollment, disenrollment, termination, and change in enrollment of eligible individuals in such plans.

''(b) OFFERING OF PRIVATE HEALTH PLANS.—

''(1) IN GENERAL.—The Secretary shall enter into contracts with qualified entities for the offering of private health plans under the program under this title. In entering into such contracts the Secretary shall have the same authority that the Director of the Office of Personnel Management has with respect to health benefits plans under FEHBP.

''(2) REQUIREMENTS.—The Secretary shall not enter into such a contract for the offering of a private health plan under the program under this title unless at least the following requirements are met:

''(A) BENEFITS AS GOOD AS YOUR CONGRESSMAN GETS.—Benefits under such plans are not less than the benefits offered to Members of Congress and Federal employees under FEHBP. Such plans may provide health benefits in addition to such required benefits and may impose a premium for the provision of benefits. Such plans may not provide for financial payments or rebates to enrollees.

''(B) BENEFICIARY PROTECTIONS.—Enrollees in such plans have beneficiary protections that are not less than the beneficiary protections applicable under this title to individuals not so enrolled and shall include beneficiary protections applicable under both FEHBP and part C of title XVIII.

''(C) OTHER ADMINISTRATIVE REQUIREMENTS.—The plans are subject to such requirements relating to licensure and solvency, protection against fraud and abuse, inspection, disclosure, periodic auditing, and administrative operations and efficiencies as the Secretary identifies, taking into account similar requirements under FEHBP and part C of title XVIII.

''(c) ANNUAL OPEN ENROLLMENT.—The process under subsection (a)(2) shall provide for an annual open enrollment period in which individuals may enroll, and change or terminate enrollment, in private health plans in a manner similar to that provided under FEHBP as of January 1, 2006.

''(d) PAYMENT TO PRIVATE HEALTH PLANS.—

''(1) IN GENERAL.—In the case of an individual enrolled in a private health plan under this section for a month, the Secretary shall provide for payment of an amount equal to 1/12 of the annual per capita amount (described in paragraph (2), as adjusted under paragraph (3)).

''(2) ANNUAL PER CAPITA AMOUNT.—The annual per capita amount under this paragraph shall be the annual average per capita cost of providing benefits under the program under this title (including both individuals enrolled and not enrolled under private health plan), as computed by the Secretary based on rules similar to the rules described in section 1876(a)(4).

''(3) RISK-ADJUSTMENT.—In making payment under this subsection, the Secretary shall apply risk adjustment factors similar to those applied to payments to Medicare Advantage organizations under section 1853, except that the Secretary shall ensure that payments under this subsection are adjusted based on such factors to ensure that the health status of the enrollee is reflected in such adjusted payments, including adjusting for the difference between the health status of the enrollee and individuals receiving benefits under the program under this title who are not so enrolled. Payments under this subsection must, in aggregate, reflect such differences.

''(e) REQUIREMENTS FOR FEHBP CARRIERS.—Each contract entered into or renewed under section 8902 of title 5, United States Code, shall require the carrier to offer a plan under this section on similar terms and conditions to the plan offered by the carrier under FEHBP.

''SEC. 2205. MEDICARE FOR ALL TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Medicare for All Trust Fund' (in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part.

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Medicare for All Trust Fund, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to—

''(1) the taxes received in the Treasury under sections 1401(c), 3101(c), and 3111(c) of the Internal Revenue Code of 1986;

''(2) such portion of the taxes received in the Treasury under section 3201 as are attributable to the rate specified in section 3101(c) of such Code;

''(3) such portion of the taxes received in the Treasury under section 3211 of such Code as are attributable to the sum of the rates specified in section 3101(c) and 3111(c) of such Code; and

''(4) such portion of the taxes received in the Treasury under section 3221 as are attributable to the rate specified in section 3111(c) of such Code.

The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such sentence.

''(c) INCORPORATION OF PROVISIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), subsections (b) through (i) of section 1817 shall apply with respect to the Trust Fund and this title in the same manner as they apply with respect to the Federal Hospital Insurance Trust Fund and part A of title XVIII, respectively.

''(2) MISCELLANEOUS REFERENCES.—In applying provisions of section 1817 under paragraph (1)—

''(A) any reference in such section to 'this part' is construed to refer to this title;

''(B) any reference to taxes referred to in subsection (a) of such section shall be construed to refer to the taxes referred to in subsection (b) of this section; and

''(C) the Board of Trustees of the Medicare for All Trust Fund shall be the same as the Board of Trustees of the Federal Hospital Insurance Trust Fund.

''SEC. 2206. ADMINISTRATION.

''Except as otherwise provided in this title—

''(1) the Secretary shall enter into appropriate contracts with providers of services, other health care providers, and medicare administrative contractors, taking into account the types of contracts used under title XVIII with respect to such entities, to administer the program under this title;

''(2) benefits described in section 2203 that are payable under the program under this title to such individuals shall be paid in a manner specified by the Secretary (taking into account, and based to the greatest extent practicable upon, the manner in which they are provided under title XVIII); and

''(3) provider participation agreements under title XVIII shall apply to enrollees and benefits under the program under this title in the same manner as they apply to enrollees and benefits under the program under title XVIII.''.

(b) CONFORMING AMENDMENTS TO SOCIAL SECURITY ACT PROVISIONS.—

(1) Section 201(i)(1) of the Social Security Act (42 U.S.C. 401(i)(1)) is amended—

(A) by striking ''or the Federal Supplementary '' and inserting ''the Federal Supplementary''; and

(B) by inserting ''or the Medicare for All Trust Fund'' after ''such Trust Fund)''.

(2) Section 201(g)(1)(A) of such Act (42 U.S.C. 401(g)(1)(A)) is amended by striking ''and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII'' and inserting '', the Federal Supplementary Medical Insurance Trust Fund established by title XVIII, and the Medicare for All Trust Fund established under title XXII''.

(c) MAINTENANCE OF MEDICAID ELIGIBILITY AND BENEFITS.—In order for a State to continue to be eligible for payments under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) the State may not reduce standards of eligibility or benefits provided under its State Medicaid plan under title

XIX of the Social Security Act below such standards of eligibility and benefits in effect on the date of the enactment of this Act.

SEC. 3. FINANCING THROUGH EMPLOYMENT TAX.

(a) TAX ON EMPLOYEES.—Section 3101 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) MEDICARE FOR ALL.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to 1.7 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b)).''.

(b) TAX ON EMPLOYERS.—Section 3111 of such Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) MEDICARE FOR ALL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 7 percent of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b)).''.

(c) TAX ON SELF-EMPLOYMENT.—Section 1401 of such Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) MEDICARE FOR ALL.—In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the applicable percent of the self-employment income for such taxable year. For purposes of the preceding sentence, the applicable percent is a percent equal to the sum of the percent described in section 3101(c) plus the percent described in section 3111(c).''.

(d) RAILROAD RETIREMENT TAX.—

(1) TAX ON EMPLOYEES.—Section 3201(a) of such Code is amended by striking ''subsections (a) and (b) of section 3101'' and inserting ''subsections (a), (b), and (c) of section 3101''.

(2) TAX ON EMPLOYEE REPRESENTATIVES.—Section 3211(a) of such Code is amended by striking ''subsections (a) and (b) of section 3101 and subsections (a) and (b) of section 3111'' and inserting ''subsections (a), (b), and (c) of section 3101 and subsections (a), (b), and (c) of section 3111''.

(3) TAX ON EMPLOYERS.—Section 3221(a) of such Code is amended by striking ''subsections (a) and (b) of section 3111'' and inserting ''subsections (a), (b), and (c) of section 3111''.

(4) DETERMINATION OF CONTRIBUTION BASE.—Clause (iii) of section 3231(e)(2)(A) is amended to read as follows:

''(iii) HOSPITAL INSURANCE AND MEDICARE FOR ALL TAXES.—Clause (i) shall not apply to—

''(I) so much of the rate applicable under section 3201(a) or 3221(a) as does not exceed the sum of the rates of tax in effect under subsections (b) and (c) of section 3101, and

''(II) so much of the rate applicable under section 3211(a) as does not exceed the sum of the rates of tax in effect under subsections (b) and (c) of section 1401.''.

(e) APPLICATION OF TAX TO FEDERAL, STATE, AND LOCAL EMPLOYMENT.—Paragraphs (1) and (2) of section 3121(u) and section 3125(a) of such Code are each amended by striking ''sections 3101(b) and 3111(b)'' and inserting ''subsections (b) and (c) of section 3101 and subsections (b) and (c) of section 3111''.

(f) CONFORMING AMENDMENTS.—

(1) Section 1402(a)(12)(B) of such Code is amended by striking ''subsections (a) and (b) of section 1401'' and inserting ''subsections (a), (b), and (c) of section 1401''.

(2) Section 3121(q) of such Code is amended by striking ''subsections (a) and (b) of section 3111'' and inserting ''subsections (a), (b), and (c) of section 3111''.

(3) The last sentence of section 6051(a) of such Code is amended by striking ''sections 3101(c) and 3111(c)'' and inserting ''sections 3101(d) and 3111(d)''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid and self-employment income derived on or after January 1 of the year following the date of the enactment of this Act.

SA 3898. Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE __—HEALTHY FAMILIES

SEC. __01. SHORT TITLE.

This title may be cited as the ''Healthy Families Act''.

SEC. __02. FINDINGS.

Congress makes the following findings:

(1) Working Americans need to take time off for their own health care needs or to perform essential caretaking responsibilities for a wide range of family members, including, among others, their children, spouse, parents, and parents-in-law, and other children and adults for whom they are caretakers.

(2) Health care needs include preventive health care, diagnostic procedures, medical treatment, and recovery in response to short- and long-term illnesses and injuries.

(3) Providing employees time off to tend to their own health care needs ensures that they will be healthier in the long run. Preventive care helps avoid illnesses and injuries and routine medical care helps detect illnesses early and shorten the duration of illnesses.

(4) When parents are available to care for their children who become sick, children recover faster, more serious illnesses are prevented, and children's overall mental and physical health are improved. Parents who cannot afford to miss work and must send children with a contagious illness to child care or school contribute to the high rate of infections in child care centers and schools.

(5) Providing paid sick leave improves public health by reducing infectious disease. Policies that make it easier for sick adults and children to be isolated at home reduce the spread of infectious disease.

(6) Routine medical care results in savings by decreasing medical costs by detecting and treating illness and injury early, decreasing the need for emergency care. These savings benefit public and private payers of health insurance, including private businesses.

(7) The provision of individual and family sick leave by large and small businesses, both here in the United States and elsewhere, demonstrates that policy solutions are both feasible and affordable in a competitive economy. Measures that ensure that employees are both in good health themselves and do not need to worry about unmet family health problems help businesses by promoting productivity and reducing employee turnover.

(8) The American Productivity Audit found that presenteeism—the practice of employees coming to work despite illness—costs $180,000,000,000 annually in lost productivity. Studies in the Journal of Occupational and Environmental Medicine, the Employee Benefit News, and the Harvard Business Review show that presenteeism is a larger productivity drain than either absenteeism or short-term disability.

(9) The absence of sick leave has forced Americans to make untenable choices between needed income and jobs on the one hand and caring for their own and their family's health on the other.

(10) The majority of middle income Americans lack paid leave for self-care or to care for a family member. Low-income Americans are significantly worse off. Of the poorest families (the lowest quartile), 76 percent lack regular sick leave. For families in the next 2 quartiles, 63 percent and 54 percent, respectively lack regular sick leave. Even in the highest income quartile, 40 percent of families lack regular sick leave. Less than ½ of workers who have paid sick leave can use it to care for ill children.

(11) It is in the national interest to ensure that Americans from all demographic groups can care for their own health and the health of their families while prospering at work.

(12) Due to the nature of the roles of men and women in society, the primary responsibility for family caretaking often falls on women, and such responsibility affects the working lives of women more than it affects the working lives of men.

(13) Although women are still primarily responsible for family caretaking, an increasing number of men are taking on caretaking obligations, and men who request leave time for caretaking purposes are often denied accommodation or penalized because of stereotypes that caretaking is only ''women's work''.

(14) Employers' reliance on persistent stereotypes about the ''proper'' roles of both men and women in the workplace and in the home—

(A) creates a cycle of discrimination that forces women to continue to assume the role of primary family caregiver; and

(B) fosters stereotypical views among employers about women's commitment to work and their value as employees.

(15) Employment standards that apply to only one gender have serious potential for encouraging employers to discriminate against employees and applicants for employment who are of that gender.

SEC. __03. PURPOSES.

The purposes of this title are—

(1) to ensure that all working Americans can address their own health needs and the health needs of their families by requiring employers to provide a minimum level of paid sick leave including leave for family care;

(2) to diminish public and private health care costs by enabling workers to seek early and routine medical care for themselves and their family members;

(3) to accomplish the purposes described in paragraphs (1) and (2) in a manner that is feasible for employers; and

(4) consistent with the provision of the 14th amendment to the Constitution relating to equal protection of the laws, and pursuant to Congress' power to enforce that provision under section 5 of that amendment—

(A) to accomplish the purposes described in paragraphs (1) and (2) in a manner that minimizes the potential for employment discrimination on the basis of sex by ensuring generally that leave is available for eligible medical reasons on a gender-neutral basis; and

(B) to promote the goal of equal employment opportunity for women and men.

SEC. __04. DEFINITIONS.

In this title:

(1) CHILD.—The term ''child'' means a biological, foster, or adopted child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is—

(A) under 18 years of age; or

(B) 18 years of age or older and incapable of self-care because of a mental or physical disability.

(2) EMPLOYEE.—The term ''employee'' means an individual—

(A) who is—

(i)(I) an employee (including an applicant), as defined in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)), who is not covered under clause (v), including such an employee of the Library of Congress, except that a reference in such section to an employer shall be considered to be a reference to an employer described in clauses (i)(I) and (ii) of paragraph (3)(A); or

(II) an employee (including an applicant) of the Government Accountability Office;

(ii) a State employee (including an applicant) described in section 304(a) of the Government Employee Rights Act of 1991 (42 U.S.C. 2000e–16c(a));

(iii) a covered employee (including an applicant), as defined in section 101 of the Congressional Accountability Act of 1995 (2 U.S.C. 1301);

(iv) a covered employee (including an applicant), as defined in section 411(c) of title 3, United States Code; or

(v) a Federal officer or employee (including an applicant) covered under subchapter V of chapter 63 of title 5, United States Code; and

(B) who works an average of at least 20 hours per week or, in the alternative, at least 1,000 hours per year.

(3) EMPLOYER.—

(A) IN GENERAL.—The term ''employer'' means a person who is—

(i)(I) a covered employer, as defined in subparagraph (B), who is not covered under subclause (V);

(II) an entity employing a State employee described in section 304(a) of the Government Employee Rights Act of 1991;

(III) an employing office, as defined in section 101 of the Congressional Accountability Act of 1995;

(IV) an employing office, as defined in section 411(c) of title 3, United States Code; or

(V) an employing agency covered under subchapter V of chapter 63 of title 5, United States Code; and

(ii) is engaged in commerce (including government), in the production of goods for commerce, or in an enterprise engaged in commerce (including government) or in the production of goods for commerce.

(B) COVERED EMPLOYER.—

(i) IN GENERAL.—In subparagraph (A)(i)(I), the term ''covered employer''—

(I) means any person engaged in commerce or in any industry or activity affecting commerce who employs 15 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year;

(II) includes—

(aa) any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer; and

(bb) any successor in interest of an employer;

(III) includes any ''public agency'', as defined in section 3(x) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(x)); and

(IV) includes the Government Accountability Office and the Library of Congress.

(ii) PUBLIC AGENCY.—For purposes of clause (i)(III), a public agency shall be considered to be a person engaged in commerce or in an industry or activity affecting commerce.

(iii) DEFINITIONS.—For purposes of this subparagraph:

(I) COMMERCE.—The terms ''commerce'' and ''industry or activity affecting commerce'' mean any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and include ''commerce'' and any ''industry affecting commerce'', as defined in paragraphs (1) and (3) of section 501 of the Labor Management Relations Act, 1947 (29 U.S.C. 142 (1) and (3)).

(II) EMPLOYEE.—The term ''employee'' has the same meaning given such term in section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)).

(III) PERSON.—The term ''person'' has the same meaning given such term in section 3(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(a)).

(C) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

(4) EMPLOYMENT BENEFITS.—The term ''employment benefits'' means all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether such benefits are provided by a practice or written policy of an employer or through an ''employee benefit plan'', as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)).

(5) HEALTH CARE PROVIDER.—The term ''health care provider'' means a provider who—

(A)(i) is a doctor of medicine or osteopathy who is authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices; or

(ii) is any other person determined by the Secretary to be capable of providing health care services; and

(B) is not employed by an employer for whom the provider issues certification under this title.

(6) PARENT.—The term ''parent'' means a biological, foster, or adoptive parent of an employee, a stepparent of an employee, or a legal guardian or other person who stood in loco parentis to an employee when the employee was a child.

(7) PRO RATA.—The term ''pro rata'', with respect to benefits offered to part-time employees, means the proportion of each of the benefits offered to full-time employees that are offered to part-time employees that, for each benefit, is equal to the ratio of part-time hours worked to full-time hours worked.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(9) SICK LEAVE.—The term ''sick leave'' means an increment of compensated leave provided by an employer to an employee as a benefit of employment for use by the employee during an absence from employment for any of the reasons described in paragraphs (1) through (3) of section __05(d).

(10) SPOUSE.—The term ''spouse'', with respect to an employee, has the meaning given such term by the marriage laws of the State in which the employee resides.

SEC. __05. PROVISION OF PAID SICK LEAVE.

(a) IN GENERAL.—An employer shall provide for each employee employed by the employer not less than—

(1) 7 days of sick leave with pay annually for employees working 30 or more hours per week; or

(2) a pro rata number of days or hours of sick leave with pay annually for employees working less than—

(A) 30 hours per week on a year-round basis; or

(B) 1,500 hours throughout the year involved.

(b) ACCRUAL.—

(1) PERIOD OF ACCRUAL.—Sick leave provided for under this section shall accrue as determined appropriate by the employer, but not on less than a quarterly basis.

(2) ACCUMULATION.—Accrued sick leave provided for under this section shall carry over from year to year, but this title shall not be construed to require an employer to permit an employee to accumulate more than 7 days of the sick leave.

(3) USE.—The sick leave may be used as accrued. The employer, at the discretion of the employer, may loan the sick leave to the employee in advance of accrual by such employee.

(c) CALCULATION.—

(1) LESS THAN A FULL WORKDAY.—Unless the employer and employee agree to designate otherwise, for periods of sick leave that are less than a normal workday, that leave shall be counted—

(A) on an hourly basis; or

(B) in the smallest increment that the employer's payroll system uses to account for absences or use of leave.

(2) VARIABLE SCHEDULE.—If the schedule of an employee varies from week to week, a weekly average of the hours worked over the 12-week period prior to the beginning of a sick leave period shall be used to calculate the employee's normal workweek for the purpose of determining the amount of sick leave to which the employee is entitled.

(d) USES.—Sick leave accrued under this section may be used by an employee for any of the following:

(1) An absence resulting from a physical or mental illness, injury, or medical condition of the employee.

(2) An absence resulting from obtaining professional medical diagnosis or care, or preventive medical care, for the employee subject to the requirement of subsection (e).

(3) An absence for the purpose of caring for a child, a parent, a spouse, or any other individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship, who—

(A) has any of the conditions or needs for diagnosis or care described in paragraph (1) or (2); and

(B) in the case of someone who is not a child, is otherwise in need of care.

(e) SCHEDULING.—An employee shall make a reasonable effort to schedule leave under paragraphs (2) and (3) of subsection (d) in a manner that does not unduly disrupt the operations of the employer.

(f) PROCEDURES.—

(1) IN GENERAL.—Paid sick leave shall be provided upon the oral or written request of an employee. Such request shall—

(A) include a reason for the absence involved and the expected duration of the leave;

(B) in a case in which the need for leave is foreseeable at least 7 days in advance of such leave, be provided at least 7 days in advance of such leave; and

(C) otherwise, be provided as soon as practicable after the employee is aware of the need for such leave.

(2) CERTIFICATION.—

(A) PROVISION.—

(i) IN GENERAL.—Subject to subparagraph (C), an employer may require that a request for leave be supported by a certification issued by the health care professional of the eligible employee or of an individual described in subsection (d)(3), as appropriate, if the leave period covers more than 3 consecutive workdays.

(ii) TIMELINESS.—The employee shall provide a copy of such certification to the employer in a timely manner, not later than 30 days after the first day of the leave. The employer shall not delay the commencement of

the leave on the basis that the employer has not yet received the certification.

(B) SUFFICIENT CERTIFICATION.—

(i) IN GENERAL.—A certification provided under subparagraph (A) shall be sufficient if it states—

(I) the date on which the leave will be needed;

(II) the probable duration of the leave;

(III) the appropriate medical facts within the knowledge of the health care provider regarding the condition involved, subject to clause (ii); and

(IV)(aa) for purposes of leave under subsection (d)(1), a statement that leave from work is medically necessary;

(bb) for purposes of leave under subsection (d)(2), the dates on which testing for a medical diagnosis or care is expected to be given and the duration of such testing or care; and

(cc) for purposes of leave under subsection (d)(3), in the case of leave to care for someone who is not a child, a statement that care is needed for an individual described in such subsection, and an estimate of the amount of time that such care is needed for such individual.

(ii) LIMITATION.—In issuing a certification under subparagraph (A), a health care provider shall make reasonable efforts to limit the medical facts described in clause (i)(III) that are disclosed in the certification to the minimum necessary to establish a need for the employee to utilize paid sick leave.

(C) REGULATIONS.—Regulations prescribed under section __13 shall specify the manner in which an employee who does not have health insurance shall provide a certification for purposes of this paragraph.

(D) CONFIDENTIALITY AND NONDISCLOSURE.—

(i) PROTECTED HEALTH INFORMATION.—Nothing in this title shall be construed to require a health care provider to disclose information in violation of section 1177 of the Social Security Act (42 U.S.C. 1320d–6) or the regulations promulgated pursuant to section 264(c) of the Health Insurance Portability and Accountability Act (42 U.S.C. 1320d–2 note).

(ii) HEALTH INFORMATION RECORDS.—If an employer possesses health information about an employee or an employee's child, parent, spouse or other individual described in subsection (d)(3), such information shall—

(I) be maintained on a separate form and in a separate file from other personnel information;

(II) be treated as a confidential medical record; and

(III) not be disclosed except to the affected employee or with the permission of the affected employee.

(g) CURRENT LEAVE POLICIES.—

(1) EQUIVALENCY REQUIREMENT.—An employer with a leave policy providing paid leave options shall not be required to modify such policy, if such policy offers an employee the option, at the employee's discretion, to take paid sick leave that is at least equivalent to the sick leave described in paragraphs (1) and (2) of subsection (a) and subsection (d), or if the policy offers paid leave (in amounts equivalent to the amounts described in such paragraphs) for purposes that include the reasons described in subsection (d).

(2) NO ELIMINATION OR REDUCTION OF LEAVE.—An employer may not eliminate or reduce leave in existence on the date of enactment of this Act, regardless of the type of such leave, in order to comply with the provisions of this title.

SEC. __06. POSTING REQUIREMENT.

(a) IN GENERAL.—Each employer shall post and keep posted a notice, to be prepared or approved in accordance with procedures specified in regulations prescribed under section __13, setting forth excerpts from, or summaries of, the pertinent provisions of this title including—

(1) information describing leave available to employees under this title;

(2) information pertaining to the filing of an action under this title;

(3) the details of the notice requirement for foreseeable leave under section __05(f)(1)(B); and

(4) information that describes—

(A) the protections that an employee has in exercising rights under this title; and

(B) how the employee can contact the Secretary (or other appropriate authority as described in section __08) if any of the rights are violated.

(b) LOCATION.—The notice described under subsection (a) shall be posted—

(1) in conspicuous places on the premises of the employer, where notices to employees (including applicants) are customarily posted; or

(2) in employee handbooks.

(c) VIOLATION; PENALTY.—Any employer who willfully violates the posting requirements of this section shall be subject to a civil fine in an amount not to exceed $100 for each separate offense.

SEC. __07. PROHIBITED ACTS.

(a) INTERFERENCE WITH RIGHTS.—

(1) EXERCISE OF RIGHTS.—It shall be unlawful for any employer to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this title.

(2) DISCRIMINATION.—It shall be unlawful for any employer to discharge or in any other manner discriminate against (including retaliating against) any individual for opposing any practice made unlawful by this title, including—

(A) discharging or discriminating against (including retaliating against) any individual for exercising, or attempting to exercise, any right provided under this title;

(B) using the taking of sick leave under this title as a negative factor in an employment action, such as hiring, promotion, or a disciplinary action; or

(C) counting the sick leave under a no-fault attendance policy.

(b) INTERFERENCE WITH PROCEEDINGS OR INQUIRIES.—It shall be unlawful for any person to discharge or in any other manner discriminate against (including retaliating against) any individual because such individual—

(1) has filed an action, or has instituted or caused to be instituted any proceeding, under or related to this title;

(2) has given, or is about to give, any information in connection with any inquiry or proceeding relating to any right provided under this title; or

(3) has testified, or is about to testify, in any inquiry or proceeding relating to any right provided under this title.

(c) CONSTRUCTION.—Nothing in this section shall be construed to state or imply that the scope of the activities prohibited by section 105 of the Family and Medical Leave Act of 1993 (29 U.S.C. 2615) is less than the scope of the activities prohibited by this section.

SEC. __08. ENFORCEMENT AUTHORITY.

(a) IN GENERAL.—

(1) DEFINITION.—In this subsection:

(A) the term ''employee'' means an employee described in clause (i) or (ii) of section __04(2)(A); and

(B) the term ''employer'' means an employer described in subclause (I) or (II) of section __04(3)(A)(i).

(2) INVESTIGATIVE AUTHORITY.—

(A) IN GENERAL.—To ensure compliance with the provisions of this title, or any regulation or order issued under this title, the Secretary shall have, subject to subparagraph (C), the investigative authority provided under section 11(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(a)), with respect to employees and employers.

(B) OBLIGATION TO KEEP AND PRESERVE RECORDS.—An employer shall make, keep, and preserve records pertaining to compliance with this title in accordance with section 11(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 211(c)) and in accordance with regulations prescribed by the Secretary.

(C) REQUIRED SUBMISSIONS GENERALLY LIMITED TO AN ANNUAL BASIS.—The Secretary shall not require, under the authority of this paragraph, an employer to submit to the Secretary any books or records more than once during any 12-month period, unless the Secretary has reasonable cause to believe there may exist a violation of this title or any regulation or order issued pursuant to this title, or is investigating a charge pursuant to paragraph (4).

(D) SUBPOENA AUTHORITY.—For the purposes of any investigation provided for in this paragraph, the Secretary shall have the subpoena authority provided for under section 9 of the Fair Labor Standards Act of 1938 (29 U.S.C. 209).

(3) CIVIL ACTION BY EMPLOYEES.—

(A) RIGHT OF ACTION.—An action to recover the damages or equitable relief prescribed in subparagraph (B) may be maintained against any employer in any Federal or State court of competent jurisdiction by one or more employees or their representative for and on behalf of—

(i) the employees; or

(ii) the employees and other employees similarly situated.

(B) LIABILITY.—Any employer who violates section __07 (including a violation relating to rights provided under section __05) shall be liable to any employee affected—

(i) for damages equal to—

(I) the amount of—

(aa) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation; or

(bb) in a case in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation up to a sum equal to 7 days of wages or salary for the employee;

(II) the interest on the amount described in subclause (I) calculated at the prevailing rate; and

(III) an additional amount as liquidated damages; and

(ii) for such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(C) FEES AND COSTS.—The court in an action under this paragraph shall, in addition to any judgment awarded to the plaintiff, allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(4) ACTION BY THE SECRETARY.—

(A) ADMINISTRATIVE ACTION.—The Secretary shall receive, investigate, and attempt to resolve complaints of violations of section __07 (including a violation relating to rights provided under section __05) in the same manner that the Secretary receives, investigates, and attempts to resolve complaints of violations of sections 6 and 7 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206 and 207).

(B) CIVIL ACTION.—The Secretary may bring an action in any court of competent jurisdiction to recover the damages described in paragraph (3)(B)(i).

(C) SUMS RECOVERED.—Any sums recovered by the Secretary pursuant to subparagraph (B) shall be held in a special deposit account

and shall be paid, on order of the Secretary, directly to each employee affected. Any such sums not paid to an employee because of inability to do so within a period of 3 years shall be deposited into the Treasury of the United States as miscellaneous receipts.

(5) LIMITATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an action may be brought under paragraph (3), (4), or (6) not later than 2 years after the date of the last event constituting the alleged violation for which the action is brought.

(B) WILLFUL VIOLATION.—In the case of an action brought for a willful violation of section __07 (including a willful violation relating to rights provided under section __05), such action may be brought within 3 years of the date of the last event constituting the alleged violation for which such action is brought.

(C) COMMENCEMENT.—In determining when an action is commenced under paragraph (3), (4), or (6) for the purposes of this paragraph, it shall be considered to be commenced on the date when the complaint is filed.

(6) ACTION FOR INJUNCTION BY SECRETARY.—The district courts of the United States shall have jurisdiction, for cause shown, in an action brought by the Secretary—

(A) to restrain violations of section __07 (including a violation relating to rights provided under section __05), including the restraint of any withholding of payment of wages, salary, employment benefits, or other compensation, plus interest, found by the court to be due to employees eligible under this title; or

(B) to award such other equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(7) SOLICITOR OF LABOR.—The Solicitor of Labor may appear for and represent the Secretary on any litigation brought under paragraph (4) or (6).

(8) GOVERNMENT ACCOUNTABILITY OFFICE AND LIBRARY OF CONGRESS.—Notwithstanding any other provision of this subsection, in the case of the Government Accountability Office and the Library of Congress, the authority of the Secretary of Labor under this subsection shall be exercised respectively by the Comptroller General of the United States and the Librarian of Congress.

(b) EMPLOYEES COVERED BY CONGRESSIONAL ACCOUNTABILITY ACT OF 1995.—The powers, remedies, and procedures provided in the Congressional Accountability Act of 1995 (2 U.S.C. 1301 et seq.) to the Board (as defined in section 101 of that Act (2 U.S.C. 1301)), or any person, alleging a violation of section 202(a)(1) of that Act (2 U.S.C. 1312(a)(1)) shall be the powers, remedies, and procedures this title provides to that Board, or any person, alleging an unlawful employment practice in violation of this title against an employee described in section __04(2)(A)(iii).

(c) EMPLOYEES COVERED BY CHAPTER 5 OF TITLE 3, UNITED STATES CODE.—The powers, remedies, and procedures provided in chapter 5 of title 3, United States Code, to the President, the Merit Systems Protection Board, or any person, alleging a violation of section 412(a)(1) of that title, shall be the powers, remedies, and procedures this title provides to the President, that Board, or any person, respectively, alleging an unlawful employment practice in violation of this title against an employee described in section __04(2)(A)(iv).

(d) EMPLOYEES COVERED BY CHAPTER 63 OF TITLE 5, UNITED STATES CODE.—The powers, remedies, and procedures provided in title 5, United States Code, to an employing agency, provided in chapter 12 of that title to the Merit Systems Protection Board, or provided in that title to any person, alleging a violation of chapter 63 of that title, shall be the powers, remedies, and procedures this title provides to that agency, that Board, or any person, respectively, alleging an unlawful employment practice in violation of this title against an employee described in section __04(2)(A)(v).

SEC. __09. GAO STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the following:

(1) The number of days employees used paid sick leave including—

(A) the number of employees who used paid sick leave annually;

(B) both the number of consecutive days, and total days, employees used paid sick leave for their illnesses, or illnesses of—

(i) a child;

(ii) a spouse;

(iii) a parent; or

(iv) any other individual; and

(C) the number of employees who used paid sick leave for leave periods covering more than 3 consecutive workdays.

(2) Whether employees used paid sick leave to care for illnesses or conditions caused by domestic violence against the employees or their family members.

(3) The cost to employers of implementing paid sick leave policies.

(4) The benefits to employers of implementing the policies, including improvements in retention and absentee rates and productivity.

(5) The cost to employees of providing certification issued by a health care provider to obtain paid sick leave.

(6) The benefits of paid sick leave to employees and their family members.

(7) Whether the provision of paid sick leave has affected the ability of employees to care for their family members.

(8) Whether and in what way the provision of paid sick leave affected the ability of employees to provide for their health needs.

(9) Whether the provision of paid sick leave affected the ability of employees to sustain an adequate income while meeting health needs of the employees and their family members.

(10) Whether employers who administered paid sick leave policies prior to the date of enactment of this Act were affected by the provisions of this title.

(11) Whether other types of leave were affected by this title including whether this title affected—

(A) paid vacation leave;

(B) paid family or medical leave; or

(C) personal leave.

(12) Whether paid sick leave affected retention and turnover.

(13) Whether paid sick leave increased the use of less costly preventive medical care and lowered the use of emergency room care.

(14) Whether paid sick leave reduced the number of children sent to school when the children were sick.

(15) Whether paid sick leave reduced the costs of presenteeism for employers.

(b) AGGREGATING DATA.—The data collected under paragraphs (1), (2), and (7) of subsection (a) shall be aggregated by gender, race, disability, earnings level, age, marital status, and family type, including parental status.

(c) REPORTS.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit a report to the appropriate committees of Congress concerning the results of the study conducted pursuant to subsection (a) and the data aggregated under subsection (b).

(2) FOLLOWUP REPORT.—Not later that 5 years after the date of enactment of this Act the Comptroller General of the United States shall prepare and submit a followup report to the appropriate committees of Congress concerning the results of the study conducted pursuant to subsection (a) and the data aggregated under subsection (b).

SEC. __10. EFFECT ON OTHER LAWS.

(a) FEDERAL AND STATE ANTIDISCRIMINATION LAWS.—Nothing in this title shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, religion, color, national origin, sex, age, or disability.

(b) STATE AND LOCAL LAWS.—Nothing in this title shall be construed to supersede any provision of any State or local law that provides greater paid sick leave or other leave rights than the rights established under this title.

SEC. __11. EFFECT ON EXISTING EMPLOYMENT BENEFITS.

(a) MORE PROTECTIVE.—Nothing in this title shall be construed to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that provides greater paid sick leave rights to employees than the rights established under this title.

(b) LESS PROTECTIVE.—The rights established for employees under this title shall not be diminished by any contract, collective bargaining agreement, or any employment benefit program or plan.

SEC. __12. ENCOURAGEMENT OF MORE GENEROUS LEAVE POLICIES.

Nothing in this title shall be construed to discourage employers from adopting or retaining leave policies more generous than policies that comply with the requirements of this title.

SEC. __13. REGULATIONS.

(a) IN GENERAL.—

(1) AUTHORITY.—Except as provided in paragraph (2), not later than 120 days after the date of enactment of this Act, the Secretary shall prescribe such regulations as are necessary to carry out this title with respect to employees described in clause (i) or (ii) of section __04(2)(A).

(2) GOVERNMENT ACCOUNTABILITY OFFICE; LIBRARY OF CONGRESS.—The Comptroller General of the United States and the Librarian of Congress shall prescribe the regulations with respect to employees of the Government Accountability Office and the Library of Congress, respectively.

(b) EMPLOYEES COVERED BY CONGRESSIONAL ACCOUNTABILITY ACT OF 1995.—

(1) AUTHORITY.—Not later than 120 days after the date of enactment of this Act, the Board of Directors of the Office of Compliance shall prescribe (in accordance with section 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1384)) such regulations as are necessary to carry out this title with respect to employees described in section __04(2)(A)(iii).

(2) AGENCY REGULATIONS.—The regulations prescribed under paragraph (1) shall be the same as substantive regulations promulgated by the Secretary to carry out this title except insofar as the Board may determine, for good cause shown and stated together with the regulations prescribed under paragraph (1), that a modification of such regulations would be more effective for the implementation of the rights and protections involved under this section.

(c) EMPLOYEES COVERED BY CHAPTER 5 OF TITLE 3, UNITED STATES CODE.—

(1) AUTHORITY.—Not later than 120 days after the date of enactment of this Act, the President (or the designee of the President) shall prescribe such regulations as are necessary to carry out this title with respect to employees described in section __04(2)(A)(iv).

(2) AGENCY REGULATIONS.—The regulations prescribed under paragraph (1) shall be the same as substantive regulations promulgated by the Secretary to carry out this title except insofar as the President (or designee) may determine, for good cause shown and stated together with the regulations prescribed under paragraph (1), that a modification of such regulations would be more effective for the implementation of the rights and protections involved under this section.

(d) EMPLOYEES COVERED BY CHAPTER 63 OF TITLE 5, UNITED STATES CODE.—

(1) AUTHORITY.—Not later than 120 days after the date of enactment of this Act, the Director of the Office of Personnel Management shall prescribe such regulations as are necessary to carry out this title with respect to employees described in section __04(2)(A)(v).

(2) AGENCY REGULATIONS.—The regulations prescribed under paragraph (1) shall be the same as substantive regulations promulgated by the Secretary to carry out this title except insofar as the Director may determine, for good cause shown and stated together with the regulations prescribed under paragraph (1), that a modification of such regulations would be more effective for the implementation of the rights and protections involved under this section.

SEC. __14. EFFECTIVE DATES.

(a) IN GENERAL.—This title shall take effect 1 year after the date of issuance of regulations under section __13(a)(1).

(b) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a collective bargaining agreement in effect on the effective date prescribed by subsection (a), this title shall take effect on the earlier of—

(1) the date of the termination of such agreement; or

(2) the date that occurs 18 months after the date of issuance of regulations under section __13(a)(1).

SA 3899. Mr. DURBIN (for himself, Mrs. LINCOLN, Mr. REID, Mr. BAUCUS, Mr. KENNEDY, Mrs. CLINTON, Mr. KERRY, Mr. BINGAMAN, Ms. CANTWELL, Mr. PRYOR, Mr. HARKIN, Mr. OBAMA, Mr. LAUTENBERG, Mr. SCHUMER, Mr. KOHL, Mr. LIEBERMAN, Mr. DODD, Mr. DAYTON, Mr. JOHNSON, Mr. MENENDEZ, Mrs. BOXER, Mr. NELSON of Florda, Ms. MIKULSKI, Ms. STABENOW, Mr. CARPER, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Small Employers Health Benefits Program Act of 2006''.

SEC. 2. DEFINITIONS.

(a) IN GENERAL.—In this Act, the terms ''member of family'', ''health benefits plan'', ''carrier'', ''employee organizations'', and ''dependent'' have the meanings given such terms in section 8901 of title 5, United States Code.

(b) OTHER TERMS.—In this Act:

(1) EMPLOYEE.—The term ''employee'' has the meaning given such term under section 3(6) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(6)). Such term shall not include an employee of the Federal Government.

(2) EMPLOYER.—The term ''employer'' has the meaning given such term under section 3(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(5)), except that such term shall include only employers who employed an average of at least 1 but not more than 100 employees on business days during the year preceding the date of application. Such term shall not include the Federal Government.

(3) HEALTH STATUS-RELATED FACTOR.—The term ''health status-related factor'' has the meaning given such term in section 2791(d)(9) of the Public Health Service Act (42 U.S.C. 300gg–91(d)(9)).

(4) OFFICE.—The term ''Office'' means the Office of Personnel Management.

(5) PARTICIPATING EMPLOYER.—The term ''participating employer'' means an employer that—

(A) elects to provide health insurance coverage under this Act to its employees; and

(B) is not offering other comprehensive health insurance coverage to such employees.

(c) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of subsection (b)(2):

(1) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as 1 employer.

(2) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence for the full year prior to the date on which the employer applies to participate, the determination of whether such employer meets the requirements of subsection (b)(2) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the employer's first full year.

(3) PREDECESSORS.—Any reference in this subsection to an employer shall include a reference to any predecessor of such employer.

(d) WAIVER AND CONTINUATION OF PARTICIPATION.—

(1) WAIVER.—The Office may waive the limitations relating to the size of an employer which may participate in the health insurance program established under this Act on a case by case basis if the Office determines that such employer makes a compelling case for such a waiver. In making determinations under this paragraph, the Office may consider the effects of the employment of temporary and seasonal workers and other factors.

(2) CONTINUATION OF PARTICIPATION.—An employer participating in the program under this Act that experiences an increase in the number of employees so that such employer has in excess of 100 employees, may not be excluded from participation solely as a result of such increase in employees.

(e) TREATMENT OF HEALTH BENEFITS PLAN AS GROUP HEALTH PLAN.—A health benefits plan offered under this Act shall be treated as a group health plan for purposes of applying the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) except to the extent that a provision of this Act expressly provides otherwise.

SEC. 3. HEALTH INSURANCE COVERAGE FOR NON-FEDERAL EMPLOYEES.

(a) ADMINISTRATION.—The Office shall administer a health insurance program for non-Federal employees and employers in accordance with this Act.

(b) REGULATIONS.—Except as provided under this Act, the Office shall prescribe regulations to apply the provisions of chapter 89 of title 5, United States Code, to the greatest extent practicable to participating carriers, employers, and employees covered under this Act.

(c) LIMITATIONS.—In no event shall the enactment of this Act result in—

(1) any increase in the level of individual or Federal Government contributions required under chapter 89 of title 5, United States Code, including copayments or deductibles;

(2) any decrease in the types of benefits offered under such chapter 89; or

(3) any other change that would adversely affect the coverage afforded under such chapter 89 to employees and annuitants and members of family under that chapter.

(d) ENROLLMENT.—The Office shall develop methods to facilitate enrollment under this Act, including the use of the Internet.

(e) CONTRACTS FOR ADMINISTRATION.—The Office may enter into contracts for the performance of appropriate administrative functions under this Act.

(f) SEPARATE RISK POOL.—In the administration of this Act, the Office shall ensure that covered employees under this Act are in a risk pool that is separate from the risk pool maintained for covered individuals under chapter 89 of title 5, United States Code.

(g) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require a carrier that is participating in the program under chapter 89 of title 5, United States Code, to provide health benefits plan coverage under this Act.

SEC. 4. CONTRACT REQUIREMENT.

(a) IN GENERAL.—The Office may enter into contracts with qualified carriers offering health benefits plans of the type described in section 8903 or 8903a of title 5, United States Code, without regard to section 5 of title 41, United States Code, or other statutes requiring competitive bidding, to provide health insurance coverage to employees of participating employers under this Act. Each contract shall be for a uniform term of at least 1 year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. In entering into such contracts, the Office shall ensure that health benefits coverage is provided for individuals only, individuals with one or more children, married individuals without children, and married individuals with one or more children.

(b) ELIGIBILITY.—A carrier shall be eligible to enter into a contract under subsection (a) if such carrier—

(1) is licensed to offer health benefits plan coverage in each State in which the plan is offered; and

(2) meets such other requirements as determined appropriate by the Office.

(c) STATEMENT OF BENEFITS.—

(1) IN GENERAL.—Each contract under this Act shall contain a detailed statement of benefits offered and shall include information concerning such maximums, limitations, exclusions, and other definitions of benefits as the Office considers necessary or desirable.

(2) ENSURING A RANGE OF PLANS.—The Office shall ensure that a range of health benefits plans are available to participating employers under this Act.

(3) PARTICIPATING PLANS.—The Office shall not prohibit the offering of any health benefits plan to a participating employer if such plan is eligible to participate in the Federal Employees Health Benefits Program.

(4) NATIONWIDE PLAN.—With respect to all nationwide plans, the Office shall develop a benefit package that shall be offered in the case of a contract for a health benefit plan that is to be offered on a nationwide basis that meets all State benefit mandates.

(d) STANDARDS.—The minimum standards prescribed for health benefits plans under section 8902(e) of title 5, United States Code, and for carriers offering plans, shall apply to plans and carriers under this Act. Approval of a plan may be withdrawn by the Office only after notice and opportunity for hearing to the carrier concerned without regard to subchapter II of chapter 5 and chapter 7 of title 5, United States Code.

(e) CONVERSION.—

(1) IN GENERAL.—A contract may not be made or a plan approved under this section if the carrier under such contract or plan does not offer to each enrollee whose enrollment in the plan is ended, except by a cancellation of enrollment, a temporary extension of coverage during which the individual may exercise the option to convert, without evidence of good health, to a nongroup contract providing health benefits. An enrollee who exercises this option shall pay the full periodic charges of the nongroup contract.

(2) NONCANCELLABLE.—The benefits and coverage made available under paragraph (1) may not be canceled by the carrier except for fraud, over-insurance, or nonpayment of periodic charges.

(f) REQUIREMENT OF PAYMENT FOR OR PROVISION OF HEALTH SERVICE.—Each contract entered into under this Act shall require the carrier to agree to pay for or provide a health service or supply in an individual case if the Office finds that the employee, annuitant, family member, former spouse, or person having continued coverage under section 8905a of title 5, United States Code, is entitled thereto under the terms of the contract.

SEC. 5. ELIGIBILITY.

An individual shall be eligible to enroll in a plan under this Act if such individual—

(1) is an employee of an employer described in section 2(b)(2), or is a self employed individual as defined in section 401(c)(1)(B) of the Internal Revenue Code of 1986; and

(2) is not otherwise enrolled or eligible for enrollment in a plan under chapter 89 of title 5, United States Code.

SEC. 6. ALTERNATIVE CONDITIONS TO FEDERAL EMPLOYEE PLANS.

(a) TREATMENT OF EMPLOYEE.—For purposes of enrollment in a health benefits plan under this Act, an individual who had coverage under a health insurance plan and is not a qualified beneficiary as defined under section 4980B(g)(1) of the Internal Revenue Code of 1986 shall be treated in a similar manner as an individual who begins employment as an employee under chapter 89 of title 5, United States Code.

(b) PREEXISTING CONDITION EXCLUSIONS.—

(1) IN GENERAL.—Each contract under this Act may include a preexisting condition exclusion as defined under section 9801(b)(1) of the Internal Revenue Code of 1986.

(2) EXCLUSION PERIOD.—A preexisting condition exclusion under this subsection shall provide for coverage of a preexisting condition to begin not later than 6 months after the date on which the coverage of the individual under a health benefits plan commences, reduced by the aggregate 1 day for each day that the individual was covered under a health insurance plan immediately preceding the date the individual submitted an application for coverage under this Act. This provision shall be applied notwithstanding the applicable provision for the reduction of the exclusion period provided for in section 701(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(a)(3)).

(c) RATES AND PREMIUMS.—

(1) IN GENERAL.—Rates charged and premiums paid for a health benefits plan under this Act—

(A) shall be determined in accordance with this subsection;

(B) may be annually adjusted subject to paragraph (3);

(C) shall be negotiated in the same manner as rates and premiums are negotiated under such chapter 89; and

(D) shall be adjusted to cover the administrative costs of the Office under this Act.

(2) DETERMINATIONS.—In determining rates and premiums under this Act, the following provisions shall apply:

(A) IN GENERAL.—A carrier that enters into a contract under this Act shall determine that amount of premiums to assess for coverage under a health benefits plan based on an community rate that may be annually adjusted—

(i) for the geographic area involved if the adjustment is based on geographical divisions that are not smaller than a metropolitan statistical area and the carrier provides evidence of geographic variation in cost of services;

(ii) based on whether such coverage is for an individual, two adults, one adult and one or more children, or a family; and

(iii) based on the age of covered individuals (subject to subparagraph (C)).

(B) LIMITATION.—Premium rates charged for coverage under this Act shall not vary based on health-status related factors, gender, class of business, or claims experience

(C) AGE ADJUSTMENTS.—

(i) IN GENERAL.—With respect to subparagraph (A)(iii), in making adjustments based on age, the Office shall establish no more than 5 age brackets to be used by the carrier in establishing rates. The rates for any age bracket may not vary by more than 50 percent above or below the community rate on the basis of attained age. Age-related premiums may not vary within age brackets.

(ii) AGE 65 AND OLDER.—With respect to subparagraph (A)(iii), a carrier may develop separate rates for covered individuals who are 65 years of age or older for whom medicare is the primary payor for health benefits coverage which is not covered under medicare.

''(3) READJUSTMENTS.—Any readjustment in rates charged or premiums paid for a health benefits plan under this Act shall be made in advance of the contract term in which they will apply and on a basis which, in the judgment of the Office, is consistent with the practice of the Office for the Federal Employees Health Benefits Program.

(d) TERMINATION AND REENROLLMENT.—If an individual who is enrolled in a health benefits plan under this Act terminates the enrollment, the individual shall not be eligible for reenrollment until the first open enrollment period following the expiration of 6 months after the date of such termination.

(e) CONTINUED APPLICABILITY OF STATE LAW.—

(1) HEALTH INSURANCE OR PLANS.—

(A) PLANS.—With respect to a contract entered into under this Act under which a carrier will offer health benefits plan coverage, State mandated benefit laws in effect in the State in which the plan is offered shall continue to apply.

(B) RATING RULES.—The rating requirements under subparagraphs (A) and (B) of subsection (c)(2) shall supercede State rating rules for qualified plans under this Act, except with respect to States that provide a rating variance with respect to age that is less than the Federal limit or that provide for some form of community rating.

(2) LIMITATION.—Nothing in this subsection shall be construed to preempt—

(A) any State or local law or regulation except those laws and regulations described in subparagraph (B) of paragraph (1);

(B) any State grievance, claims, and appeals procedure law, except to the extent that such law is preempted under section 514 of the Employee Retirement Income Security Act of 1974; and

(C) State network adequacy laws.

(f) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to limit the application of the service-charge system used by the Office for determining profits for participating carriers under chapter 89 of title 5, United States Code.

SEC. 7. ENCOURAGING PARTICIPATION BY CARRIERS THROUGH ADJUSTMENTS FOR RISK.

(a) APPLICATION OF RISK CORRIDORS.—

(1) IN GENERAL.—This section shall only apply to carriers with respect to health benefits plans offered under this Act during any of calendar years 2007 through 2009.

(2) NOTIFICATION OF COSTS UNDER THE PLAN.—In the case of a carrier that offers a health benefits plan under this Act in any of calendar years 2007 through 2009, the carrier shall notify the Office, before such date in the succeeding year as the Office specifies, of the total amount of costs incurred in providing benefits under the health benefits plan for the year involved and the portion of such costs that is attributable to administrative expenses.

(3) ALLOWABLE COSTS DEFINED.—For purposes of this section, the term ''allowable costs'' means, with respect to a health benefits plan offered by a carrier under this Act, for a year, the total amount of costs described in paragraph (2) for the plan and year, reduced by the portion of such costs attributable to administrative expenses incurred in providing the benefits described in such paragraph.

(b) ADJUSTMENT OF PAYMENT.—

(1) NO ADJUSTMENT IF ALLOWABLE COSTS WITHIN 3 PERCENT OF TARGET AMOUNT.—If the allowable costs for the carrier with respect to the health benefits plan involved for a calendar year are at least 97 percent, but do not exceed 103 percent, of the target amount for the plan and year involved, there shall be no payment adjustment under this section for the plan and year.

(2) INCREASE IN PAYMENT IF ALLOWABLE COSTS ABOVE 103 PERCENT OF TARGET AMOUNT.—

(A) COSTS BETWEEN 103 AND 108 PERCENT OF TARGET AMOUNT.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are greater than 103 percent, but not greater than 108 percent, of the target amount for the plan and year, the Office shall reimburse the carrier for such excess costs through payment to the carrier of an amount equal to 75 percent of the difference between such allowable costs and 103 percent of such target amount.

(B) COSTS ABOVE 108 PERCENT OF TARGET AMOUNT.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are greater than 108 percent of the target amount for the plan and year, the Office shall reimburse the carrier for such excess costs through payment to the carrier in an amount equal to the sum of—

(i) 3.75 percent of such target amount; and

(ii) 90 percent of the difference between such allowable costs and 108 percent of such target amount.

(3) REDUCTION IN PAYMENT IF ALLOWABLE COSTS BELOW 97 PERCENT OF TARGET AMOUNT.—

(A) COSTS BETWEEN 92 AND 97 PERCENT OF TARGET AMOUNT.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are less than 97 percent, but greater than or equal to 92 percent, of the target amount for the plan and year, the carrier shall be required to pay into the contingency reserve fund maintained under section 8909(b)(2) of title 5, United States Code, an amount equal to 75 percent of the difference between 97 percent

of the target amount and such allowable costs.

(B) COSTS BELOW 92 PERCENT OF TARGET AMOUNT.—If the allowable costs for the carrier with respect to the health benefits plan involved for the year are less than 92 percent of the target amount for the plan and year, the carrier shall be required to pay into the stabilization fund under section 8909(b)(2) of title 5, United States Code, an amount equal to the sum of—

(i) 3.75 percent of such target amount; and

(ii) 90 percent of the difference between 92 percent of such target amount and such allowable costs.

(4) TARGET AMOUNT DESCRIBED.—

(A) IN GENERAL.—For purposes of this subsection, the term ''target amount'' means, with respect to a health benefits plan offered by a carrier under this Act in any of calendar years 2007 through 2011, an amount equal to—

(i) the total of the monthly premiums estimated by the carrier and approved by the Office to be paid for enrollees in the plan under this Act for the calendar year involved; reduced by

(ii) the amount of administrative expenses that the carrier estimates, and the Office approves, will be incurred by the carrier with respect to the plan for such calendar year.

(B) SUBMISSION OF TARGET AMOUNT.—Not later than December 31, 2006, and each December 31 thereafter through calendar year 2010, a carrier shall submit to the Office a description of the target amount for such carrier with respect to health benefits plans provided by the carrier under this Act.

(c) DISCLOSURE OF INFORMATION.—

(1) IN GENERAL.—Each contract under this Act shall provide—

(A) that a carrier offering a health benefits plan under this Act shall provide the Office with such information as the Office determines is necessary to carry out this subsection including the notification of costs under subsection (a)(2) and the target amount under subsection (b)(4)(B); and

(B) that the Office has the right to inspect and audit any books and records of the organization that pertain to the information regarding costs provided to the Office under such subsections.

(2) RESTRICTION ON USE OF INFORMATION.—Information disclosed or obtained pursuant to the provisions of this subsection may be used by officers, employees, and contractors of the Office only for the purposes of, and to the extent necessary in, carrying out this section.

SEC. 8. ENCOURAGING PARTICIPATION BY CARRIERS THROUGH REINSURANCE.

(a) ESTABLISHMENT.—The Office shall establish a reinsurance fund to provide payments to carriers that experience one or more catastrophic claims during a year for health benefits provided to individuals enrolled in a health benefits plan under this Act.

(b) ELIGIBILITY FOR PAYMENTS.—To be eligible for a payment from the reinsurance fund for a plan year, a carrier under this Act shall submit to the Office an application that contains—

(1) a certification by the carrier that the carrier paid for at least one episode of care during the year for covered health benefits for an individual in an amount that is in excess of $50,000; and

(2) such other information determined appropriate by the Office.

(c) PAYMENT.—

(1) IN GENERAL.—The amount of a payment from the reinsurance fund to a carrier under this section for a catastrophic episode of care shall be determined by the Office but shall not exceed an amount equal to 80 percent of the applicable catastrophic claim amount.

(2) APPLICABLE CATASTROPHIC CLAIM AMOUNT.—For purposes of paragraph (1), the applicable catastrophic episode of care amount shall be equal to the difference between—

(A) the amount of the catastrophic claim; and

(B) $50,000.

(3) LIMITATION.—In determining the amount of a payment under paragraph (1), if the amount of the catastrophic claim exceeds the amount that would be paid for the healthcare items or services involved under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), the Office shall use the amount that would be paid under such title XVIII for purposes of paragraph (2)(A).

(d) DEFINITION.—In this section, the term ''catastrophic claim'' means a claim submitted to a carrier, by or on behalf of an enrollee in a health benefits plan under this Act, that is in excess of $50,000.

(e) TERMINATION OF FUND.—The reinsurance fund established under subsection (a) shall terminate on the date that is 2 years after the date on which the first contract period becomes effective under this Act.

SEC. 9. CONTINGENCY RESERVE FUND.

Beginning on October 1, 2010, the Office may use amounts appropriated under section 14(a) that remain unobligated to establish a contingency reserve fund to provide assistance to carriers offering health benefits plans under this Act that experience unanticipated financial hardships (as determined by the Office).

SEC. 10. EMPLOYER PARTICIPATION.

(a) REGULATIONS.—The Office shall prescribe regulations providing for employer participation under this Act, including the offering of health benefits plans under this Act to employees.

(b) ENROLLMENT AND OFFERING OF OTHER COVERAGE.—

(1) ENROLLMENT.—A participating employer shall ensure that each eligible employee has an opportunity to enroll in a plan under this Act.

(2) PROHIBITION ON OFFERING OTHER COMPREHENSIVE HEALTH BENEFIT COVERAGE.—A participating employer may not offer a health insurance plan providing comprehensive health benefit coverage to employees other than a health benefits plan that—

(A) meets the requirements described in section 4(a); and

(B) is offered only through the enrollment process established by the Office under section 3.

(3) OFFER OF SUPPLEMENTAL COVERAGE OPTIONS.—

(A) IN GENERAL.—A participating employer may offer supplementary coverage options to employees.

(B) DEFINITION.—In subparagraph (A), the term ''supplementary coverage'' means benefits described as ''excepted benefits'' under section 2791(c) of the Public Health Service Act (42 U.S.C. 300gg–91(c)).

(c) RULE OF CONSTRUCTION.—Except as provided in section 15, nothing in this Act shall be construed to require that an employer make premium contributions on behalf of employees.

SEC. 11. ADMINISTRATION THROUGH REGIONAL ADMINISTRATIVE ENTITIES.

(a) IN GENERAL.—In order to provide for the administration of the benefits under this Act with maximum efficiency and convenience for participating employers and health care providers and other individuals and entities providing services to such employers, the Office is authorized to enter into contracts with eligible entities to perform, on a regional basis, one or more of the following:

(1) Collect and maintain all information relating to individuals, families, and employers participating in the program under this Act in the region served.

(2) Receive, disburse, and account for payments of premiums to participating employers by individuals in the region served, and for payments by participating employers to carriers.

(3) Serve as a channel of communication between carriers, participating employers, and individuals relating to the administration of this Act.

(4) Otherwise carry out such activities for the administration of this Act, in such manner, as may be provided for in the contract entered into under this section.

(5) The processing of grievances and appeals.

(b) APPLICATION.—To be eligible to receive a contract under subsection (a), an entity shall prepare and submit to the Office an application at such time, in such manner, and containing such information as the Office may require.

(c) PROCESS.—

(1) COMPETITIVE BIDDING.—All contracts under this section shall be awarded through a competitive bidding process on a bi-annual basis.

(2) REQUIREMENT.—No contract shall be entered into with any entity under this section unless the Office finds that such entity will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, and other matters as the Office finds pertinent.

(3) PUBLICATION OF STANDARDS AND CRITERIA.—The Office shall publish in the Federal Register standards and criteria for the efficient and effective performance of contract obligations under this section, and opportunity shall be provided for public comment prior to implementation. In establishing such standards and criteria, the Office shall provide for a system to measure an entity's performance of responsibilities.

(4) TERM.—Each contract under this section shall be for a term of at least 1 year, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term, except that the Office may terminate any such contract at any time (after such reasonable notice and opportunity for hearing to the entity involved as the Office may provide in regulations) if the Office finds that the entity has failed substantially to carry out the contract or is carrying out the contract in a manner inconsistent with the efficient and effective administration of the program established by this Act.

(d) TERMS OF CONTRACT.—A contract entered into under this section shall include—

(1) a description of the duties of the contracting entity;

(2) an assurance that the entity will furnish to the Office such timely information and reports as the Office determines appropriate;

(3) an assurance that the entity will maintain such records and afford such access thereto as the Office finds necessary to assure the correctness and verification of the information and reports under paragraph (2) and otherwise to carry out the purposes of this Act;

(4) an assurance that the entity shall comply with such confidentiality and privacy protection guidelines and procedures as the Office may require; and

(5) such other terms and conditions not inconsistent with this section as the Office may find necessary or appropriate.

SEC. 12. COORDINATION WITH SOCIAL SECURITY BENEFITS.

Benefits under this Act shall, with respect to an individual who is entitled to benefits under part A of title XVIII of the Social Security Act, be offered (for use in coordination with those medicare benefits) to the same extent and in the same manner as if coverage were under chapter 89 of title 5, United States Code.

SEC. 13. PUBLIC EDUCATION CAMPAIGN.

(a) IN GENERAL.—In carrying out this Act, the Office shall develop and implement an educational campaign to provide information to employers and the general public concerning the health insurance program developed under this Act.

(b) ANNUAL PROGRESS REPORTS.—Not later than 1 year and 2 years after the implementation of the campaign under subsection (a), the Office shall submit to the appropriate committees of Congress a report that describes the activities of the Office under subsection (a), including a determination by the office of the percentage of employers with knowledge of the health benefits programs provided for under this Act.

(c) PUBLIC EDUCATION CAMPAIGN.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2007 and 2008.

SEC. 14. APPROPRIATIONS.

There are authorized to be appropriated to the Office, such sums as may be necessary in each fiscal year for the development and administration of the program under this Act.

SEC. 15. REFUNDABLE CREDIT FOR SMALL BUSINESS EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 36 as section 37 and inserting after section 35 the following new section:

"SEC. 36. SMALL BUSINESS EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) DETERMINATION OF AMOUNT.—In the case of a qualified small employer, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of—

''(1) the expense amount described in subsection (b), and

''(2) the expense amount described in subsection (c), paid by the taxpayer during the taxable year.

''(b) SUBSECTION (b) EXPENSE AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The expense amount described in this subsection is the applicable percentage of the amount of qualified employee health insurance expenses of each qualified employee.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The applicable percentage is equal to—

''(i) 25 percent in the case of self-only coverage,

''(ii) 35 percent in the case of family coverage (as defined in section 220(c)(5)), and

''(iii) 30 percent in the case of coverage for two adults or one adult and one or more children.

''(B) BONUS FOR PAYMENT OF GREATER PERCENTAGE OF PREMIUMS.—The applicable percentage otherwise specified in subparagraph (A) shall be increased by 5 percentage points for each additional 10 percent of the qualified employee health insurance expenses of each qualified employee exceeding 60 percent which are paid by the qualified small employer.

''(c) SUBSECTION (c) EXPENSE AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The expense amount described in this subsection is, with respect to the first credit year of a qualified small employer which is an eligible employer, 10 percent of the qualified employee health insurance expenses of each qualified employee.

''(2) FIRST CREDIT YEAR.—For purposes of paragraph (1), the term 'first credit year' means the taxable year which includes the date that the health insurance coverage to which the qualified employee health insurance expenses relate becomes effective.

''(d) LIMITATION BASED ON WAGES.— With respect to a qualified employee whose wages at an annual rate during the taxable year exceed $25,000, the percentage which would (but for this section) be taken into account as the percentage for purposes of subsection (b)(2) or (c)(1) for the taxable year shall be reduced by an amount equal to the product of such percentage and the percentage that such qualified employee's wages in excess of $25,000 bears to $5,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED SMALL EMPLOYER.—The term 'qualified small employer' means any employer (as defined in section 2(b)(2) of the Small Employers Health Benefits Program Act of 2006) which—

''(A) is a participating employer (as defined in section 2(b)(5) of such Act),

''(B) pays or incurs at least 60 percent of the qualified employee health insurance expenses of each qualified employee for self-only coverage, and

''(C) pays or incurs at least 50 percent of the qualified employee health insurance expenses of each qualified employee for all other categories of coverage.

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

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage under such Act to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

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

''(3) QUALIFIED EMPLOYEE.—

''(A) DEFINITION.—

''(i) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee (as defined in section 2(b)(1) of such Act) of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $30,000.

''(ii) ANNUAL ADJUSTMENT.—For each taxable year after 2007, the dollar amounts specified for the preceding taxable year (after the application of this subparagraph) shall be increased by the same percentage as the average percentage increase in premiums under the Federal Employees Health Benefits Program under chapter 89 of title 5, United States Code for the calendar year in which such taxable year begins over the preceding calendar year.

''(B) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

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

''(g) CREDITS FOR NONPROFIT ORGANIZATIONS.—Any credit which would be allowable under subsection (a) with respect to a qualified small business if such qualified small business were not exempt from tax under this chapter shall be treated as a credit allowable under this subpart to such qualified small business.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 36 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

''Sec. 36. Small business employee health insurance expenses.

''Sec. 37. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2006.

SEC. 16. EFFECTIVE DATE.

Except as provided in section 10(e), this Act shall take effect on the date of enactment of this Act and shall apply to contracts that take effect with respect to calendar year 2007 and each calendar year thereafter.

SA 3900. Mr. CARPER (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. CANCER SCREENING.

(a) FINDINGS.—Congress makes the following findings:

(1) About 1,400,000 new cases of cancer will be diagnosed in the United States in 2006.

(2) Medical costs, lost wages, and lost productivity due to cancer cost the United States and estimated $210,000,000,000 in 2005.

(3) In 2006, cancer will take the lives of 565,000 Americans, or about 1,500 people per day.

(4) About half of all new cancer cases can be prevented or detected earlier through screening.

(5) The 5 year survival rate for cancers of the breast, colon, rectum, cervix, prostate, oral cavity, and skin is currently about 86 percent, in part due to earlier diagnosis through screening. If these cancers were diagnosed at the earliest stage through regular cancer screenings, that survival rate could increase to 95 percent.

(b) LIMITATIONS.—Notwithstanding any other provision of this Act (or an amendment made by this Act), nothing in this Act (or amendment) shall be construed to permit a small business health plan to be offered in a State, or to permit the offering of any other health insurance coverage in such State, if the plan or coverage fails to comply with laws of the State that require coverage for cancer screening, including screening for breast, cervical, colorectal, prostate, lung, uterine, skin, colon, stomach, and other cancers.

SA 3901. Mr. AKAKA (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small

business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. REPEAL OF REQUIREMENT FOR DOCUMENTATION EVIDENCING CITIZENSHIP OR NATIONALITY AS A CONDITION FOR RECEIPT OF MEDICAL ASSISTANCE UNDER THE MEDICAID PROGRAM.

(a) REPEAL.—Subsections (i)(22) and (x) of section 1903 of the Social Security Act (42 U.S.C. 1396b), as added by section 6036 of the Deficit Reduction Act of 2005, are each repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended—

(A) in subsection (i)—

(i) in paragraph (20), by adding ''or'' after the semicolon at the end; and

(ii) in paragraph (21), by striking ''; or'' and inserting a period;

(B) by redesignating subsection (y), as added by section 6043(b) of the Deficit Reduction Act of 2005, as subsection (x); and

(C) by redesignating subsection (z), as added by section 6081(a) of the Deficit Reduction Act of 2005, as subsection (y).

(2) Subsection (c) of section 6036 of the Deficit Reduction Act of 2005 is repealed.

(c) EFFECTIVE DATE.—The repeals and amendments made by this section shall take effect as if included in the enactment of the Deficit Reduction Act of 2005.

SA 3902. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike title III.

SA 3903. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE ___—MISCELLANEOUS PROVISIONS

SEC. ___. GAO EVALUATION.

(a) IN GENERAL.—Not later than 24 months after the date of enactment of this Act, the Government Accountability Office shall conduct a study, and submit to the appropriate committees of Congress a report, concerning the impact of this Act (and the amendments made by this Act) on the costs and quality of health care coverage.

(b) REPEAL.—If the study and report under subsection (a) finds that the implementation of this Act (and amendments) does not result in a decrease in health care coverage costs or in an increase in access to such coverage, the provisions of this Act (and such amendments) shall be repealed effective on the date on which such report is submitted.

SA 3904. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON PREEMPTION.

Unless otherwise specifically provided for in this Act (or an amendment made by this Act), nothing in this Act (or amendment) shall be construed to preempt any State or local law related to health insurance.

SA 3905. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce the costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. BENEFIT REVIEW PANEL ON HEALTH INSURANCE.

(a) BENEFIT REVIEW PANEL.—

(1) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary''), in consultation with the National Association of Insurance Commissioners, shall establish the Benefit Review Panel on Health Insurance (referred to in this section as the ''Panel'') to develop recommendations that a Federal floor of benefit mandates be established from the current array of inconsistent State health insurance laws and in accordance with the laws adopted in a plurality of the States.

(2) COMPOSITION.—The Panel shall be composed of the following individuals appointed by the Secretary:

(A) Two State insurance commissioners, of which—

(i) 1 shall be a Democrat and 1 shall be a Republican; and

(ii) 1 shall be designated as the chairperson and 1 shall be designated as the vice-chairperson.

(B) Two representatives of State government, of which—

(i) 1 shall be a governor of a State and 1 shall be a State legislator; and

(ii) 1 shall be a Democrat and 1 shall be a Republican.

(C) Two representatives of employers, of which 1 shall represent small employers and 1 shall represent large employers.

(D) Two representatives of health insurers, of which 1 shall represent insurers that offer coverage in all markets (including individual, small, and large markets), and 1 shall represent insurers that offer coverage in the small market.

(E) Two representatives of consumer organizations.

(F) Two representatives of insurance agents and brokers.

(G) Two representatives of healthcare providers.

(H) Two independent representatives of the American Academy of Actuaries who have familiarity with the actuarial methods applicable to health insurance.

(I) One administrator of a qualified high risk pool.

(3) TERMS.—The members of the Panel shall serve for the duration of the Panel. The Secretary shall fill vacancies in the Panel as needed and in a manner consistent with the composition described in paragraph (2).

(b) DEVELOPMENT OF A FEDERAL STANDARD BENEFIT PACKAGE.—In accordance with the process described in subsection (c), the Panel shall identify and recommend a Federal standard benefit package of benefit mandates from among the current array of inconsistent State insurance laws.

(c) PROCESS FOR DEVELOPING A STANDARD FEDERAL BENEFIT PACKAGE.—

(1) IN GENERAL.—In developing the standard benefit package recommendations described in subsection (b), the Panel shall—

(A) review all State laws that regulate insurance benefits; and

(B) develop recommendations to harmonize inconsistent State insurance laws with the laws adopted in a plurality of the States.

(2) CONSULTATION.—The Panel shall consult with the National Association of Insurance Commissioners in identifying the benefit mandates of the States.

(d) RECOMMENDATIONS AND ADOPTION BY SECRETARY.—

(1) RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this Act, the Panel shall recommend to the Secretary the adoption of the harmonized standards identified under subsection (c).

(2) REGULATIONS.—Not later than 120 days after receipt of the Panel's recommendations under paragraph (1), the Secretary shall issue final regulations adopting such recommendations as the Federal standard benefit package. If the Secretary finds the recommended standards for an element of the standard benefit package to be arbitrary and inconsistent with the plurality requirements of this section, the Secretary may issue a unique standard only for such element, through a process similar to the process set forth in subsection (c) and through the issuance of proposed and final regulations.

(3) EFFECTIVE DATE.—The regulations issued by the Secretary under paragraph (2) shall be effective on the date that is 2 years after the date on which such regulations were issued.

(e) TERMINATION.—The Panel shall terminate and be dissolved after making the recommendations to the Secretary pursuant to subsection (d)(1).

(f) UPDATED STANDARD BENEFIT PACKAGE.—

(1) IN GENERAL.—Not later than 2 years after the termination of the Panel under subsection (e), and every 2 years thereafter, the Secretary shall update the standard benefit package adopted under subsection (d)(2). Such updated standard benefit package shall be adopted in accordance with paragraph (2).

(2) UPDATED STANDARD BENEFIT PACKAGE.—

(A) IN GENERAL.—In order to update the standard benefit package in accordance with paragraph (1), the Secretary shall review all State laws that regulate insurance mandates and identify whether a plurality of States have adopted substantially similar requirements that differ from the standard benefit package adopted by the Secretary under subsection (d). In such case, the Secretary shall consider State laws that have been enacted with effective dates that are contingent upon adoption as a harmonized standard in the standard benefit package by the Secretary. Substantially similar requirements by different States shall be considered to be an updated harmonized standard.

(B) REPORT.—The Secretary shall request the National Association of Insurance Commissioners to issue a report to the Secretary every 2 years to assist the Secretary in identifying the updated benefit mandates of the States under this paragraph. Nothing in this subparagraph shall be construed to prohibit

the Secretary from issuing updated standards in the absence of such a report.

(C) REGULATIONS.—The Secretary shall issue regulations adopting the updated standard benefit package under this paragraph within 90 days of identifying the standards in need of updating. Such regulations shall be effective beginning on the date that is 2 years after the date on which such regulations are issued.

(g) PUBLICATION.—

(1) LISTING.—The Secretary shall maintain an up-to-date listing of all harmonized standards in the standard benefit package adopted under this section on the Internet website of the Department of Health and Human Services.

(2) SAMPLE CONTRACT LANGUAGE.—The Secretary shall publish, on the Internet website of the Department of Health and Human Services, sample contract language that incorporates the standard benefit package adopted under this section, which may be used by insurers seeking to qualify as an eligible insurer. The types of benefits that shall be included in such sample contract language are the standards that are relevant to the contractual bargain between the insurer and insured.

(h) STATE ADOPTION AND ENFORCEMENT.—Not later than 2 years after the issuance by the Secretary of final regulations adopting the Federal standard benefit package under this section, the States may adopt such standard benefit package (and become an adopting State) and, in which case, shall enforce the harmonized standard benefit package pursuant to State law.

SA 3906. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce the costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. STATE OPT OUT.

(a) IN GENERAL.—The provisions of this Act (and the amendments made by this Act) shall not apply with respect to a State if—

(1) the governor of such State certifies to the State legislature that the application of such provisions would have a detrimental effect on the residents of the State; and

(2) the State enacts legislation that provides that such provisions shall not apply in the State.

(b) PARTIAL OPT OUT.—A State may apply subsection with respect to all of the provisions of this Act (or amendments) or to select provisions.

SA 3907. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce the costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS

(a) IN GENERAL.—Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of—

(1) increasing the premiums paid by women of child bearing age for health insurance coverage;

(2) nullifying, superseding, or limiting the application of any State law that requires a health insurance issuer to provide coverage for maternity care or related per- and postnatal care for women and their infants;

(3) limiting the ability of the State to enforce any law described in paragraph (2);

shall not apply and shall not be enforced.

(b) LIMITATION ON USE OF GENDER IN SETTING RATES.—Notwithstanding any other provision of this Act (or an amendment made by this Act), a health insurance issuer that offers a small business health plan may not use gender as a characteristic in setting health insurance premium rates with respect to such plan.

SA 3908. Mr. BAUCUS (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CLARIFICATION OF AVAILABILITY OF TARGETED CASE MANAGEMENT SERVICES UNDER MEDICAID.

(a) IN GENERAL.—Section 1915(g) of the Social Security Act (42 U.S.C. 1396n(g)) is amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''subsection'' and inserting ''title'';

(B) in subparagraph (A)—

(i) in clause (i)—

(I) by inserting ''targeted'' before ''case''; and

(II) by inserting ''that are furnished without regard to the requirements of section 1902(a)(1) and section 1902(a)(10)(B) to specific classes of individuals or to individuals who reside in specified areas and'' after ''means services''; and

(ii) in clause (iii), in the matter preceding subclause (I), by striking ''Such term'' and all that follows through ''the following'' and inserting ''Except as provided in subparagraph (B), such term does not include the following activities with respect to the delivery of foster care services''; and

(C) by amending subparagraph (B) to read as follows:

''(B) Such term includes the activities described in subclauses (II) and (VIII) of subparagraph (A)(iii) in the case of an individual who is eligible for medical assistance under the State plan but who is not eligible for services or payments to be made on their behalf under part E of title IV.'';

(2) in subparagraphs (A) and (B) of paragraph (3), by inserting ''targeted'' before ''case management activity'' each place it appears;

(3) in paragraph (4), by striking ''only'' and all that follows through the period and inserting ''is available under this title for targeted case management services as furnished under the plan unless there are other third parties liable to pay for such services.''; and

(4) by adding at the end the following new paragraph:

''(6) Nothing in this subsection shall be construed as limiting the responsibility of the program established under this title to—

''(A) pay for any item or service for which no other payor is legally liable;

''(B) treat other payors or providers as legally liable who have no enforceable responsibility to pay for any item or service; or

''(C) treat the availability of public funding for any item or service as creating a legal liability.''.

(b) CONFORMING AMENDMENT.—The heading for section 6052 of the Deficit Reduction Act of 2005 (Public Law 109–171, 120 Stat. 93) is amended to read as follows: ''**clarification of availability of targeted case management services**''

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of, and the amendments to section 1915(g) of the Social Security Act made by, section 6052 of the Deficit Reduction Act of 2005 (Public Law 109–171; 120 Stat. 93).

SA 3909. Mr. FEINGOLD (for himself and Mr. GRAHAM) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce the costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—HEALTH REFORM

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Reform Health Care Now Act''.

SEC. ___02. SENATE CONSIDERATION OF HEALTH CARE REFORM LEGISLATION.

(a) INTRODUCTION.—

(1) IN GENERAL.—Not later than 30 calendar days after the commencement of the session of Congress that follows the date of enactment of this Act, the chair of the Senate Committee on Health, Education, Labor, and Pensions, the Chair of the Senate Committee on Finance, the Majority Leader of the Senate, and the Minority Leader of the Senate shall each introduce a bill to provide a significant increase in access to health care coverage for the people of the United States.

(2) MINORITY PARTY.—These bills may be introduced by request and only 1 qualified bill may be introduced by each individual referred to in paragraph (1) within a Congress. If either committee chair fails to introduce the bill within the 30-day period, the ranking minority party member of the respective committee may instead introduce a bill that will qualify for the expedited procedure provided in this section.

(3) QUALIFIED BILL.—

(A) IN GENERAL.—In order to qualify as a qualified bill—

(i) the title of the bill shall be ''To reform the health care system of the United States and to provide insurance coverage for Americans.'';

(ii) the bill shall reach the goal of providing health care coverage to 95 percent of Americans within 10 years; and

(iii) the bill shall be deficit neutral.

(B) DETERMINATION.—Whether or not a bill meets the criteria in subparagraph (A) shall be determined by the Chair of the Senate Budget Committee, relying on estimates of the Congressional Budget Office, subject to the final approval of the Senate.

(b) REFERRAL.—

(1) COMMITTEE BILLS.—Upon introduction, the bill authored by the Chair of the Senate Committee on Finance shall be referred to that Committee and the bill introduced by the Chair of the Senate Committee on Health, Education, Labor, and Pensions shall be referred to that committee. If either committee has not reported the bill referred to it (or another qualified bill) by the end of a 60 calendar-day period beginning on the date of referral, the committee is, as of that date, automatically discharged from further consideration of the bill, and the bill is placed directly on the chamber's legislative calendar. In calculating the 60-day period, adjournments for more than 3 days are not counted.

(2) LEADER BILLS.—The bills introduced by the Senate Majority Leader and the Senate Minority Leader shall, on introduction, be placed directly on the Senate Calendar of Business.

(c) MOTION TO PROCEED.—

(1) IN GENERAL.—On or after the third day following the committee report or discharge or upon a bill being placed on the calendar under subsection (b)(2), it shall be in order for any Member, after consultation with the Majority Leader, to move to proceed to the consideration of any qualified bill. Notice shall first be given before proceeding. This motion to proceed to the consideration of a bill can be offered by a Member only on the day after the calendar day on which the Member announces the Member's intention to offer it.

(2) CONSIDERATION.—The motion to proceed to a given qualified bill can be made even if a motion to the same effect has previously been rejected. No more than 3 such motions may be made, however, in any 1 congressional session.

(3) PRIVILEGED AND NONDEBATABLE.—The motion to proceed is privileged, and all points of order against the motion to proceed to consideration and its consideration are waived. The motion is not debatable, is not amendable, and is not subject to a motion to postpone.

(4) NO OTHER BUSINESS OR RECONSIDERATION.—The motion is not subject to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or disagreed to is not in order.

(d) CONSIDERATION OF QUALIFIED BILL.—

(1) IN GENERAL.—If the motion to proceed is adopted, the chamber shall immediately proceed to the consideration of a qualified bill without intervening motion, order, or other business, and the bill remains the unfinished business of the Senate until disposed of. A motion to limit debate is in order and is not debatable.

(2) ONLY BUSINESS.—The qualified bill is not subject to a motion to postpone or a motion to proceed to the consideration of other business before the bill is disposed of.

(3) RELEVANT AMENDMENTS.—Only relevant amendments may be offered to the bill.

SEC. ___03. HOUSE CONSIDERATION OF HEALTH CARE REFORM LEGISLATION.

(a) INTRODUCTION.—

(1) IN GENERAL.—Not later than 30 calendar days after the commencement of the session of Congress that follows the date of enactment of this Act, the chair of the House Committee on Energy and Commerce, the chair of the House Committee on Ways and Means, the Majority Leader of the House, and the Minority Leader of the House shall each introduce a bill to provide a significant increase in access to health care coverage for the people of the United States.

(2) MINORITY PARTY.—These bills may be introduced by request and only 1 qualified bill may be introduced by each individual referred to in paragraph (1) within a Congress. If either committee chair fails to introduce the bill within the 30-day period, the ranking minority party member of the respective committee may, within the following 30 days, instead introduce a bill that will qualify for the expedited procedure provided in this section.

(3) QUALIFIED BILL.—

(A) IN GENERAL.—To qualify for the expedited procedure under this section as a qualified bill, the bill shall—

(i) reach the goal of providing healthcare coverage to 95 percent of Americans within 10 years; and

(ii) be deficit neutral.

(B) DETERMINATION.—Whether or not a bill meets the criteria in subparagraph (A) shall be determined by the Speaker's ruling on a point of order based on a Congressional Budget Office estimate of the bill.

(b) REFERRAL.—

(1) COMMITTEE BILLS.—Upon introduction, the bill authored by the Chair of the House Committee on Energy and Commerce shall be referred to that committee and the bill introduced by the Chair of the House Committee on Ways and Means shall be referred to that committee. If either committee has not reported the bill referred to it (or another qualified bill) by the end of 60 days of consideration beginning on the date of referral, the committee shall be automatically discharged from further consideration of the bill, and the bill shall be placed directly on the Calendar of the Whole House on the State of the Union. In calculating the 60-day period, adjournments for more than 3 days are not counted.

(2) LEADER BILLS.—The bills introduced by the House Majority Leader and House Minority Leader will, on introduction, be placed directly on the Calendar of the Whole House on the State of the Union.

(c) MOTION TO PROCEED.—

(1) IN GENERAL.—On or after the third day following the committee report or discharge or upon a bill being placed on the calendar under subsection (b)(2), it shall be in order for any Member, after consultation with the Majority Leader, to move to proceed to the consideration of any qualified bill. Notice must first be given before proceeding. This motion to proceed to the consideration of a bill can be offered by a Member only on the day after the calendar day on which the Member announces the Member's intention to offer it.

(2) CONSIDERATION.—The motion to proceed to a given qualified bill can be made even if a motion to the same effect has previously been rejected. No more than 3 such motions may be made, however, in any 1 congressional session.

(3) PRIVILEGED AND NONDEBATABLE.—The motion to proceed is privileged, and all points of order against the motion to proceed to consideration and its consideration are waived. The motion is not debatable, is not amendable, and is not subject to a motion to postpone.

(4) NO OTHER BUSINESS OR RECONSIDERATION.—The motion is not subject to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion to proceed is agreed to or disagreed to is not in order.

(d) CONSIDERATION OF A QUALIFIED BILL.—

(1) IN GENERAL.—If the motion to proceed is adopted, the chamber will immediately proceed to the consideration of a qualified bill without intervening motion, order, or other business, and the bill remains the unfinished business of the House until disposed of.

(2) COMMITTEE OF THE WHOLE.—The bill will be considered in the Committee of the Whole under the 5-minute rule, and the bill shall be considered as read and open for amendment at any time.

(3) LIMIT DEBATE.—A motion to further limit debate is in order and is not debatable.

(4) RELEVANT AMENDMENTS.—Only relevant amendments may be offered to the bill.

SA 3910. Mr. FEINGOLD (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—HEALTH CARE PURCHASING COOPERATIVES

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Promoting Health Care Purchasing Cooperatives Act''.

SEC. ___02. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Health care spending in the United States has reached 15 percent of the Gross Domestic Product of the United States, yet 45,000,000 people, or 15.6 percent of the population, remains uninsured.

(2) After nearly a decade of manageable increases in commercial insurance premiums, many employers are now faced with consecutive years of double digit premium increases.

(3) Purchasing cooperatives owned by participating businesses are a proven method of achieving the bargaining power necessary to manage the cost and quality of employer-sponsored health plans and other employee benefits.

(4) The Employer Health Care Alliance Cooperative has provided its members with health care purchasing power through provider contracting, data collection, activities to enhance quality improvements in the health care community, and activities to promote employee health care consumerism.

(5) According to the National Business Coalition on Health, there are nearly 80 employer-led coalitions across the United States that collectively purchase health care, proactively challenge high costs and the inefficient delivery of health care, and share information on quality. These coalitions represent more than 10,000 employers.

(b) PURPOSE.—It is the purpose of this title to build off of successful local employer-led health insurance initiatives by improving the value of their employees' health care.

SEC. ___03. GRANTS TO SELF INSURED BUSINESSES TO FORM HEALTH CARE COOPERATIVES.

(a) AUTHORIZATION.—The Secretary of Health and Human Services (in this title referred to as the ''Secretary''), acting through the Director of the Agency for Healthcare Research and Quality, is authorized to award grants to eligible groups that meet the criteria described in subsection (d), for the development of health care purchasing cooperatives. Such grants may be used to provide support for the professional staff of such cooperatives, and to obtain contracted services for planning, development, and implementation activities for establishing such health care purchasing cooperatives.

(b) ELIGIBLE GROUP DEFINED.—

(1) IN GENERAL.—In this section, the term ''eligible group'' means a consortium of 2 or more self-insured employers, including agricultural producers, each of which are responsible for their own health insurance risk pool with respect to their employees.

(2) NO TRANSFER OF RISK.—Individual employers who are members of an eligible group may not transfer insurance risk to such group.

(c) APPLICATION.—An eligible group desiring a grant under this section shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

(d) CRITERIA.—

(1) FEASIBILITY STUDY GRANTS.—

(A) IN GENERAL.—An eligible group may submit an application under subsection (c) for a grant to conduct a feasibility study concerning the establishment of a health insurance purchasing cooperative. The Secretary shall approve applications submitted under the preceding sentence if the study will consider the criteria described in paragraph (2).

(B) REPORT.—After completion of a feasibility study under a grant under this section, an eligible group shall submit to the Secretary a report describing the results of such study.

(2) GRANT CRITERIA.—The criteria described in this paragraph include the following with respect to the eligible group:

(A) The ability of the group to effectively pool the health care purchasing power of employers.

(B) The ability of the group to provide data to employers to enable such employers to make data-based decisions regarding their health plans.

(C) The ability of the group to drive quality improvement in the health care community.

(D) The ability of the group to promote health care consumerism through employee education, self-care, and comparative provider performance information.

(E) The ability of the group to meet any other criteria determined appropriate by the Secretary.

(e) COOPERATIVE GRANTS.—After the submission of a report by an eligible group under subsection (d)(1)(B), the Secretary shall determine whether to award the group a grant for the establishment of a cooperative under subsection (a). In making a determination under the preceding sentence, the Secretary shall consider the criteria described in subsection (d)(2) with respect to the group.

(f) COOPERATIVES.—

(1) IN GENERAL.—An eligible group awarded a grant under subsection (a) shall establish or expand a health insurance purchasing cooperative that shall—

(A) be a nonprofit organization;

(B) be wholly owned, and democratically governed by its member-employers;

(C) exist solely to serve the membership base;

(D) be governed by a board of directors that is democratically elected by the cooperative membership using a 1-member, 1-vote standard; and

(E) accept any new member in accordance with specific criteria, including a limitation on the number of members, determined by the Secretary.

(2) AUTHORIZED COOPERATIVE ACTIVITIES.—A cooperative established under paragraph (1) shall—

(A) assist the members of the cooperative in pooling their health care insurance purchasing power;

(B) provide data to improve the ability of the members of the cooperative to make data-based decisions regarding their health plans;

(C) conduct activities to enhance quality improvement in the health care community;

(D) work to promote health care consumerism through employee education, self-care, and comparative provider performance information; and

(E) conduct any other activities determined appropriate by the Secretary.

(g) REVIEW.—

(1) IN GENERAL.—Not later than 1 year after the date on which grants are awarded under this section, and every 2 years thereafter, the Secretary shall study programs funded by grants under this section and provide to the appropriate committees of Congress a report on the progress of such programs in improving the access of employees to quality, affordable health insurance.

(2) SLIDING SCALE FUNDING.—The Secretary shall use the information included in the report under paragraph (1) to establish a schedule for scaling back payments under this section with the goal of ensuring that programs funded with grants under this section are self sufficient within 10 years.

SEC. ___04. GRANTS TO SMALL BUSINESSES TO FORM HEALTH CARE COOPERATIVES.

The Secretary shall carry out a grant program that is identical to the grant program provided in section ___03, except that an eligible group for a grant under this section shall be a consortium of 2 or more employers, including agricultural producers, each of which—

(1) have 99 employees or less; and

(2) are purchasers of health insurance (are not self-insured) for their employees.

SEC. ___05. AUTHORIZATION OF APPROPRIATIONS.

From the administrative funds provided to the Secretary, the Secretary may use not more than a total of $60,000,000 for fiscal years 2006 through 2015 to carry out this title.

SA 3911. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. APPLICATION TO SMALL EMPLOYERS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), the provisions of this Act (and amendments) shall only apply to small employers (as defined in section 808(a)(10) of the Employee Retirement Income Security Act of 1974 (as added by section 101(a)) and including self-employed individuals) and health insurance coverage issued through small employers or to the employees of small employers (or self-employed individuals). Nothing in this Act (or an amendment made by this Act) shall be construed to preempt or supersede State laws relating to health insurance offered in the large group or individual markets or to limit the application of section 805(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (as added by section 101(a)).

SA 3912. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of—

(1) permitting a health insurance issuer to deny coverage for a preventive service that is recommended by the United States Preventive Services Task Force through a rating of ''A'' of ''B''; or

(2) limiting the ability of a State to enforce State laws that require the coverage described in paragraph (1);

shall not apply and shall not be enforced.

SA 3913. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of—

(1) permitting a health insurance issuer to deny coverage for screening for obesity in adults and intensive counseling and behavioral interventions to promote sustained weight loss for obese adults; or

(2) limiting the ability of a State to enforce State laws that require the coverage described in paragraph (1);

shall not apply and shall not be enforced.

SA 3914. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROMOTING CESSATION OF TOBACCO USE BY PREGNANT WOMEN UNDER THE MEDICAID PROGRAM.

(a) DROPPING EXCEPTION FROM MEDICAID PRESCRIPTION DRUG COVERAGE FOR TOBACCO CESSATION MEDICATIONS.—Section 1927(d)(2) of the Social Security Act (42 U.S.C. 1396r–8(d)(2)) is amended—

(1) by striking subparagraph (E);

(2) by redesignating subparagraphs (F) through (J) as subparagraphs (E) through (I), respectively; and

(3) in subparagraph (F) (as redesignated by paragraph (2)), by inserting before the period at the end the following: ''except, in the case of a pregnant woman, agents approved by the Food and Drug Administration for purposes of promoting, and when used to promote, tobacco cessation''.

(b) REQUIRING COVERAGE OF TOBACCO CESSATION COUNSELING SERVICES FOR PREGNANT WOMEN.—Section 1905 of the Social Security Act (42 U.S.C. 1396d(a)(4)) is amended—

(1) in subsection (a)(4)—

(A) by striking ''and'' before ''(C)''; and

(B) by inserting before the semicolon at the end the following new subparagraph: ''; and (D) counseling for cessation of tobacco use (as defined in subsection (y)) for pregnant women''; and

(2) by adding at the end the following:

''(y)(1) For purposes of this title, the term 'counseling for cessation of tobacco use' means therapy and counseling for cessation of tobacco use for pregnant women who use tobacco products or who are being treated for tobacco use that is furnished—

''(A) by or under the supervision of a physician; or

''(B) by any other health care professional who—

''(i) is legally authorized to furnish such services under State law (or the State regulatory mechanism provided by State law) of the State in which the services are furnished; and

''(ii) is authorized to receive payment for other services under this title or is designated by the Secretary for this purpose.

''(2) Subject to paragraph (3), such term is limited to—

''(A) therapy and counseling services recommended in 'Treating Tobacco Use and Dependence: A Clinical Practice Guideline', published by the Public Health Service in June 2000, or any subsequent modification of such Guideline; and

''(B) such other therapy and counseling services that the Secretary recognizes to be effective.

''(3) Such term shall not include coverage for drugs or biologicals that are not otherwise covered under this title.''.

(c) REMOVAL OF COST SHARING FOR TOBACCO CESSATION COUNSELING SERVICES FOR PREGNANT WOMEN.—

(1) GENERAL COST SHARING PROTECTIONS.—Section 1916 of the Social Security Act (42 U.S.C. 1396o) is amended in each of subsections (a)(2)(B) and (b)(2)(B) by inserting '', and counseling for cessation of tobacco use (as defined in section 1905(y))'' after ''complicate the pregnancy''.

(2) ALTERNATIVE COST SHARING.—Section 1916A(b)(3)(B)(iii) of such Act (42 U.S.C. 1396o–1(b)(3)(B)(iii)) is amended by inserting ''or to counseling for cessation of tobacco use (as defined in section 1905(y))'' after ''''complicate the pregnancy''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act and shall apply to services furnished on or after that date.

SA 3915. Mr. NELSON of Florida (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PROTECTION FOR MEDICARE BENEFICIARIES WHO ENROLL IN THE PRESCRIPTION DRUG BENEFIT DURING 2006.

(a) IN GENERAL.—Section 1851(e)(3)(B) of the Social Security Act (42 U.S.C. 1395w–21(e)(3)(B)) is amended—

(1) in clause (iii), by striking ''May 15, 2006'' and inserting ''December 31, 2006''; and

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

''An individual making an election during the period beginning on November 15, 2006, and ending on December 15, 2006, shall specify whether the election is to be effective with respect to 2006 or with respect to 2007 (or both).''.

(b) ONE-TIME CHANGE OF PLAN ENROLLMENT FOR MEDICARE PRESCRIPTION DRUG BENEFIT DURING ALL OF 2006.—

(1) IN GENERAL.—Section 1851(e) of the Social Security Act (42 U.S.C. 1395w–21(e)) is amended—

(A) in paragraph (2)(B)—

(i) in the heading, by striking ''**for first 6 months**'';

(ii) in clause (i), by striking ''the first 6 months of 2006,'' and all that follows through ''is a Medicare+Choice eligible individual,'' and inserting ''2006,''; and

(iii) in clause (ii), by inserting ''(other than during 2006)'' after ''paragraph (3)''; and

(B) in paragraph (4), by striking ''2006'' and inserting ''2007'' each place it appears.

(2) CONFORMING AMENDMENT.—Section 1860D–1(b)(1)(B)(iii) of the Social Security Act (42 U.S.C. 1395w–101(b)(1)(B)(iii)) is amended by striking ''subparagraphs (B) and (C) of paragraph (2)'' and inserting ''paragraph (2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 101(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2071).

SA 3916. Mr. REID (for himself, Mrs. CLINTON, Mrs. MURRAY, and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of—

(1) permitting a health insurance issuer to deny, exclude, or restrict coverage for prescription contraceptive drugs or devices approved by the Food and Drug Administration, or generic equivalents approved as substitutable by the Food and Drug Administration, and outpatient contraceptive services; or

(2) limiting the ability of a State to enforce State laws that prohibit denials, exclusions, or restrictions of coverage described in paragraph (1);

shall not apply and shall not be enforced.

SA 3917. Mr. BAUCUS (for himself and Mr. REID) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. ADDITIONAL FUNDING FOR ENROLLMENT ASSISTANCE.

(a) IN GENERAL.—There are appropriated, to be transferred from the Federal Supplementary Medical Insurance Trust Fund, not to exceed $25,000,000 for the Centers for Medicare & Medicaid Services, for the purpose of ensuring that individuals have adequate access to impartial advice on and assistance enrolling in the prescription drug program under part D of title XVIII of the Social Security Act.

(b) USE OF FUNDS.—Amounts provided under subsection (a) shall be used for the following purposes:

(1) GRANTS FOR STATE HEALTH INSURANCE ASSISTANCE PROGRAMS.—To provide additional grants to States for State health insurance counseling programs (receiving assistance under section 4360 of the Omnibus Reconciliation Act of 1990) to broaden their capacity to—

(A) provide personal and impartial assistance to individuals seeking to enroll in a prescription drug plan or an MA–PD plan under such prescription drug program;

(B) educate and assist individuals in applying for a low-income subsidy under section 1860D–14 of such Act (42 U.S.C. 1395w–114); and

(C) assist individuals in accessing benefits under such a prescription drug plan or such an MA–PD plan once they are enrolled in a plan.

(2) GRANTS FOR INNOVATIVE PROGRAMS.—To provide grants to eligible States to support innovative programs that provide any of the services described in subparagraphs (A), (B), and (C) of paragraph (1).

(3) PROMOTION.—To widely promote and disseminate information about the existence of, and services provided by, State health insurance counseling programs.

(c) ADMINISTRATION.—

(1) SHIPS.—The amount of a grant under subsection (b)(1) from the total amount made available for such grants shall be based on the number of part D eligible individuals (as defined in section 1860D–1(a)(3)(A) of the Social Security Act (42 U.S.C. 1395w–101(a)(3))) residing in a rural area (as determined by the Administrator of the Centers for Medicare & Medicaid Services) relative to the total number of such individuals in each State, as estimated by the Administrator.

(2) INNOVATIVE PROGRAMS.—A State is eligible for a grant under subsection (b)(2) if the percentage of part D eligible individuals (as so defined) with creditable prescription drug coverage (as defined in section 1860D–13(b)(4) of the Social Security Act (42 U.S.C. 1395w–113(b)(4))) in the State is below the national average.

(d) AVAILABILITY.—Amounts provided under subsection (a) shall remain available—

(1) for obligation until December 31, 2008; and

(2) for expenditure until December 31, 2010.

SA 3918. Mr. DODD (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this

Act), any provision of this Act (or amendment) that has the effect of preempting any State law that requires health plans and health insurance issuers to cover services for beneficiaries or enrollees participating in clinical trials shall not apply and shall not be enforced.

SA 3919. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of preempting any State law that requires health plans and health insurance issuers to provide coverage for services for newborns and children, including pediatric and well-child care, and immunizations shall not apply and shall not be enforced.

SA 3920. Mr. DODD submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. LIMITATION ON APPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act (or an amendment made by this Act), any provision of this Act (or amendment) that has the effect of permitting health insurance issuers to vary premiums based on health status shall not apply and shall not be enforced.

SA 3921. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

Strike all after the enacting clause insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Internet Pharmacy Consumer Protection Act'' or the ''Ryan Haight Act''.

SEC. 2. INTERNET SALES OF PRESCRIPTION DRUGS.

(a) IN GENERAL.—Chapter 5 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by inserting after section 503A the following section:

''SEC. 503B. INTERNET SALES OF PRESCRIPTION DRUGS.

''(a) REQUIREMENTS REGARDING INFORMATION ON INTERNET SITE.—

''(1) IN GENERAL.—A person may not dispense a prescription drug pursuant to a sale of the drug by such person if—

''(A) the purchaser of the drug submitted the purchase order for the drug, or conducted any other part of the sales transaction for the drug, through an Internet site;

''(B) the person dispenses the drug to the purchaser by mailing or shipping the drug to the purchaser; and

''(C) such site, or any other Internet site used by such person for purposes of sales of a prescription drug, fails to meet each of the requirements specified in paragraph (2), other than a site or pages on a site that—

''(i) are not intended to be accessed by purchasers or prospective purchasers; or

''(ii) provide an Internet information location tool within the meaning of section 231(e)(5) of the Communications Act of 1934 (47 U.S.C. 231(e)(5)).

''(2) REQUIREMENTS.—With respect to an Internet site, the requirements referred to in subparagraph (C) of paragraph (1) for a person to whom such paragraph applies are as follows:

''(A) Each page of the site shall include either the following information or a link to a page that provides the following information:

''(i) The name of such person.

''(ii) Each State in which the person is authorized by law to dispense prescription drugs.

''(iii) The address and telephone number of each place of business of the person with respect to sales of prescription drugs through the Internet, other than a place of business that does not mail or ship prescription drugs to purchasers.

''(iv) The name of each individual who serves as a pharmacist for prescription drugs that are mailed or shipped pursuant to the site, and each State in which the individual is authorized by law to dispense prescription drugs.

''(v) If the person provides for medical consultations through the site for purposes of providing prescriptions, the name of each individual who provides such consultations; each State in which the individual is licensed or otherwise authorized by law to provide such consultations or practice medicine; and the type or types of health professions for which the individual holds such licenses or other authorizations.

''(B) A link to which paragraph (1) applies shall be displayed in a clear and prominent place and manner, and shall include in the caption for the link the words 'licensing and contact information'.

''(b) INTERNET SALES WITHOUT APPROPRIATE MEDICAL RELATIONSHIPS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a person may not dispense a prescription drug, or sell such a drug, if—

''(A) for purposes of such dispensing or sale, the purchaser communicated with the person through the Internet;

''(B) the patient for whom the drug was dispensed or purchased did not, when such communications began, have a prescription for the drug that is valid in the United States;

''(C) pursuant to such communications, the person provided for the involvement of a practitioner, or an individual represented by the person as a practitioner, and the practitioner or such individual issued a prescription for the drug that was purchased;

''(D) the person knew, or had reason to know, that the practitioner or the individual referred to in subparagraph (C) did not, when issuing the prescription, have a qualifying medical relationship with the patient; and

''(E) the person received payment for the dispensing or sale of the drug.

For purposes of subparagraph (E), payment is received if money or other valuable consideration is received.

''(2) EXCEPTIONS.—Paragraph (1) does not apply to—

''(A) the dispensing or selling of a prescription drug pursuant to telemedicine practices sponsored by—

''(i) a hospital that has in effect a provider agreement under title XVIII of the Social Security Act (relating to the Medicare program); or

''(ii) a group practice that has not fewer than 100 physicians who have in effect provider agreements under such title; or

''(B) the dispensing or selling of a prescription drug pursuant to practices that promote the public health, as determined by the Secretary by regulation.

''(3) QUALIFYING MEDICAL RELATIONSHIP.—

''(A) IN GENERAL.—With respect to issuing a prescription for a drug for a patient, a practitioner has a qualifying medical relationship with the patient for purposes of this section if—

''(i) at least one in-person medical evaluation of the patient has been conducted by the practitioner; or

''(ii) the practitioner conducts a medical evaluation of the patient as a covering practitioner.

''(B) IN-PERSON MEDICAL EVALUATION.—A medical evaluation by a practitioner is an in-person medical evaluation for purposes of this section if the practitioner is in the physical presence of the patient as part of conducting the evaluation, without regard to whether portions of the evaluation are conducted by other health professionals.

''(C) COVERING PRACTITIONER.—With respect to a patient, a practitioner is a covering practitioner for purposes of this section if the practitioner conducts a medical evaluation of the patient at the request of a practitioner who has conducted at least one in-person medical evaluation of the patient and is temporarily unavailable to conduct the evaluation of the patient. A practitioner is a covering practitioner without regard to whether the practitioner has conducted any in-person medical evaluation of the patient involved.

''(4) RULES OF CONSTRUCTION.—

''(A) INDIVIDUALS REPRESENTED AS PRACTITIONERS.—A person who is not a practitioner (as defined in subsection (d)(1)) lacks legal capacity under this section to have a qualifying medical relationship with any patient.

''(B) STANDARD PRACTICE OF PHARMACY.—Paragraph (1) may not be construed as prohibiting any conduct that is a standard practice in the practice of pharmacy.

''(C) APPLICABILITY OF REQUIREMENTS.—Paragraph (3) may not be construed as having any applicability beyond this section, and does not affect any State law, or interpretation of State law, concerning the practice of medicine.

''(c) ACTIONS BY STATES.—

''(1) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has engaged or is engaging in a pattern or practice that violates section 301(l), the State may bring a civil action on behalf of its residents in an appropriate district court of the United States to enjoin such practice, to enforce compliance with such section (including a nationwide injunction), to obtain damages, restitution, or other compensation on behalf of residents of such State, to obtain reasonable attorneys fees and costs if the State prevails in the civil action, or to obtain such further and other relief as the court may deem appropriate.

''(2) NOTICE.—The State shall serve prior written notice of any civil action under paragraph (1) or (5)(B) upon the Secretary and provide the Secretary with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting a civil action, the Secretary shall have the right—

''(A) to intervene in such action;

''(B) upon so intervening, to be heard on all matters arising therein; and

''(C) to file petitions for appeal.

''(3) CONSTRUCTION.—For purposes of bringing any civil action under paragraph (1), nothing in this chapter shall prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) VENUE; SERVICE OF PROCESS.—Any civil action brought under paragraph (1) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

''(5) ACTIONS BY OTHER STATE OFFICIALS.—

''(A) Nothing contained in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

''(B) In addition to actions brought by an attorney general of a State under paragraph (1), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents.

''(d) GENERAL DEFINITIONS.—For purposes of this section:

''(1) The term 'practitioner' means a practitioner referred to in section 503(b)(1) with respect to issuing a written or oral prescription.

''(2) The term 'prescription drug' means a drug that is subject to section 503(b)(1).

''(3) The term 'qualifying medical relationship', with respect to a practitioner and a patient, has the meaning indicated for such term in subsection (b).

''(e) INTERNET-RELATED DEFINITIONS.—

''(1) IN GENERAL.—For purposes of this section:

''(A) The term 'Internet' means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the transmission control protocol/internet protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

''(B) The term 'link', with respect to the Internet, means one or more letters, words, numbers, symbols, or graphic items that appear on a page of an Internet site for the purpose of serving, when activated, as a method for executing an electronic command—

''(i) to move from viewing one portion of a page on such site to another portion of the page;

''(ii) to move from viewing one page on such site to another page on such site; or

''(iii) to move from viewing a page on one Internet site to a page on another Internet site.

''(C) The term 'page', with respect to the Internet, means a document or other file accessed at an Internet site.

''(D)(i) The terms 'site' and 'address', with respect to the Internet, mean a specific location on the Internet that is determined by Internet Protocol numbers. Such term includes the domain name, if any.

''(ii) The term 'domain name' means a method of representing an Internet address without direct reference to the Internet Protocol numbers for the address, including methods that use designations such as '.com', '.edu', '.gov', '.net', or '.org'.

''(iii) The term 'Internet Protocol numbers' includes any successor protocol for determining a specific location on the Internet.

''(2) AUTHORITY OF SECRETARY.—The Secretary may by regulation modify any definition under paragraph (1) to take into account changes in technology.

''(f) INTERACTIVE COMPUTER SERVICE; ADVERTISING.—No provider of an interactive computer service, as defined in section 230(f)(2) of the Communications Act of 1934 (47 U.S.C. 230(f)(2)), or of advertising services shall be liable under this section for dispensing or selling prescription drugs in violation of this section on account of another person's selling or dispensing such drugs, provided that the provider of the interactive computer service or of advertising services does not own or exercise corporate control over such person.''.

(b) INCLUSION AS PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by inserting after paragraph (k) the following:

''(l) The dispensing or selling of a prescription drug in violation of section 503B.''.

(c) INTERNET SALES OF PRESCRIPTION DRUGS; CONSIDERATION BY SECRETARY OF PRACTICES AND PROCEDURES FOR CERTIFICATION OF LEGITIMATE BUSINESSES.—In carrying out section 503B of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a) of this section), the Secretary of Health and Human Services shall take into consideration the practices and procedures of public or private entities that certify that businesses selling prescription drugs through Internet sites are legitimate businesses, including practices and procedures regarding disclosure formats and verification programs.

(d) REPORTS REGARDING INTERNET-RELATED VIOLATIONS OF STATE AND FEDERAL LAWS ON DISPENSING OF DRUGS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (referred to in this subsection as the ''Secretary'') shall, pursuant to the submission of an application meeting the criteria of the Secretary, make an award of a grant or contract to the National Clearinghouse on Internet Prescribing (operated by the Federation of State Medical Boards) for the purpose of—

(A) identifying Internet sites that appear to be in violation of State or Federal laws concerning the dispensing of drugs;

(B) reporting such sites to State medical licensing boards and State pharmacy licensing boards, and to the Attorney General and the Secretary, for further investigation; and

(C) submitting, for each fiscal year for which the award under this subsection is made, a report to the Secretary describing investigations undertaken with respect to violations described in subparagraph (A).

(2) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out paragraph (1), there is authorized to be appropriated $100,000 for each of the fiscal years 2006 through 2008.

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) take effect upon the expiration of the 60-day period beginning on the date of the enactment of this Act, without regard to whether a final rule to implement such amendments has been promulgated by the Secretary of Health and Human Services under section 701(a) of the Federal Food, Drug, and Cosmetic Act. The preceding sentence may not be construed as affecting the authority of such Secretary to promulgate such a final rule.

SA 3922. Mr. SALAZAR submitted an amendment intended to be proposed by him to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE ____—NATIONAL COMMISSION ON HEALTH CARE ACT

SEC. ___1. SHORT TITLE.

This title may be cited as the ''National Commission on Health Care Act''.

SEC. ___2. FINDINGS.

Congress makes the following findings:

(1) Americans spent $1.9 trillion on health care in 2005, up from $1.4 trillion in 2001.

(2) While 174 million Americans were covered by employer-sponsored health insurance in 2004, rising health care costs to both employers and employees jeopardize the ability of employers and employees to maintain needed coverage.

(3) One in every 6 people in the United States, or approximately 46 million people lacked health insurance in 2004, and the number of uninsured individuals is expected to grow.

(4) The medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) provided health insurance to 41.7 million elderly and disabled Americans in 2004, while the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) provided health care for 55 million low-income children and their parents, pregnant women, and low-income elderly individuals in 2004. Federal and State government expenditures for both programs were approximately $606 billion in 2004.

SEC. ___3. PURPOSE.

The purpose of this title is to establish a National Commission on Health Care to—

(1) examine and report on—

(A) the factors leading to the rising costs of health care for individuals and businesses participating in employer-based health insurance and the rising health care expenditures for public health care programs;

(B) the barriers that prevent individuals from securing adequate health care coverage; and

(C) the issues faced by people covered by public health care programs;

(2) ascertain, evaluate, and report on the evidence developed by all relevant Federal, State, and local governmental agencies regarding the facts and circumstances surrounding rising health care costs and the barriers to adequate insurance coverage;

(3) build upon the investigations of past and current entities by reviewing the findings, conclusions, and recommendations of—

(A) executive branch, congressional, or independent commission investigations into the issues of health care services or health care costs; and

(B) State and local entities that have developed innovative solutions to deal with the health care needs in their respective communities; and

(4) investigate and report to the President and the Congress on its findings, conclusions, and recommendations for policy solutions to the health care problems, including current private and public services and the lack of health care insurance for more than 45,800,0000 Americans.

SEC. ___4. ESTABLISHMENT.

There is established in the legislative branch the National Commission on Health Care (referred to in this title as the ''Commission'').

SEC. ___5. COMPOSITION OF COMMISSION.

(a) MEMBERS.—The Commission shall be composed of 10 members, of whom—

(1) 1 member shall be appointed by the President, who shall serve as the chairperson of the Commission;

(2) 1 member shall be appointed jointly by the Majority Leader of the Senate and the Speaker of the House of Representatives, after consultation with the Minority Leader of the Senate and the Minority Leader of the House of Representatives, who shall serve as vice chairperson of the Commission;

(3) 2 members shall be appointed by the senior member of the Republican leadership of the Senate;

(4) 2 members shall be appointed by the senior member of the Democratic leadership of the Senate;

(5) 2 members shall be appointed by the senior member of the Republican leadership of the House of Representatives; and

(6) 2 members shall be appointed by the senior member of the Democratic leadership of the House of Representatives.

(b) QUALIFICATIONS; INITIAL MEETING.—

(1) POLITICAL PARTY AFFILIATION.—Not more than 5 members of the Commission shall be from the same political party.

(2) NONGOVERNMENTAL APPOINTEES.—An individual appointed to the Commission may not be an officer or employee of the Federal Government or any State or local government.

(3) OTHER QUALIFICATIONS.—It is the sense of Congress that individuals appointed to the Commission should be prominent United States citizens, with national recognition and significant depth of experience in such professions or memberships as governmental service, health care services, health care administration, business, public administration, and research institutions or programs with health care emphasis.

(4) DEADLINE FOR APPOINTMENT.—All members of the Commission shall be appointed not later than May 15, 2006, or 60 days after the date of enactment of this title, whichever is later.

(5) INITIAL MEETING.—The Commission shall meet and begin the operations of the Commission as soon as practicable after all members of the Commission are appointed.

(c) QUORUM; VACANCIES.—After its initial meeting, the Commission shall meet upon the call of the chairperson or a majority of its members. Six members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

SEC. ___6. FUNCTIONS OF COMMISSION.

(a) IN GENERAL.—The functions of the Commission are to—

(1) conduct a study that—

(A) investigates relevant facts and experiences relating to the problems within the sphere of health care, including any relevant legislation, Executive order, regulation, plan, policy, practice, or procedure; and

(B) investigates relevant facts and circumstances relating to—

(i) the rising costs of health care;

(ii) the impact of the rising costs of health care on American businesses;

(iii) the provision of health care by State and local health care agencies;

(iv) the effects of increases in insurance premiums on health care coverage for businesses and individuals;

(v) the private health insurance industry;

(vi) the public health programs;

(vii) innovations and reforms necessary to increase the provision of affordable, quality health care to all Americans;

(viii) the role of congressional oversight and resource allocation; and

(ix) other areas of the public and private sectors determined relevant by the Commission for its inquiry;

(2) identify, review, and evaluate the lessons learned from past legislative structuring of health care, coordination, management policies, and procedures of the Federal Government, and, when appropriate, State and local governments and nongovernmental entities, relative to administering, representing and implementing and receiving health care; and

(3) submit to the President and Congress such reports as are required by this title containing such findings, conclusions, and recommendations as the Commission shall determine, including proposing organization, coordination, planning, management arrangements, procedures, rules, and regulations.

SEC. ___7. POWERS OF COMMISSION.

(a) HEARINGS AND EVIDENCE.—The Commission or, on the authority of the Commission, any subcommittee or member thereof, may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission determines appropriate for the purposes of carrying out this title.

(b) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided for in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this title.

(c) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government, information, suggestions, estimates, and statistics for the purposes of this title. Each department, bureau, agency, board, commission, office, independent establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairperson, the chairperson of any subcommittee created by a majority of the Commission, or any member designated by a majority of the Commission.

(2) RECEIPT, HANDLING STORAGE, AND DISSEMINATION.—Information shall only be received, handled, stored, and disseminated by members of the Commission and its staff consistent with all applicable statutes, regulations, and Executive orders.

(d) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) GENERAL SERVICES ADMINISTRATION.—The Administrator of General Services shall provide to the Commission on a reimbursable basis administrative support and other services for the performance of the Commission's functions.

(2) OTHER DEPARTMENTS AND AGENCIES.—In addition to the assistance prescribed in paragraph (1), departments and agencies of the United States may provide to the Commission such services, funds, facilities, staff, and other support services as they may determine advisable and as may be authorized by law.

(e) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(f) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

SEC. ___8. STAFF OF COMMISSION.

(a) IN GENERAL.—

(1) APPOINTMENT AND COMPENSATION.—The chairperson of the Commission, in consultation with vice chairperson, in accordance with rules agreed upon by the Commission, may appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable for a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The staff director and any personnel of the Commission who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title.

(B) MEMBERS OF COMMISSION.—Subparagraph (A) shall not be construed to apply to members of the Commission.

(b) DETAILEES.—Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of the detailee's regular employment without interruption.

(c) CONSULTANT SERVICES.—The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

SEC. ___9. COMPENSATION AND TRAVEL EXPENSES.

(a) COMPENSATION.—Each member of the Commission may be compensated at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(b) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

SEC. ___10. REPORTS OF COMMISSION; TERMINATION.

(a) INTERIM REPORTS.—The Commission may submit to the President and Congress interim reports containing such findings, conclusions, and recommendations for corrective measures as have been agreed to by a majority of Commission members.

(b) FINAL REPORT.—Not later than 12 months after the date of the enactment of this title, the Commission shall submit to the President and Congress a final report containing such findings, conclusions, and recommendations for corrective measures as have been agreed to by a majority of Commission members.

(c) TERMINATION.—

(1) IN GENERAL.—The Commission, and all the authorities of this title, shall terminate 60 days after the date on which the final report is submitted under subsection (b).

(2) ADMINISTRATIVE ACTIVITIES BEFORE TERMINATION.—The Commission may use the 60 day period referred to in paragraph (1) for the purpose of concluding its activities, including providing testimony to committees of Congress concerning its reports and disseminating the final report.

SEC. __11. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this title $6,000,000.

(b) DURATION OF AVAILABILITY.—Amounts made available to the Commission under subsection (a) shall remain available until the termination of the Commission.

SA 3923. Ms. STABENOW (for herself and Mr. LEVIN) submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce the costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ___—THREE-SHARE PROGRAM

SEC. ___01. THREE-SHARE PROGRAMS.

Title XXIX of the Public Health Service Act, as added by section 201, is amended by adding at the end the following:

"Subtitle C—Providing for the Uninsured

"SEC. 2941. THREE-SHARE PROGRAMS.

''(a) PILOT PROGRAMS.—The Secretary, acting through the Administrator, shall award grants under this section for the startup and operation of 25 eligible three-share pilot programs for a 5-year period.

''(b) GRANTS FOR THREE-SHARE PROGRAMS.—

''(1) ESTABLISHMENT.—The Administrator may award grants to eligible entities—

''(A) to establish three-share programs;

''(B) to provide for contributions to the premiums assessed for coverage under a three-share program as provided for in subsection (c)(2)(B)(iii); and

''(C) to establish risk pools.

''(2) THREE-SHARE PROGRAM PLAN.—Each entity desiring a grant under this subsection shall develop a plan for the establishment and operation of a three-share program that meets the requirements of paragraphs (2) and (3) of subsection (c).

''(3) APPLICATION.—Each entity desiring a grant under this subsection shall submit an application to the Administrator at such time, in such manner and containing such information as the Administrator may require, including—

''(A) the three-share program plan described in paragraph (2); and

''(B) an assurance that the eligible entity will—

''(i) determine a benefit package;

''(ii) recruit businesses and employees for the three-share program;

''(iii) build and manage a network of health providers or contract with an existing network or licensed insurance provider;

''(iv) manage all administrative needs; and

''(v) establish relationships among community, business, and provider interests.

''(4) PRIORITY.—In awarding grants under this section the Administrator shall give priority to an applicant—

''(A) that is an existing three-share program;

''(B) that is an eligible three-share program that has demonstrated community support; or

''(C) that is located in a State with insurance laws and regulations that permit three-share program expansion.

''(c) GRANT ELIGIBILITY.—

''(1) IN GENERAL.—The Secretary, acting through the Administrator, shall promulgate regulations providing for the eligibility of three-share programs for participation in the pilot program under this section.

''(2) THREE-SHARE PROGRAM REQUIREMENTS.—

''(A) IN GENERAL.—To be determined to be an eligible three-share program for purposes of participation in the pilot program under this section a three-share program shall—

''(i) be either a non-profit or local governmental entity;

''(ii) define the region in which such program will provide services;

''(iii) have the capacity to carry out administrative functions of managing health plans, including monthly billings, verification/enrollment of eligible employers and employees, maintenance of membership rosters, development of member materials (such as handbooks and identification cards), customer service, and claims processing; and

''(iv) have demonstrated community involvement.

''(B) PAYMENT.—To be eligible under paragraph (1), a three-share program shall pay the costs of services provided under subparagraph (A)(ii) by charging a monthly premium for each covered individual to be divided as follows:

''(i) Not more than 30 percent of such premium shall be paid by a qualified employee desiring coverage under the three-share program.

''(ii) Not more than 30 percent of such premium shall be paid by the qualified employer of such a qualified employee.

''(iii) At least 40 percent of such premium shall be paid from amounts provided under a grant under this section.

''(iv) Any remaining amount shall be paid by the three-share program from other public, private, or charitable sources.

''(C) PROGRAM FLEXIBILITY.—A three-share program may set an income eligibility guideline for enrollment purposes.

''(3) COVERAGE.—

''(A) IN GENERAL.—To be an eligible three-share program under this section, the three-share program shall provide at least the following benefits:

''(i) Physicians services.

''(ii) In-patient hospital services.

''(iii) Out-patient services.

''(iv) Emergency room visits.

''(v) Emergency ambulance services.

''(vi) Diagnostic lab fees and x-rays.

''(vii) Prescription drug benefits.

''(B) LIMITATION.—Nothing in subparagraph (A) shall be construed to require that a three-share program provide coverage for services performed outside the region described in paragraph (2)(A)(i).

''(C) PREEXISTING CONDITIONS.—A program described in subparagraph (A) shall not be an eligible three-share program under paragraph (1) if any individual can be excluded from coverage under such program because of a preexisting health condition.

''(d) GRANTS FOR EXISTING THREE-SHARE PROGRAMS TO MEET CERTIFICATION REQUIREMENTS.—

''(1) IN GENERAL.—The Administrator may award grants to three-share programs that are operating on the date of enactment of this section.

''(2) APPLICATION.—Each eligible entity desiring a grant under this subsection shall submit an application to the Administrator at such time, in such manner, and containing such information as the Administrator may require.

''(e) APPLICATION OF STATE LAWS.—Nothing in this section shall be construed to preempt State law.

''(f) DISTRESSED BUSINESS FORMULA.—

''(1) IN GENERAL.—Not later than 60 days after the date of enactment of this section, the Administrator of the Health Resources and Services Administration shall develop a formula to determine which businesses qualify as distressed businesses for purposes of this section.

''(2) EFFECT ON INSURANCE MARKET.—Granting eligibility to a distressed business using the formula under paragraph (1) shall not interfere with the insurance market. Any business found to have reduced benefits to qualify as a distressed business under the formula under paragraph (1) shall not be eligible to be a three-share program for purposes of this section.

''(g) DEFINITIONS.—In this section:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Health Resources and Services Administration.

''(2) COVERED INDIVIDUAL.—The term 'covered individual' means—

''(A) a qualified employee; or

''(B) a child under the age of 23 or a spouse of such qualified employee who—

''(i) lacks access to health care coverage through their employment or employer;

''(ii) lacks access to health coverage through a family member;

''(iii) is not eligible for coverage under the medicare program under title XVIII or the medicaid program under title XIX; and

''(iv) does not qualify for benefits under the State Children's Health Insurance Program under title XXI.

''(3) DISTRESSED BUSINESS.—The term 'distressed business' means a business that—

''(A) in light of economic hardship and rising health care premiums may be forced to discontinue or scale back its health care coverage; and

''(B) qualifies as a distressed business according to the formula under subsection (g).

''(4) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that meets the requirements of subsection (a)(2)(A).

''(5) QUALIFIED EMPLOYEE.—The term 'qualified employee' means any individual employed by a qualified employer who meets certain criteria including—

''(A) lacking access to health coverage through a family member or common law partner;

''(B) not being eligible for coverage under the medicare program under title XVIII or the medicaid program under title XIX; and

''(C) agreeing that the share of fees described in subsection (a)(2)(B)(i) shall be paid in the form of payroll deductions from the wages of such individual.

''(6) QUALIFIED EMPLOYER.—The term 'qualified employer' means an employer as defined in section 3(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(d)) who—

''(A) is a small business concern as defined in section 3(a) of the Small Business Act (15 U.S.C. 632);

''(B) is located in the region described in subsection (a)(2)(A)(i); and

''(C) has not contributed to the health care benefits of its employees for at least 12 months consecutively or currently provides insurance but is classified as a distressed business.

''(h) EVALUATION.—Not later than 90 days after the end of the 5-year period during which grants are available under this section, the Government Accountability Office

shall submit to the Secretary and the appropriate committees of Congress a report concerning—

''(1) the effectiveness of the programs established under this section;

''(2) the number of individuals covered under such programs;

''(3) any resulting best practices; and

''(4) the level of community involvement.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary for each of fiscal years 2006 through 2011.''.

SA 3924. Ms. SNOWE (for herself, Mr. BYRD, Mr. TALENT, and Mr. DOMENICI) submitted an amendment intended to be proposed by her to the bill S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace; which was ordered to lie on the table; as follows:

In part II of subtitle A of title XXIX of the Public Health Service Act, as added by section 201 of the amendment, strike all through section 2922 and insert the following:

''PART II—AFFORDABLE PLANS

''SEC. 2921. DEFINITIONS.

''In this part:

''(1) ADOPTING STATE.—The term 'adopting State' means a State that has enacted a law providing that small group and large group health insurers in such State may offer and sell products in accordance with the List of Required Benefits and the Terms of Application as provided for in section 2922(b)

''(2) ELIGIBLE INSURER.—The term 'eligible insurer' means a health insurance issuer that is licensed in a nonadopting State and that—

''(A) notifies the Secretary, not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage consistent with the List of Required Benefits and Terms of Application in a nonadopting State;

''(B) notifies the insurance department of a nonadopting State (or other applicable State agency), not later than 30 days prior to the offering of coverage described in this subparagraph, that the issuer intends to offer health insurance coverage in that State consistent with the List of Required Benefits and Terms of Application, and provides with such notice a copy of any insurance policy that it intends to offer in the State, its most recent annual and quarterly financial reports, and any other information required to be filed with the insurance department of the State (or other State agency) by the Secretary in regulations; and

''(C) includes in the terms of the health insurance coverage offered in nonadopting States (including in the terms of any individual certificates that may be offered to individuals in connection with such group health coverage) and filed with the State pursuant to subparagraph (B), a description in the insurer's contract of the List of Required Benefits and a description of the Terms of Application, including a description of the benefits to be provided, and that adherence to such standards is included as a term of such contract.

''(3) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' means any coverage issued in the small group or large group health insurance markets, including with respect to small business health plans, except that such term shall not include excepted benefits (as defined in section 2791(c)).

''(4) LIST OF REQUIRED BENEFITS.—The term 'List of Required Benefits' means the List issued under section 2922(a).

''(5) NONADOPTING STATE.—The term 'nonadopting State' means a State that is not an adopting State.

''(6) STATE LAW.—The term 'State law' means all laws, decisions, rules, regulations, or other State actions (including actions by a State agency) having the effect of law, of any State.

''(7) STATE PROVIDER FREEDOM OF CHOICE LAW.—The term 'State Provider Freedom of Choice Law' means a State law requiring that a health insurance issuer, with respect to health insurance coverage, not discriminate with respect to participation, reimbursement, or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law.

''(8) TERMS OF APPLICATION.—The term 'Terms of Application' means terms provided under section 2922(a).

''SEC. 2922. OFFERING AFFORDABLE PLANS.

''(a) LIST OF REQUIRED BENEFITS.—Not later than 3 months after the date of enactment of this title, the Secretary, in consultation with the National Association of Insurance Commissioners, shall issue by interim final rule a list (to be known as the 'List of Required Benefits') of covered benefits, services, or categories of providers that are required to be provided by health insurance issuers, in each of the small group and large group markets, in at least 26 States as a result of the application of State covered benefit, service, and category of provider mandate laws. With respect to plans sold to or through small business health plans, the List of Required Benefits applicable to the small group market shall apply.

''(b) TERMS OF APPLICATION.—

''(1) STATE WITH MANDATES.—With respect to a State that has a covered benefit, service, or category of provider mandate in effect that is covered under the List of Required Benefits under subsection (a), such State mandate shall, subject to paragraph (3) (concerning uniform application), apply to a coverage plan or plan in, as applicable, the small group or large group market or through a small business health plan in such State.

''(2) STATES WITHOUT MANDATES.—With respect to a State that does not have a covered benefit, service, or category of provider mandate in effect that is covered under the List of Required Benefits under subsection (a), such mandate shall not apply, as applicable, to a coverage plan or plan in the small group or large group market or through a small business health plan in such State.

''(3) UNIFORM APPLICATION OF LAWS.—

''(A) IN GENERAL.—With respect to a State described in paragraph (1), in applying a covered benefit, service, or category of provider mandate that is on the List of Required Benefits under subsection (a) the State shall permit a coverage plan or plan offered in the small group or large group market or through a small business health plan in such State to apply such benefit, service, or category of provider coverage in a manner consistent with the manner in which such coverage is applied under one of the three most heavily subscribed national health plans offered under the Federal Employee Health Benefits Program under chapter 89 of title 5, United States Code (as determined by the Secretary in consultation with the Director of the Office of Personnel Management), and consistent with the Publication of Benefit Applications under subsection (c). In the event a covered benefit, service, or category of provider appearing in the List of Required Benefits is not offered in one of the three most heavily subscribed national health plans offered under the Federal Employees Health Benefits Program, such covered benefit, service, or category of provider requirement shall be applied in a manner consistent with the manner in which such coverage is offered in the remaining most heavily subscribed plan of the remaining Federal Employees Health Benefits Program plans, as determined by the Secretary, in consultation with the Director of the Office of Personnel Management.

''(B) EXCEPTION REGARDING STATE PROVIDER FREEDOM OF CHOICE LAWS.—Notwithstanding subparagraph (A), in the event a category of provider mandate is included in the List of Covered Benefits, any State Provider Freedom of Choice Law (as defined in section 2921(7)) that is in effect in any State in which such category of provider mandate is in effect shall not be preempted, with respect to that category of provider, by this part.

''(c) PUBLICATION OF BENEFIT APPLICATIONS.—Not later than 3 months after the date of enactment of this title, and on the first day of every calendar year thereafter, the Secretary, in consultation with the Director of the Office of Personnel Management, shall publish in the Federal Register a description of such covered benefits, services, and categories of providers covered in that calendar year by each of the three most heavily subscribed nationally available Federal Employee Health Benefits Plan options which are also included on the List of Required Benefits.

''(d) EFFECTIVE DATES.—

''(1) SMALL BUSINESS HEALTH PLANS.—With respect to health insurance provided to participating employers of small business health plans, the requirements of this part (concerning lower cost plans) shall apply beginning on the date that is 12 months after the date of enactment of this title.

''(2) NON-ASSOCIATION COVERAGE.—With respect to health insurance provided to groups or individuals other than participating employers of small business health plans, the requirements of this part shall apply beginning on the date that is 15 months after the date of enactment of this title.

''(e) UPDATING OF LIST OF REQUIRED BENEFITS.—Not later than 2 years after the date on which the list of required benefits is issued under subsection (a), and every 2 years thereafter, the Secretary, in consultation with the National Association of Insurance Commissioners, shall update the list based on changes in the laws and regulations of the States. The Secretary shall issue the updated list by regulation, and such updated list shall be effective upon the first plan year following the issuance of such regulation.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to conduct a full committee hearing during the session of the Senate on Wednesday, May 10, 2006 at 10 a.m. in SH–216, Hart Senate Office Building. The purpose of this hearing will be to review the implementation of the Sugar Provisions of the Farm Security and Rural Investment Act of 2002.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on May 10, 2006, at 5:45 p.m., in closed session for a discussion on the situation in Afghanistan.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ALEXANDER. 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 Wednesday, May 10 at 11:30 a.m. The purpose of this meeting is to consider the nomination of Dirk Kempthorne to be Secretary of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Wednesday, May 10, 2006, at 10 a.m., in 215 Dirksen Senate Office Building, to hear testimony on ''Fostering Permanence: Progress Achieved and Challenges Ahead for America's Child Welfare System''.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations authorized to meet during the session of the Senate on Wednesday, May 10, 2006, at 9:30 a.m. to hold a hearing on nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, May 10, 2006, at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct an oversight hearing on Economic Development in Indian Country.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 10, 2006 at 2:30 p.m. to hold a closed Business Meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ALEXANDER. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet to conduct a hearing on ''Modern Enforcement of the Voting Rights Act'' on Wednesday, May 10, 2006, at 9:30 a.m. in Room 226 of the Dirksen Senate Office Building.

WITNESS LIST

Panel I: The Honorable Wan J. Kim, Assistant Attorney General for the Civil Rights Division, United States Department of Justice, Washington, DC.

Panel II: Robert B. McDuff, The Law Offices of Robert McDuff, Jackson, MS; Gregory Coleman, Weil Gotshall & Manges, Austin, TX; Natalie Landreth, Attorney, Native American Rights Fund (NARF), Anchorage, AK; Frank B. Strickland, Partner, Strickland Brockington Lewis, Atlanta, GA; Juan Cartagena, General Counsel, Community Service Society of New York, NY.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. ALEXANDER, Mr. President, I ask unanimous consent that the Subcommittee of Public Lands and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 10 at 2:30 p.m.

The purpose of the hearing is to receive testimony of the following bills: S. 906, to promote Wildland Firefighter Safety; S. 2003, to make permanent the authorization for Watershed Restoration and Enhancement Agreements; H.R. 585, 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; and H.R. 3981, to authorize the Secretary of Agriculture to carry out certain land exchanges involving small parcels of National Forest System land in the Tahoe National Forest in the State of California, and for other purposes.

The PRESIDING OFFICER. Without objection, it so ordered.

PRIVILEGES OF THE FLOOR

Mr. BURNS. Mr. President, I ask unanimous consent that privileges of the floor be granted to Mike Campbell, a fellow in my office, during the debate on S. 1955.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER WITH RESPECT TO S. 1042, S. 1043, S. 1044, AND S. 1045

Mr. FRIST. Mr. President, I ask unanimous consent that the order of November 15, 2005, with respect to S. 1042, S. 1043, S. 1044, and S. 1045 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMEMORATING THE DEDICATION AND SACRIFICE OF LAW ENFORCEMENT OFFICERS

Mr. FRIST. I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 472 submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 472) commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LEAHY. Mr. President, I join in introducing a bipartisan resolution to designate May 15, 2006, as National Peace Officers Memorial Day.

This is the tenth year running that I have been involved in the introduction of this resolution to keep alive in the memory of all Americans the sacrifice and commitment of those law enforcement officers who lost their lives serving their communities. For 8 years I introduced this resolution with my old friend and our former colleague Senator Campbell, a former deputy sheriff who was a true leader on this issue. Now I have teamed with Senator SPECTER, another former prosecutor, in this worthy cause. We have all witnessed firsthand the risks faced by law enforcement officers every day while they serve and protect our communities.

I also want to thank each of our Nation's law enforcement officers for their commitment to the safety and protection of their fellow citizens. They are the real-life heroes; too many of whom too often make the ultimate sacrifice. It is important to support and respect our state and local police officers and all of our first responders.

Currently, more than 850,000 men and women who guard our communities do so at great risk. Each year, one in 16 officers is assaulted, one in 56 officers is injured, and one in 5,500 officers is killed in the line of duty in the United States every other day. After the hijacked planes hit the World Trade Center in New York City on September 11, 2001, 72 peace officers died while trying to ensure that their fellow citizens in those buildings got to safety. That act of terrorism resulted in the highest number of peace officers ever killed in a single incident in the history of our country, and is a tragic reminder of how important it is for the Congress to provide all of the resources necessary to protect officers in the line of duty.

In 2005, 156 law enforcement officers died while serving in the line of duty, well below the decade-long average of 169 deaths annually, and a major drop from 2001 when a total of 237 officers were killed. A number of factors contributed to this reduction including better equipment and the increased use of bullet-resistant vests, improved

training and advanced emergency medical care. And, in total, more than 17,500 men and women have made the ultimate sacrifice.

In the 108th Congress, we shepherded into law a number of measures to make a difference in the lives of all police officers and the communities they serve. We improved the Justice Department's Public Safety Officers Benefits program by making law the Hometown Heroes Survivors Benefits Act, P.L. No. 108–182: which allows survivors of public safety officers who suffer fatal heart attacks or strokes while participating in nonroutine stressful or strenuous physical activities to qualify for Federal survivor benefits.

We also enacted the Campbell-Leahy Bulletproof Vest Partnership Grant Act, P.L. No. 108–372, which extends through FY 2007 the authorization of appropriations for the Bulletproof Vest Partnership Grant Program. This program helps State, tribal and local jurisdictions purchase armor vests for use by law enforcement officers.

Incredibly, President Bush has proposed significant cuts to the bulletproof vest program in his fiscal year 2007 budget proposal, but I will work with other Senators to make sure the program is fully funded. Bulletproof vests have saved the lives of thousands of officers and are a fundamental line of defense that no officer should be without. I know I am not alone in calling for the Senate to fully fund the bulletproof vest program and I truly hope Senators will agree that it is critical that we provide the funding authorized for this program. Hundreds of thousands of police officers are counting on us.

The Law Enforcement Officers Safety Act, which Senator CAMPBELL and I championed in the Senate, was signed into law, P.L. No: 108–277. This measure established national measures of uniformity and consistency to permit trained and certified on-duty, off-duty or retired law enforcement officers to carry concealed firearms in most situations so that they may respond immediately to crimes across State and other jurisdictional lines, as well as to protect themselves and their families from vindictive criminals.

National Peace Officers Memorial Day will provide the people of the United States with the opportunity to honor the extraordinary service and sacrifice given year after year by our police forces. More than 20,000 peace officers are expected to gather in Washington to join with the families of their fallen comrades. I hope all Senators will join me in honoring their service by passing this important bipartisan legislation.

Mr. KYL. Mr. President, I rise today in support of the resolution introduced by Senator LEAHY and others to recognize May 15, 2006, as ''Peace Officers Memorial Day. Peace Officers work tirelessly to protect our society from criminals who would prey on the weak and innocent. They are the front line in a battle for justice and the rule of law. They often are unheralded heroes, whose simple act of going to work puts them in harm's way for our sake.

Tens of thousands of police officers were assaulted last year, and that number is likely to be similar this year. It is important that we take a moment to recognize the crucial service they provide.

Last year, 156 police officers were killed in the line of duty. Justice for the families of slain officers often comes slowly. I have introduced legislation that would speed up the process for the most hardened of criminals, those who murder police men and women. The Law Enforcement Officers' Protection Act would guarantee tough punishment for criminals who murder or assault police officers. Part of the legislation is named after Dr. John B. Jamison, a Coconino County, AZ Reserve Sheriffs Deputy who was slain while responding to a fellow deputy's call for assistance. The killer fired 30 rounds from an assault rifle into Deputy Jamison's car, killing him before he could reach for his gun or even unbuckle his seatbelt. He is survived by two children. State courts completed their review of the killer's conviction and sentence in 1985. Federal courts then delayed the case for an additional 15 years. One judge on the U.S. Court of Appeals for the Ninth Circuit even tried to postpone the killer's final execution date on the alleged basis that that killer was wrongfully denied Sate funds to investigate a rare neurological condition that his lawyer had learned of while watching television. Deputy Jamison's killer ultimately was executed in 2000—18 years after the crime occurred, and 15 years after Federal habeas corpus proceedings began.

So as we recognize the sacrifice that peace officers make to protect us every day—to protect the streets on which we drive to work, protect the neighborhoods where our children play, protect the stores where we shop, protect the very halls of government where I stand today—I urge my colleagues to help protect the peace officers and bring justice to the families of those who have given the ultimate sacrifice for the benefit of the rest of us.

Mr. FRIST. I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 472) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 472

Whereas the well-being of all citizens of the United States is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 900,000 men and women, at great risk to their personal safety, presently serve their fellow citizens as guardians of peace;

Whereas peace officers are on the front lines in preserving the right of the children of the United States to receive an education in a crime-free environment, a right that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 156 peace officers across the United States were killed in the line of duty during 2005, which is below the decade-long annual average of 167 deaths;

Whereas a number of factors contributed to this reduction in deaths, including—

(1) better equipment and increased use of bullet-resistant vests;

(2) improved training;

(3) longer prison terms for violent offenders; and

(4) advanced emergency medical care;

Whereas every other day, 1 out of every 16 peace officers is assaulted, 1 out of every 56 peace officers is injured, and 1 out of every 5,500 peace officers is killed in the line of duty somewhere in the United States; and

Whereas on May 15, 2006, more than 20,000 peace officers are expected to gather in Washington, D.C., to join with the families of their recently fallen comrades to honor those comrades and all others who went before them: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes May 15, 2006, as ''Peace Officers Memorial Day'', in honor of the Federal, State, and local officers that have been killed or disabled in the line of duty; and

(2) calls on the people of the United States to observe that day with appropriate ceremonies and respect.

NATIONAL POLICE SURVIVORS DAY

Mr. FRIST. I ask unanimous consent that the Senate now proceed to the consideration of S. Res. 473 submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 473) designating May 14, 2006, as National Police Survivors Day.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 473) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 473

Whereas the National Law Enforcement Officers Memorial in Judiciary Square of Washington, D.C., lists on its Wall of Remembrance the names of 17,535 Federal, State and local law enforcement officers who have died in the line of duty;

Whereas, in the United States, 1 law enforcement officer is killed every 53 hours, and between 140 and 160 law enforcement officers lose their lives in the line of duty each year;

Whereas, on May 14, 1983, on the eve of the 2nd annual National Peace Officers' Memorial Service, 10 widows of fallen law enforcement officers came together at dinner to discuss the lack of support for law enforcement survivors;

Whereas, exactly 1 year later, that discussion led to the formation of Concerns of Police Survivors, Inc. at the first annual National Police Survivors Seminar, which drew 110 law enforcement survivors from throughout the United States;

Whereas Concerns of Police Survivors, Inc. has grown to serve over 15,000 surviving families of fallen law enforcement officers by providing healing, love, and the opportunity for a renewed life;

Whereas Concerns of Police Survivors, Inc. and its 48 chapters throughout the United States—

(1) provide a program of peer support and counseling to law enforcement survivors for 365 days a year;

(2) helps survivors obtain the death benefits to which they are entitled; and

(3) sponsors scholarships for children and surviving spouses to pursue post-secondary education;

Whereas Concerns of Police Survivors, Inc. sponsors a year-round series of seminars, meetings and youth activities, including the National Police Survivors' Seminar during National Police Week, retreats for parents, spouses, siblings, and programs and summer activities for young and adolescent children;

Whereas Concerns of Police Survivors, Inc. helps law enforcement agencies cope with the loss of an officer by promoting the adoption of standardized policies and procedures for line-of-duty deaths; and

Whereas Concerns of Police Survivors, Inc. inspires the public to recognize the sacrifices made by law enforcement families by encouraging all citizens of the United States to tie a blue ribbon to their car antenna during National Police Week: Now, therefore, be it

Resolved, That the Senate—

(1) designates May 14, 2006, as ''National Police Survivors Day''; and

(2) calls on the people of the United States to observe National Police Survivors' Day with appropriate ceremonies to pay respect to—

(A) the survivors of the fallen heroes of law enforcement; and

(B) the fallen law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community.

HONORING THE NAACP ON THE OCCASION OF ITS 97TH ANNIVERSARY

Mr. FRIST. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of H. Con. Res. 335, and the Senate proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 335) honoring and praising the National Association for the Advancement of Colored People on the occasion of its 97th anniversary.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mrs. CLINTON. Mr. President, I urge my colleagues to support H. Con. Res. 335, a concurrent resolution honoring and praising the National Association for the Advancement of Colored People for 97 years of championing the cause of equality in the United States.

At the dawn of the 20th century—almost 56 years after the end of the Civil War—African Americans were still denied the full rights of citizenship. African Americans were forced to endure the daily humiliation of economic exploitation and social segregation with almost no recourse. Racial tensions boiled over into riots and lynchings. It was at this critical juncture in our nation's history that a group of concerned citizens, answering freedom's call, gathered together to form the National Association for the Advancement of Colored People in New York City.

Since its founding, the NAACP has fought for the social, political, and economic equality of all Americans and has sought to eliminate racial discrimination. And the NAACP has never wavered from its commitment to nonviolence in achieving these goals.

In 1918, the NAACP successfully pressured President Wilson to publicly condemn lynching and continued to raise awareness about the horrific crime. In 1930, the NAACP began its long history of protesting judicial nominees who oppose the advancement of civil rights, with the successful defeat of John Parker to the Supreme Court. The NAACP fought for, and ultimately achieved, desegregation of the military and other federal government institutions. The NAACP was victorious in Buchanan vs. Warley, where the Supreme Court held that states cannot restrict and segregate residential districts. And of course, in the seminal case of Brown v. Board of Education, the NAACP successfully argued that the ''separate, but equal'' doctrine is unconstitutional, thereby making segregation in public schools illegal.

In the 1960s, the NAACP was a leader in the fight to eradicate Jim Crow laws and abolish segregation. And the NAACP was integral to the passage of the Civil Rights Act of 1957, 1960, and 1964, the Voting Rights Act of 1965, and the Fair Housing Rights Act.

In short, the NAACP has been a catalyst for social change in this country, winning landmark court decisions and advocating for civil rights laws that have walked our nation closer to the promise of equality envisioned in our Constitution.

Notwithstanding its powerful voice and extraordinary accomplishments, we must never forget that the NAACP works through the tireless efforts of its individual members, united around a common vision of justice and equality. During desperate times, legendary NAACP members such as Thurgood Marshall, Rosa Parks, and Medger Evars made historic stands in service of the movement of civil rights.

However, equally as important are the ''everyday'' contributions of organizers and activists. One example is Mary Burnett Talbert. Originally a teacher in Little Rock, AR, Talbert eventually moved with her husband to Buffalo, NY, where she received an advanced degree. An active member of her community, Talbert was one of the founders of the NAACP and later its director, vice president, and president. As director the NAACP's Anti-Lynching Campaign, Talbert traveled the Nation giving speeches to black and white audiences. She once wrote that ''By her peculiar position the colored woman has gained clear powers of observation and judgment—exactly the sort of powers which are today peculiarly necessary to the building of an ideal country.'' With every public education campaign, every fight over a judicial nomination, and every lobbying effort to pass progressive legislation, the NAACP takes us one step closer to the ''ideal country'' that Mary Talbert envisioned.

While the NAACP's mission is to fight for the rights of African Americans, it has always been a multiracial and multicultural organization. Many of its founding members were white, including Oswald Garrison Villiard, Mary White Ovington, and Henry Moscowitz.

As we celebrate the accomplishments of the NAACP, we must also honor the values upon which it was founded, for there is much work left to be done, and the same tireless dedication and clarity of purpose will be required to continue onward.

Despite the last century of achievements, substantial racial disparities persist in educational achievement, access to health care, and economic prosperity. Hurricane Katrina highlighted the tragic and enduring link between race and poverty in our country, as well as emphasized our nation's failure to care for those among us least able to provide for themselves. We must continue vigilantly to guard against the resurgence of discriminatory practices that would deprive African Americans of the most fundamental right of democracy—the right to vote. We must continue to work to guarantee that every citizen is able to vote and that every vote is counted. And this summer, we must reauthorize the Voting Rights Act.

The NAACP has always stood ready to face these and other challenges. Ninety-seven years after a group of concerned citizens assembled in New York around the common goal of creating a more just society, the NAACP's half million members continue to lead Freedom's march.

For the battles it has fought, and for the battles it has yet to fight, our nation is forever in debt to the NAACP.

Mr. FRIST. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, without further intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 335) was agreed to.

The preamble was agreed to.

EXECUTIVE CALENDAR

NOMINATION DISCHARGED

Mr. FRIST. Mr. President, as in executive session, I ask unanimous consent that the nomination of George McDade Staples, PN 1361, be discharged from the Foreign Relations Committee and placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, MAY 11, 2005

Mr. FRIST. Mr. President, when the Senate completes its business today, I ask unanimous consent that it stand in adjournment until 9:30 a.m. on Thursday, May 11. I further ask that, following the prayer and pledge, the morning hour be deemed to have expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate proceed to the conference report to accompany H.R. 4297, the Tax Relief Extension Reconciliation Act, as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow we will turn to the tax reconciliation conference report under the agreement reached. There will be a maximum of 8 hours of debate prior to a vote on the conference report. I filed cloture on the pending substitute amendment to S. 1955, the small business health plan bill. That vote will occur following the tax relief act vote and sometime before closing remarks.

ORDER FOR ADJOURNMENT

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.

Mr. DURBIN. Mr. President, I ask the majority leader if he would give me the option to make a closing statement, and that the Senate adjourn after that option is given.

Mr. FRIST. I have no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois is recognized.

HEALTH CARE

Mr. DURBIN. Mr. President, what we have just seen happen is not surprising, but it is disappointing. Health Care Week has come to an end in the Senate on Wednesday evening. We have decided we don't have the time, interest, or inclination to take up other issues. It is a take-it-or-leave-it situation. If we do not accept the Enzi bill, S. 1955, now pending, nothing will be done on health care in the Senate.

It is no wonder to me the American people are cynical about this process. There are so many things we need to do. We are 5 days away from the deadline on Medicare prescription Part D. My best estimate is 50 percent of the people we had hoped would enroll have not done it. They are going to be penalized on May 15 up to 7 percent a year on their premium costs for the rest of their life. We have asked for an extension of time so they can make a choice. We have asked for an extension of time so seniors who have chosen the wrong plan can choose another plan without penalty. Those are not unreasonable. We ask for extensions for people who file income tax without questions asked. To give an extension to an elderly person struggling with 45 different choices for the right prescription drug program is not unreasonable. It would be compassionate. It is the decision of the Senate Republican leadership that we don't have the time or inclination to take up that issue.

I just asked the majority leader: What about stem cell research? Last July, he pledged support for stem cell research. The writing is on the wall: Another year will go by, and this Senate will not go on record on stem cell research.

While millions of Americans and their families are suffering from diseases that could be directly impacted by this research, the Senate doesn't have the time or the inclination to take up this issue. Is it any wonder that people are angry with the Congress as it is presently being conducted? Is it any wonder people are calling for significant change, not only in the direction of this country but in the policies we follow on Capitol Hill? We are going to break our necks to bring up a tax bill before we leave this week to give tax benefits and tax cuts to the wealthiest people in America. We have to get that done, but we don't have time to bring up stem cell research which could give hope and promise for cures and relief to millions of American families?

Where are our priorities? The priorities of this Republican-led Congress are priorities that do not reflect where America is today. The motions we have just heard do not reflect that. To suggest that we don't have time, for example, to even consider the reimportation of drugs so that people struggling with fixed incomes can afford the drugs they need to stay independent, be strong, stay alive—we don't have time for that. No, we have to get on to a tax cut—a tax cut. Let me tell you what the tax cut is.

The tax cut which the Republicans want to force through here before we leave this week—we have to break all records to make sure we get this done—is a tax cut that will mean for people making less than $75,000 a year about on average $100 in tax relief. The good old $100 check is coming back at you, America, if you make less than $75,000 a year; that is your tax cut; be prepared, party on. But if you happen to be making $1 million a year, well, that is another story. This Republican tax cut, which they just have to have, means about $42,000 less in taxes paid by someone making $1 million a year.

No time for drugs imported from Canada for people on fixed incomes who can't afford what they need to stay alive, no time for stem cell research for the millions of families counting on us to push forward on medical research to find cures and relief, no time to deal with Medicare prescription Part D when 7 or 8 million Americans, senior citizens, are about to face penalties in 5 days, no time for that, but plenty of time for tax cuts. It tells the story. No wonder the people across this country and even 30 of the Republicans are saying it is time for a change on Capitol Hill. It is time for new leadership, new direction, and new values. If this is the best we can do, to come up with a tax cut for the wealthiest people in America and ignore the real needs of small business and the elderly, to ignore the real needs of those who are fighting for medical research to give them hope to live another day, it is a sad outcome.

I started this day by praising Senator ENZI and I will end it by doing the same. I respect him. I admire him. He brought an issue to the floor that is a tough one—health care in America. And this debate is long overdue. We have been waiting a long time to address an issue that troubles families and businesses across this Nation. I thank Senator ENZI for his leadership in bringing this to the floor. But I have to tell you, what has happened today procedurally on the floor gives no credit to that effort by Senator ENZI. Shutting down amendments, not even giving us a moment to raise these important issues, even with limited time and limited debate, is unfair. And what a contrast. What a contrast to the immigration bill where the Senator from Tennessee, the Republican majority leader, has argued that we need every possible amendment to be considered before it comes to a conclusion. Wide open; let everybody bring what they want, whether they are for the bill or against it. But when it comes to health care, when it comes to what counts, this man, who has made medicine his profession and his life before he came to the Senate, does not give us an opportunity to go into the issues that are so important to people across America. It is a sad outcome for America, it is a sad outcome for the Senate. This Senate appears to be not only risk averse but work averse, and that is a shame. It is time for a change.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m. tomorrow.

Thereupon, the Senate, at 8:30 p.m., adjourned until Thursday, May 11, 2006, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 2006:

THE JUDICIARY

NEIL M. GORSUCH, OF COLORADO, TO BE UNITED STATES CIRCUIT JUDGE FOR THE TENTH CIRCUIT, VICE DAVID M. EBEL, RETIRED.

IN THE ARMY

THE FOLLOWING NAMED UNITED STATES ARMY RESERVE OFFICER FOR APPOINTMENT AS CHIEF, ARMY RESERVE AND APPOINTMENT TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 3038 AND 601:

To be lieutenant general

MAJ. GEN. JACK C. STULTZ, JR., 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

MICHAEL E. BELCHER, 0000
JAMES COBELL III, 0000
DAVID A. PAULK, 0000
DAVID J. RANDLE, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

SHAWN M. CALLAHAN, 0000
ROSEMARIE J. CONN, 0000
ROBIN L. CSUTI, 0000
SANDRA K. HAIDVOGEL, 0000
PATRICIA B. MOORE, 0000
KAREN J. VIGNERON, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

PATRICK G. BYRNE, 0000
MAXIE Y. DAVIS, 0000
JUDIE A. HEINEMAN, 0000
SYNTHIA S. JONES, 0000
JOSEPH J. KINDER, 0000
MARK T. KOHLHEIM, 0000
JEFFREY P. LINK, 0000
NANCY A. NORTON, 0000
JOHN L. PAGONA, JR., 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

LOUIS M. BORNO III, 0000
DANIEL J. CUFF, 0000
MARTIN W. DEPPE, 0000
SHANE G. GAHAGAN, 0000
ANDREW G. HARTIGAN, 0000
PAUL J. OVERSTREET, 0000
ROBERT S. ROOF, 0000
PAUL A. SOHL, 0000
ARTHUR M. STERRETT, JR., 0000
ERIC J. WATKISS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

LEONARD M. ABBATIELLO, 0000
RAY A. CROSS, 0000
BRENT J. GRIFFIN, 0000
DOUGLAS J. GROSSMANN, 0000
BRETT C. HEIMBIGNER, 0000
JERRY L. JACOBSON, 0000
ERIC V. KRISTIN, 0000
BRUCE F. LOVELESS, 0000
ROBERT RUPP, 0000
JOHN B. STUBBS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

STEVEN J. ASHWORTH, 0000
CARL A. BARKSDALE, 0000
RICHARD P. BODZIAK, 0000
JAMES E. BROKAW, 0000
CONNIE L. FRIZZELL, 0000
DIANE K. GRONEWOLD, 0000
GREGORY J. HAWS, 0000
KATHRYN M. K. HELMS, 0000
WILLIE L. METTS, 0000
ROY S. PETTY, 0000
EUGENE P. POTENTE, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

FRANK A. ARATA, 0000
CHARLES E. BAKER, JR., 0000
DAVID T. BISHOP, JR., 0000
MARK BRIDENSTINE, 0000
RONALD E. COOK, 0000
CHARLES A. DAVIS, 0000
ALEXANDER S. DESROCHES, 0000
JAMES P. DOWNEY, 0000
BRIAN B. GANNON, 0000
JON A. HILL, 0000
LLOYD H. JONES, 0000
TIMOTHY J. KELLY, 0000
WILLIAM C. KIESTLER, 0000
WARREN P. LUNDBLAD, 0000
PETER C. LYLE, 0000
TIMOTHY S. MATTINGLY, 0000
STEVE J. MCPHILLIPS, 0000
CHRIS D. MEYER, 0000
DAVID B. OSGOOD, 0000
PER E. PROVENCHER, 0000
JEFFERY S. RIEDEL, 0000
CHRISTOPHER D. SCOFIELD, 0000
FRANK A. SIMEI, JR., 0000
GEORGE M. SUTTON, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

JOHN W. V. AILES, 0000
HENRY D. ANGELINO, JR., 0000
JAMES N. BARATTA, 0000
ROBERT C. BARWIS, 0000
JOSEPH A. BAUKNECHT, 0000
JOSEPH W. BEADLES, 0000
JAMES R. BEAMISH, JR., 0000
MATTHEW S. BEAVER, 0000
JOSEPH J. BEEL, 0000
DON E. BERRY, JR., 0000
STEVEN H. BLAISDELL, 0000
GARY M. B. BOARDMAN, 0000
PATRICK J. BOHAN, 0000
GAIL M. BOVY, 0000
VINCENT C. BOWHERS, JR., 0000
LAURELL A. BRAULT, 0000
JOHN J. BRAUNSCHWEIG, 0000
DENNIS M. BROOKS, 0000
RICHARD A. BROWN, 0000
JAMES F. BUCKLEY, 0000
THOM W. BURKE, 0000
BABETTE B. BUSH, 0000
PATRICK W. BUTLER, 0000
ANDREW A. BUTTERFIELD, 0000
JAMES S. BYNUM, 0000
EDWARD J. CAMPBELL, 0000
DOUGLAS D. CARSTEN, 0000
MATTHEW J. CARTER, 0000
JAMES R. CASTLETON, 0000
DARYL L. CAUDLE, 0000
GARD J. CLARK, 0000
PETER J. CLARKE, 0000
PATRICK R. CLEARY III, 0000
JEFFREY W. CONNOR, 0000
ROBERT E. CONWAY, 0000
JEFFREY S. CORAN, 0000
MICHAEL J. CORRIGAN, 0000
KEVIN J. COUCH, 0000
MICHAEL J. COURY, 0000
JAMES T. COX, 0000
KYLE J. COZAD, 0000
RANDY B. CRITES, 0000
ANDREW F. CULLY, 0000
JAMES J. CUNHA, 0000
GREGORY P. CURTH, 0000
DOUGLAS L. CUTHBERT, 0000
ANGELA W. CYRUS, 0000
TODD H. DEGHETTO, 0000
CHARLES C. DENMAN II, 0000
MARC W. DENNO, 0000
STANTON W. DIETRICH, 0000
JEFFREY A. DODSON, 0000
DANIEL M. DONOVAN, 0000
SCOTT D. DUEKER, 0000
RICHARD J. EASON, 0000
STEWART G. ELLIOTT, 0000
CHARLES G. EMMERT, 0000
GEORGE T. FADOK, JR., 0000
THOMAS J. FASANELLO, JR., 0000
JOHN M. FIGUERRES, 0000
HAROLD T. FINK, 0000
DAVID T. FISHER, 0000
RICHARD T. FITE, 0000
WILLIAM A. FITZGERALD, 0000
MICHAEL J. FITZPATRICK, 0000
STEPHEN R. FOLEY, 0000
LISA M. FRANCHETTI, 0000
JEFFREY D. FREDERICK, 0000
DALE G. FULLER, 0000
LARRY S. GAGE, 0000
ERIC W. GARDNER, 0000
BRETT J. GENOBLE, 0000
RONALD M. GERO, JR., 0000
CHARLES M. GIBSON III, 0000
BAXTER A. GOODLY, 0000
HOLLY A. GRAF, 0000
MICHAEL R. GRAHAM, 0000
PAUL A. HAAS, 0000
HERBERT M. HADLEY, 0000
DAVID J. HAHN, 0000
RICHARD J. HALE, 0000
THOMAS V. HALLEY, JR., 0000
CATHERINE T. HANFT, 0000
PETER H. HANLON, 0000
MARKUS K. HANNAN, 0000
GENE F. HARR, 0000
EDWARD J. HARRINGTON, 0000
WAYNE J. HARRISON, 0000
TROY L. HART, 0000
EDWARD L. HASELL, 0000
JAMES D. HAUGEN, 0000
MIKE A. HAUMER, 0000
JOHN A. HEFTI, 0000
WILLIAM K. HENDERSON, 0000
ROGER H. HENZE, 0000
DAVID J. HERMAN, 0000
DIXON K. HICKS, 0000
MICHAEL S. HILL, 0000
MARCUS A. HITCHCOCK, 0000
DONALD D. HODGE, 0000
BRENDA M. HOLDENER, 0000
CHARLES T. HOLLINGSWORTH, 0000
STEVEN W. HOLMES, 0000
DALE E. HORAN, 0000
JEFFERY W. HOYLE, 0000
MARK A. HUBBARD, 0000
AARON C. JACOBS, 0000
PETER H. JEFFERSON, 0000
WILLIAM J. JENSEN, 0000
KEVIN R. JOHNSON, 0000
WILLIAM C. JOHNSON, 0000
DORIAN F. JONES, 0000
CHRISTOPHER J. KAISER, 0000
ROY J. KELLEY, 0000
STEVEN M. KELLY, 0000
KEVIN M. KENNEY, 0000
COLIN J. KILRAIN, 0000
ROY I. KITCHENER, 0000
JAMES R. KNAPP, 0000
ALEXANDER L. KRONGARD, 0000
STEPHEN C. KROTOW, 0000
ANTHONY L. KRUEGER, 0000
DAVID J. LANDESS, 0000
EDWARD D. LANGFORD, 0000
JOHN T. LAUER III, 0000
WILLIAM L. LAWLER, JR., 0000
ROBERT G. LINEBERRY, JR., 0000
JAMES T. LOEBLEIN, 0000
MATTHEW E. LOUGHLIN, 0000
JOHN P. LUSSIER, 0000
ANTHONY E. MARTIN, 0000
FRANCIS X. MARTIN, 0000
RICK A. MAY, 0000
THOMAS J. MCDONOUGH, JR., 0000
DAVID M. MCDUFFIE, 0000
DOUGLAS A. MCGOWEN, 0000
PAUL F. MCHALE, 0000
STEPHEN P. MCINERNEY, 0000
DANIEL T. MCNAMARA, 0000
THERESA O. MELCHER, 0000
DENNIS C. MIKESKA, 0000
JOHN MILEY, 0000
JOHN W. MOORE, 0000
WILL M. MOORE, JR., 0000
DAVID J. MORGAN, 0000
WILLIAM F. MOSK, 0000
THOMAS M. NEGUS, 0000
STEVEN G. NELSON, 0000
DONALD E. NEUBERT, JR., 0000
JACK S. NOEL II, 0000
JOHN P. NOLAN, 0000
WILLIAM J. NOLAN, 0000
THOMAS E. NOSENZO, 0000
JOHN S. ONEILL, 0000
HAMLIN A. ORTIZMARTY, 0000
GREGORY M. OTT, 0000
MICHAEL J. OTTINGER, 0000
TIM P. PANGONAS, 0000
ERIC A. PATTEN, 0000
ANDREW T. PAUL, 0000
TIMOTHY C. PEDERSEN, 0000
JOHN S. PERRY, JR., 0000
STEVEN L. PETTIT, 0000
PATRICK A. PIERCEY, 0000
RANDOLPH F. PIERSON, 0000
EVAN B. PIRITZ, 0000
PAUL S. POSEY, 0000
CLARK T. PRICE, JR., 0000
DAVID R. PRICE, 0000
MICHAEL V. PROSPERI, 0000
HUMBERTO L. QUINTANILLA, 0000
ROBERT W. RACOOSIN, 0000
RICHARD A. RAINER, JR., 0000
ROBERT D. RANDALL, JR., 0000
CHARLES S. RAUCH, 0000
THERESA M. REA, 0000
RONALD REIS, 0000
BRETT A. REISSENER, 0000
EDWIN J. RUFF, JR., 0000
BRADLEY S. RUSSELL, 0000
MICHAEL B. RYAN, 0000
DAVID A. SCHNELL, 0000
JOHN D. SCHOENECK, 0000
GARY R. SCHRAM, 0000
DAVID D. SCHWEIZER, 0000
GREGG G. SEARS, 0000
KENNETH E. SELIGA, 0000
PAUL J. SEVERS, 0000
JAMES R. SHOAF, 0000
PAUL A. SKARPNESS, 0000
THOMAS A. SLAIS, JR., 0000
ERIC S. SLEZAK, 0000
MICHAEL J. SLOTSKY, 0000
JEFFERY C. SMITH, 0000
DAVID A. SOLMS, 0000
THOMAS P. STANLEY, 0000
TROY A. STONER, 0000
CHARLES L. STUPPARD, 0000
ANTHONY W. SWAIN, 0000
DAVID R. SWAIN, 0000
ROBERT C. SWALLOW, 0000
KENNETH J. SZCZUBLEWSKI, 0000

TIMOTHY G. SZYMANSKI, 0000
MICHAEL P. TAYLOR, 0000
RALPH L. TINDAL III, 0000
PETER A. TOMCZAK, 0000
JEFFREY E. TRUSSLER, 0000
STEVEN S. VAHSEN, 0000
ROBERT M. VANCE, 0000
KARL J. VANDEUSEN, 0000
JAMES L. VANDIVER, 0000
MICHAEL S. VILAND, 0000
HANS T. WALSH, 0000
JASON WASHABAUGH, 0000
DOUGLAS E. WATERS, 0000
OAKLEY K. WATKINS III, 0000
MARK E. WEBER, 0000
MICHAEL B. WHETSTONE, 0000
KENNETH R. WHITESELL, 0000
JOSEPH B. WIEGAND, 0000
CHARLES F. WILLIAMS, 0000
GORDON C. WILLIAMS, 0000
KENNETH L. WILLIAMS, 0000
BRAD WILLIAMSON, 0000
RICKY L. WILLIAMSON, 0000
GARY M. WILSON, 0000
KRIS WINTER, 0000
CHARLES T. WOLF, 0000
ALPHONSO L. WOODS, 0000
LEWIN C. WRIGHT, 0000
CHARLES W. WYDLER, 0000
MARK S. YOUNG, 0000
GLENN W. ZEIDERS III, 0000

DISCHARGED NOMINATION

The Senate Committee on Foreign Relations was discharged from further consideration of the following nomination and the nomination was placed on the Executive Calendar:

GEORGE MCDADE STAPLES, OF KENTUCKY, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE.

EXTENSIONS OF REMARKS

TRIBUTE TO JOHN M. EVANS

HON. JAMES P. MORAN
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. MORAN. Mr. Speaker, today I pay tribute to John M. Evans—one of our Federal Government's finest public servants and a long time resident of the Commonwealth of Virginia. This March he retired from an exceptionally distinguished career of service to his country. He has served our nation as a career civil servant for over 33 years. He has been an exceptional leader and has played a key role in ensuring effective financial management for the Department of Defense. It gives me pride to have the opportunity to honor him today for his tremendous accomplishments.

Mr. Evans began his career with the Navy in the financial management field working for various field activities. He progressed to a management position in the Military Traffic Management Command at the Department of Defense where he had responsibility for Personnel and Administration.

Mr. Evans first served in the Department of Defense Comptroller office as a senior budget analyst for a number of major Department of Defense-wide programs, including the DoD Family Housing Program, the DoD Real Property Maintenance Program, Navy Military Construction, and DoD Depot Maintenance.

Mr. Evans also served as the Director for Revolving Funds beginning in April of 2000. While Director, he was responsible for financial management oversight for all DoD revolving and working capital funds, including the Defense Working Capital funds.

Since 2001, Mr. Evans was the Director for Operations. As Director, Mr. Evans was responsible for the Department's Operations and Maintenance appropriations, including programs that support the global war on terror and the Department's homeland security functions.

Senior leaders, both in the Congress and the Department of Defense, have benefited from Mr. Evans' experience, outstanding leadership, and distinguished performance. His efforts have enabled our nation's leaders to make the most effective use of defense resources to ensure America's military strength. On behalf of my colleagues, I thank him for his service to our country and wish him well on his retirement.

WE THE PEOPLE . . . THE CITIZEN AND CONSTITUTION

HON. EARL BLUMENAUER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. BLUMENAUER. Mr. Speaker, the future of this country is rooted in not just respect for, but understanding the U.S. Constitution. This past weekend more than 1,200 students from across the United States will visit Washington, DC to compete in the national finals of the ''We the People . . . The Citizen and the Constitution'' competition. This outstanding program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights.

I am proud to announce that 36 students from Grant High School in my congressional district represented the State of Oregon in this national event. These young scholars have worked diligently to reach the national finals and, through their experience, have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy. My neighborhood school has won the State Championship four times in the last six years. Last year they placed second in the nation.

The three-day national competition is modeled after hearings in the United States Congress. The hearings consist of oral presentations by high school students before a panel of adult judges on constitutional topics. The students' testimony is followed by a period of questioning by the judges who probe the depth of their understanding and ability to apply their constitutional knowledge.

Congratulations to Luis Alvarez, Austin Arias, Amelia Bell, Sukey Bernard, Thomas Brant, Becca Carlson, Max Chester, David Cooper, Hopi Costello, Hallie Craddock, Emma Dobbins, Yata Doe, Thomas Dudrey, Theo Erde-Wollheim, Arjav Ezekiel, Elena Fairley, Lauren Faulkner, Hannah Fisher, Laule'a Gorden-Kuehn, Ethan Gross, Phylicia Haggerty, Jennifer Hatton, Thomas Johnson, Austin Knutson, Joe Piucci, Jesse Poquette, Evan Pulvers, Max Schober, Lydia Sheehey, Emily Short, Kyle Sias, Katie Singleton, Natalie Stoll, David Streckert, Laura Yount, Ben Zarov and teacher Matt Campeau on placing number four in the country. They represent the future leaders of our nation and Oregon is proud of them.

PAYING TRIBUTE TO DON ENGLISH

HON. JON C. PORTER
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor the life of Don English, who died Tuesday April 18, 2006.

Don was the man behind many of the iconic photographs of Las Vegas taken over the last four decades. Many of his photos shot over the last 40 years went out on the wire services, and he was even awarded the Life Magazine picture of the week. Don's reputation was such that he was the only photographer allowed in at Frank Sinatra's wedding to Mia Farrow. And he was one of the few that were able to shoot Elvis's wedding to Priscilla Anne Beaulieu at the Aladdin in 1967.

His ingenuity helped perpetuate the public's fascination with Las Vegas for decades, and his images will continue to be admired by people around the world for decades to come. He was truly one of the unsung heroes behind the development of Las Vegas.

Mr. Speaker, I am proud to honor the life and career of Don English. His contributions to Las Vegas commercial development and public image are immeasurable. He will be surely missed.

RECOGNIZING THE PRINCE WILLIAM COUNTY DEPARTMENT OF FIRE AND RESCUE'S 40-YEAR ANNIVERSARY

HON. TOM DAVIS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. TOM DAVIS of Virginia. Mr. Speaker, I would like to take this opportunity to pay tribute to the Prince William County Department of Fire and Rescue as it celebrates its 40th anniversary.

Since its inception in 1966, the Prince William County Department of Fire and Rescue has achieved great success. Through a combination of career and volunteer workers, the department has provided high quality fire, medical, emergency, environmental, and support services.

In my experiences with the department, I have seen its unwavering dedication to the Prince William County community as well as its uniformed and civilian employees' strong values of unity, performance, and personalized delivery.

The department employees' dedication does not stop at Prince William County's borders. In the aftermath of September 11, 2001, they joined their colleagues from neighboring jurisdictions to provide continual service during that time of crisis. Additionally, I have been witness to their selfless commitment to safety and humanitarian efforts across the nation, such as during the recent Katrina disaster.

I am confident that the core principles, which Prince William County Department of Fire and Rescue continually display, will allow the department to continue to excel in the years to come.

Mr. Speaker, in closing, I would like to take this opportunity to thank all the men and women who serve in the Prince William County Department of Fire and Rescue. Their efforts, made on behalf of the citizens of Prince William County, are selfless acts of heroism and truly merit our highest praise. I ask my colleagues to join me in applauding this group of remarkable citizens and congratulate their department's 40-year anniversary.

TRIBUTE TO BRONX COMMUNITY COLLEGE'S 28TH ANNUAL HALL OF FAME 10K RUN

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. SERRANO. Mr. Speaker, it is with joy that I rise today to once again pay tribute to Bronx Community College, which will hold its 28th Annual Hall of Fame 10K Run on Saturday, May 6, 2006.

The Hall of Fame 10K Run was founded in 1978 by Bronx Community College's third president, Dr. Roscoe C. Brown. Its mission is to highlight the Hall of Fame for Great Americans, a national institution dedicated to those who have helped to make America the nation that it is today.

One of the Bronx's most anticipated yearly events, the race contributes to a strong sense of community within the Bronx and helps to promote healthy living by placing emphasis on physical fitness and achieving athletic goals.

The tradition continues under the leadership of President Carolyn G. Williams, the first woman president of Bronx Community College. Dr. Williams has endorsed and follows the commitment made by Dr. Brown to promote physical well-being as well as higher education.

As one who has run the Hall of Fame 10K Run, I can attest that the excitement it generates brings the entire borough together. It is a celebration and affirmation of life. I am happy that more than 400 people will share this experience this year—one that will surely change many of their lives forever. I salute the hundreds of joyful people who will run along the Grand Concourse, University Avenue and West 181st Street and savor the variety of celebrations. There is no better way to see our wonderful Bronx community.

I am also pleased to note that the Annual Run is also joined by a 2 Mile Fitness Walk which allows for as many people as possible, regardless of their athletic ability, to get involved and support the Hall of Fame.

Mr. Speaker, I ask that my colleagues join me in recognizing the individuals and participants who are making the Bronx Community College's 28th Annual Hall of Fame Run possible.

IN SUPPORT OF NATIONAL TEACHER DAY

HON. BRIAN HIGGINS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. HIGGINS. Mr. Speaker, I rise today in strong support of National Teacher Day. I thank the National Education Association (NEA) for sponsoring National Teacher Day in honor of the teachers who work around the clock to help students develop the skills they need to succeed in life.

This year's National Teacher Day theme, ''Great Teachers Make Great Public Schools,'' recognizes the instrumental role that teachers play in making sure that every child receives a quality education. In recent years, especially with increased global competition, there has been an emphasis on the need to improve our schools and to ensure that every class is taught by high quality teachers. Fortunately, today's public school teachers are the most educated, most experienced ever. The percentage of teachers with a master's degree has more than doubled since 1961 from 23 to 57 percent, and more than 75 percent of all teachers sharpen their skills by participating in professional development related to their grade or subject area. Nine out of 10 teachers only teach subjects in their licensed subject area.

American school teachers work tirelessly to educate our Nation's students. Many of these teachers work out of crumbling old buildings, teach overcrowded classrooms and do the best they can with outdated materials and little access to technology; additionally, they are paid a salary that reflects neither their great worth nor their ability. For the benefit of children, these dedicated individuals spend an average of 50 hours per week and spend an average of $443 per year of their own money on class supplies even though the average starting salary for teachers is only $31,704 per year.

Confronted with a difficult job, school teachers rise to the challenge and I am grateful for today's opportunity to honor them. Unfortunately, this day is also bittersweet because as we recognize the achievements of America's teachers we must also remember the shortcomings of this Congress in failing to help them meet the mandates of No Child Left Behind (NCLB).

The No Child Left Behind Act was passed with the greatest of intentions, but major funding shortfalls have plagued school districts and handcuffed teachers, leaving them focused on federally mandated testing standards and on demonstrating adequate yearly progress (AYP) without providing them with the funding necessary to help students achieve. If this year's budget is passed as is, it would leave NCLB, an initiative that this Administration spearheaded, with $15.4 billion less than authorized levels, bringing the total amount that has been shortchanged from the program to over $55 billion. In a recent survey, NEA member-teachers cited ''working to increase funding for public schools'' as their top priority. As teachers work to make American schools great, it is a shame that this Congress has failed to fulfill its responsibility and continues to hold schools accountable to these unfunded mandates.

Today, I urge my colleagues to honor the work of America's teachers not just in word or through events, but by committing to fully fund NCLB so that our teachers can succeed in their mission of making sure every child receives a quality education.

PAYING TRIBUTE TO JOHN P. McFADDEN

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor the 85th birthday of John Patrick McFadden, and the anniversary of the McFadden Insurance Agency, which John started 25 years ago.

John McFadden was born July 23, 1921 in Butte, Montana. Born to Irish immigrants, John was educated in a one room school house in Boulder City, Nevada, where the family resided while John's father worked construction on the Hoover Dam. John later attended Las Vegas High School, and graduated in 1940. In 1942, after the start of World War II, John joined the United States Navy. He went to boot camp in San Diego, California, and after completing his training he was assigned to the destroyer minelayer, the USS *Shea* out of Lido Beach, New York. On May 5, 1945, the ship was struck by a Japanese kamikaze plane off the shores of Okinawa, Japan. Two-thirds of the crew of the destroyer were killed and many more wounded; John's injuries were also significant, having sustained 13 pieces of shrapnel in his left leg, severing a nerve and leaving the outside of his foot numb. His right leg, rear end, and head were also full of shrapnel. The shrapnel in his head caused temporary blindness, but after treatment in Saipan, his sight returned. John was not able to return to active duty and was honorably discharged.

In 1951, John was hired at Mercury, Nevada now known as the Nevada Test Site, to set up warehousing in both Camp 1 and Camp 3. In 1953 he was asked to go to Saudi Arabia to work in warehousing and supply and aided the building of dormitories and air strips for the U.S. Air Force, which were used by our country in Operation Desert Storm. During his tenure in Saudi Arabia, he met his wife, Rose. John and Rose subsequently moved back to Las Vegas and were married in 1957.

John trained to be an insurance adjuster, handling property claims, and with a partner formed Key Adjustment Company. He later agreed to manage Horsey Insurance, which later became Harrington-Horsey Insurance. In 1981, after managing the agency for 17 years he decided to form his own agency, now known as McFadden Insurance. This agency is now in its 25th year. During his years with the agency John served as the President of the Nevada Independent Insurance Agents for 2 years, and then served 2 terms as the State National Director for the Nevada Association. He was named ''Man of the Year'' by the Nevada Independent Insurance Agents in 1986. Even on the eve of his 85th birthday, he has no plans to quit working, and still comes into the office and continues to be a vital asset to the agency.

Mr. Speaker, I am proud to honor John P. McFadden for his heroic service to America and for his personal and professional successes.

COMMEMORATING THE MOUNT VERNON YACHT CLUB'S 50TH ANNUAL COMMISSIONING DAY CEREMONIES

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. TOM DAVIS of Virginia. Mr. Speaker, I would like to congratulate the Mount Vernon Yacht Club on its 50th annual Commissioning Day.

The Mount Vernon Yacht Club was founded in 1956 to offer a variety of social and water-

based activities to family members who live in the Historic Mount Vernon area. The clubhouse and marina facility are located where Dogue Creek joins the Potomac River. The club hosts many official and unofficial social and service-oriented events throughout the year. In season, it supports an active swim team, a power fleet, and a sail fleet. The club actively contributes to the boating community by serving as the home base of two Coast Guard Auxiliary Power Squadrons. It hosts meetings of local Coast Guard, County Police and Emergency Responders for Homeland Security training and communications drills.

In closing, Mr. Speaker, I congratulate the Mount Vernon Yacht Club on it's proud history of promoting safe boating, the sport of sailing, and camaraderie among members of the Mount Vernon Yacht Club through it's activities of organized club racing. On the occasion of this 50th annual Commissioning Day, I ask my colleagues to join me in acknowledging this outstanding and distinguished organization.

TRIBUTE TO MONROE BASKETBALL PROGRAM

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to the undefeated national basketball champion Monroe College Lady Mustangs. On Saturday, March 18, the Lady Mustangs (36–0) beat Mohawk Valley Community College (MVCC) 100–70 to become 2006 National Junior College Athletic Association, Division III National Champions. Monroe's men's team, led by Coach Jeff Brustad, also had a successful season, compiling a record of 35–5 and finishing 8th in the national tournament.

There is an old saying: ''Everyone has the desire to win, but only champions have the desire to prepare.'' Under the outstanding leadership of Coach Seth Goodman, the Lady Mustangs worked tirelessly in the off-season to prepare themselves physically and mentally for the season ahead. Their dedication and unrivaled work ethic helped to ensure that their third consecutive appearance in the tournament was a charm.

The Lady Mustangs earned Monroe's first ever national championship in athletics with a tenacious defense and potent offense, a combination that worked for them all season long. Although the tournament was played in front of MVCC's hometown fans in Utica, New York, the Lady Mustangs were not intimidated—they promptly quieted the crowd with stifling defense, holding their opponents to only 2 points for the first seven minutes of the game.

Mr. Speaker, the success that these young ladies enjoyed on the court is not only a reflection of their skills with a basketball, but more importantly, a reflection of their character. To reach the level of competition that they have achieved, one must acquire certain qualities that will not only help in sports but in life as well; qualities such as discipline, patience, and perseverance. While I am excited that they have proved to be champions on the court, I am more excited to know that they have developed the skills necessary for them to become champions in life.

I want to compliment everyone associated with Monroe College Women's and Men's Basketball for the courage and class they exhibited throughout the entire season. Athletics is about much more than winning. It is about learning how to work with others to overcome adversity. The men's and women's basketball programs have shown that they have learned this valuable lesson. I am very proud of Monroe Basketball for the great strides it has made in the pursuit of excellence. May these programs continue to serve as an example of what heights can be reached when you combine patience, hard work, and dedication.

For their strong work ethic and mental toughness on and off the court, I ask my colleagues to join me in paying tribute to the Monroe Lady Mustangs for winning the 2006 NJCAA, Division III National Championship and to congratulate the Monroe Men's team for an impressive run at the national title.

TRIBUTE TO HENRY WEILER

HON. BRIAN HIGGINS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. HIGGINS. Mr. Speaker, I rise today to honor Henry Weiler for his many years of public service to Chautauqua County.

Mr. Weiler served two terms as county clerk and has continued to work as a part-time court office assistant in the Supreme and County courts. Mr. Weiler was recently honored at the Chautauqua County's annual Law Day celebration for his many years of service to the courts.

Mr. Weiler, as been very active in his community as well. He is involved with the County Historical Society, the American Legion, the Jamestown Harmony Express Barbershop Singers and the local Masonic Lodges. His involvement in the community has helped maintain organizations that strive to improve the quality of life for the citizens of his community.

Mr. Weiler's public service and community involvement has been an inspiration, that is why, Mr. Speaker, I rise to honor him today.

PAYING TRIBUTE TO GERALD BURKIN AND LYNN MAYERS-GERRY

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Gerald Burkin and Lynn Mayers-Gerry who are American Medical Response ''Star of Life'' recipients.

The American Medical Response ''Star of Life'' is a special program. Its sole purpose is to publicly recognize and celebrate the achievements of all people working in the selfless and heroic world of ambulance service providers. The ''Star of Life'' Program seeks to honor outstanding individuals as a thank you for the service, sacrifice and inspiration they bring to all of us.

Gerald and Lynn are heroes in many ways, they have both served as mentors to new employees and have promoted positive changes in the local health care community. Gerald and Lynn have also risked their own safety in the line of duty. While Gerald, Lynn, and an intern were setting up some warning devices, another vehicle struck Gerald and Lynn and they both sustained serious injuries. Even pinned between the ambulance and the vehicle, they maintained contact with the dispatch center via radio and cell phone.

Mr. Speaker, I am proud to honor Gerald Burkin and Lynn Mayers-Gerry for their being awarded the American Medical Response ''Star of Life''. Gerald and Lynn are also to be commended for their sense of duty and dedication to improving the local health care community. I wish to congratulate and thank them both.

HONORING THE LIFE OF CAPTAIN BRIAN LETENDRE

HON. TOM DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to honor the life of Marine Captain Brian Letendre, one of the true heroes of today's ongoing war against terrorism, and to recognize his service to our Nation.

Captain Letendre was born in California at Stanford University Hospital, but was raised all of his life in Woodbridge, VA. In 1996, Captain Letendre graduated from Potomac High School where he was an exceptional student and captain of the varsity soccer team.

Captain Letendre received his degree in Computer Science from Milligan College, where he met his future wife, Autumn Crane. Captain Letendre then attended Basic Officer School and the Infantry Officer's Course in Quantico, VA. After completing these schools, he and Autumn were married. Captain Letendre was then assigned to the First Battalion, Second Marine Regiment, Second Marine Division. He quickly embarked on a six-month deployment to Okinawa, Japan as an infantry platoon commander, and after returning to the United States briefly, was assigned to Guantanamo Bay, Cuba to provide security and guard the terrorist prisoners being held there.

Captain Letendre's battalion was then deployed in support of Operation Iraqi Freedom. His battalion fought their way north into Iraq after crossing the Kuwait border and were heavily engaged in combat, particularly at the infamous battle of An Nasiriyah during the early days of the liberation. Captain Letendre was decorated with the Navy and Marine Corps Commendation Medal with a Combat ''V'' for valor, for his heroic actions during combat operations.

Captain Letendre's wife, Autumn, gave birth to their son Dillon the day before Captain Letendre crossed the line of departure into battle. A year after returning from combat, Captain Letendre was assigned to the Marine Forces Reserve's Inspector and Instructor Staff, 1st Battalion, 25th Marine Regiment, 4th Marine Division, Plainville, Connecticut. He was promoted to the rank of Captain on January 1, 2005.

After two years serving stateside, Captain Letendre bravely and selflessly volunteered to join a newly formed elite 11-man unit that was

designed to advise and instruct an Iraqi Battalion in combat operations. Tragically, on May 3, 2006, while conducting combat operations against enemy forces in the Al Anbar province of Iraq, Captain Letendre gave his last full measure for our Nation when he was killed in action by a suicide vehicle borne improvised explosive device. His valor and service cost him his life, but his sacrifice will have provided freedom from tyranny and oppression for many around the world.

Captain Letendre's hard work and perseverance contributed greatly to his unit's successes and placed him among many of the great heroes and citizens that have paid the ultimate price for their country. Throughout his career, Captain Letendre earned a series of awards that testify to the dedication and devotion he held for his fellow Marines, the Marine Corps, and his country. These awards include: the Navy and Marine Corps Commendation Medal with a Combat ''V''; the Purple Heart; the Combat Action Ribbon; the Army Achievement Medal; the Global War on Terrorism Expeditionary Medal; the Global War on Terrorism Service Medal; the Iraqi Campaign Medal; the Presidential Unit Citation (Navy); the Joint Meritorious Unit Award; the National Defense Service Medal; the Sea Service Deployment Ribbon (3rd Award); the Navy Unit Commendation as well as the expert pistol badge and sharpshooter rifle badge. He was also a graduate of the Survival, Escape, Resistance, and Evasion (SERE) School and was a Green Belt Martial Arts Instructor.

Several times throughout his life, Captain Letendre could have chosen the easier or more comfortable path, but he didn't. He felt a call to something much greater than himself at an early age and followed his heart to where he felt he could help make this world a better place. Because of men like him, this world is safer and more stable, and that is why he is a true hero.

In an e-mail two days before his death, he wrote that he missed his wife and son dearly, but was proud to be over there serving the country. Captain Letendre was an exceptional Marine officer, but most importantly he was a wonderful and caring father, husband, brother, son, and friend to many. And that is how he will be remembered.

Mr. Speaker, I call upon my colleagues to remember in our minds and in our hearts the bravery and sacrifice of Captain Brian Letendre, as well as that of all the men and women of the armed services who honorably protect the American people.

SENIOR MENTAL HEALTH ACCESS IMPROVEMENT ACT

HON. BARBARA CUBIN

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mrs. CUBIN. Mr. Speaker, the shortage of mental health professionals in rural areas has contributed to disproportionally high rates of depression and suicide. In my home State of Wyoming, the suicide rate is twice the national average. Wyoming's seniors in particular are seriously underserved, in part because they have limited options under the Medicare program.

Currently, the only mental health providers allowed to be reimbursed by Medicare are psychiatrists, psychologists, social workers, and clinical nurse specialists. In some communities, however, there may only be a marriage and family therapist (MFT) or licensed professional counselor (LPC) available.

The bill I am introducing today will give seniors more options for mental health care by allowing MFTs and LPCs to provide Medicare services at the same reimbursement rates as social workers. MFTs and LPCs are as qualified and able as other mental health providers covered by Medicare, and should be treated accordingly.

Under the Senior Mental Health Access Improvement Act, MFTs and LPCs would be able to provide outpatient psychotherapy and inpatient hospital services. It also allows them to provide Medicare services in Skilled Nurses Facilities, rural health clinics and hospice programs.

We still have a long way to go in improving access to medical care in rural areas like Wyoming. Getting our seniors the mental health care they need is an important step in the right direction.

PAYING TRIBUTE TO LIEUTENANT WILLIAM ''BILL'' BROWN

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Lieutenant William ''Bill'' Brown for his over 21 years of dedicated service with the Boulder City police force.

Bill has truly acted in all capacities in the Boulder City Police Department. Having started as a ''beat cop'' of the street he rose through the ranks to serve as fill-in chief. Greatly respected by the community and his fellow officers, Bill was an asset to the department and performed his duties with skill and professionalism. He was so well respected by his fellow citizens that he was often called while off duty for advice and counsel.

Mr. Speaker, I am proud to honor the career of Lieutenant William ''Bill'' Brown. He epitomized what it is to be a community oriented public servant. Bill's dedication to his fellow officers and the community as a whole truly reflect the best of how First Responders serve. I wish him the best in his retirement.

TRIBUTE TO NATIONAL TEACHER DAY

HON. MICHAEL M. HONDA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. HONDA. Mr. Speaker, I rise today to join with my fellow Americans and my colleagues in Congress to celebrate one of the most honorable and significant professions. National Teacher Day is an opportunity for us to recognize the extraordinary effort of our Nation's educators and reflect on the profound impact of their work.

As a former teacher and school administrator, I am particularly aware of the challenges that educators face, such as overcrowded and under funded schools. Teachers are more highly educated than ever and bring a higher level of expertise to their work than their predecessors. The majority of American teachers have at least one advanced degree and 49 percent have at least 15 years of experience in the classroom. Teacher salaries, however, have not increased commensurate with greater teaching experience and higher levels of education.

Low salaries and general discontent with working conditions drive capable, experienced teachers out of the profession, and by 2014, schools nationwide will need another 3.9 million teachers. The numbers of male teachers and teachers of color does not reflect gender and racial trends in the general population. An increase in salaries for all teachers, as well as better recruitment and retention policies for minority and male teachers may help to rectify this problem.

I hope that National Teacher Day will serve as a reminder to Americans of the crucial role that teachers play in our society. It is imperative that we increase funding for education and make teacher's salaries commensurate with their experience, education, and hard work. Teachers help to shape future generations, and they deserve both our respect and our continuing support. Please join me in thanking them on this special day.

RECOGNIZING BOULDER CITY HIGH SCHOOL VARSITY CHEERLEADING SQUAD

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor the Boulder City High School Varsity Cheerleading Squad for their win at the Inaugural Silver State Spirit Championship this past March.

The championship consisted of four divisions: 1A through 4A, and teams in each division performed a three minute routine judged on originality, appearance, smiling, difficulty, precision and recovery. This event is the only State high school cheerleading championship offered in Nevada.

The members of the Boulder City High School Varsity Cheerleading Squad are to be commended for their success and hard work. Cheerleading is a rather unique athletic event, whereas most high school sports compete in only one season, cheerleading encompasses two. Their time and dedication is reflected in their success.

Mr. Speaker, I am proud to honor the Boulder City High School Varsity Cheerleading Squad for their win at the Silver State Spirit Championship. I applaud them for their victory and wish them the best in future seasons.

TRIBUTE TO DR. CHARLIE POWELL ALBURY

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. MEEK of Florida. Mr. Speaker, I want to take this opportunity to pay tribute to Dr. Charlie Powell Albury of Miami, Florida on her installation as the 40th Imperial Commandress

of the Imperial Court, Daughters of Isis, Prince Hall Affiliated.

On Saturday, May 13, 2006 this great leader will be honored at the Signature Grand Ballroom in Ft. Lauderdale, Florida by friends and members of the organization to mark the assumption of her new responsibilities. She came up through the ranks of this 25,000-member charitable organization since she joined it in 1970. It has now grown to 226 Shrine Temples and 200 Courts of the Daughters of Isis, who serve as its women's auxiliary. Various temples and courts abound throughout the continental United States, Canada, Germany, Italy, England, Spain, Japan, Korea, Guam, Thailand, Panama and the Bahamas.

The group that Dr. Albury will spearhead is both a charitable and social organization whose members have long been dedicated to fostering civic, economic and educational development. Formally organized on August 24, 1910, the Court's Daughters of Isis stresses the development of leaders while encouraging health awareness among youth and adults and the establishment of a network of services for the disabled and senior citizens. The group also recognizes and celebrates the historic achievements of African-American women who have exerted great influence and served as exemplary models for generations of leaders in communities throughout the world. One of its better-known projects targets teenage mothers, high school and college students, who participate in ongoing activities for educational opportunities and career planning.

While its programs are focused on education and academic scholarships, the Imperial Court also ensures health education and mentoring for the leaders of tomorrow through the donation of book bags and school supplies for adopted schools and future members of the Daughters of Isis. Its many members have become permanent fixtures in volunteering their time and effort during the annual College Fund/United Negro College Fund Scholarship Campaigns, Health and Medical Research, American Cancer Society, Mental Retardation, the NAACP and other nationwide efforts benefiting various communities. Consistent with its philosophy of stewardship, this organization has supported many underprivileged people throughout the world.

Dr. Albury served for almost 28 years both as an appointed and elected national officer. She is truly a social-service pioneer and leader, for she has buttressed a rejuvenation of the Imperial Court's Daughters of Isis. For her indefatigable work, she has been cited in the Book of Life of the Black Archives Foundation and in the ''Who's Who in the South and Southwest, as well as in the World.'' Accolades from professional, civic, religious and governmental agencies are both numerous, and well-deserved.

With Dr. Charlie Powell Albury's formal inauguration this Saturday, I join her countless admirers, and colleagues and members of her Imperial Court's Daughters of Isis, in celebrating this historic event. I commend her courageous vision and pragmatic approach to helping others, for she and the organization she leads evokes in simple but noble terms our spirit of hope and optimism in the great American spirit.

TRIBUTE TO THE 50TH ANNIVERSARY OF THE FLINT OLYMPIAN GAMES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. KILDEE. Mr. Speaker, I ask the House of Representatives to join me in congratulating the Flint Olympian Games as it celebrates 50 years of promoting physical fitness and sportsmanship. Events commemorating this anniversary will be held throughout the summer in my hometown of Flint, Michigan.

Conceived 50 years ago as a finale to the summer athletic program for Flint students, the Games have grown into a community wide experience. Frank Manley and the Flint School District Community Education Directors held the first planning meeting to organize the Games in 1956. The following year 1500 students participated in 6 sports. Today the Games involve 11,000 contestants active in 22 sports. Encompassing the entire family the Games have become a tradition among generations of Flint residents.

The opening ceremonies will be held on July 11 at Flint Central High School followed by a fitness walk and field day. The competitions will commence on that date and continue through July 22 at locations scattered throughout the community. An awards dinner will be held on July 27 to honor the participants and volunteers that have organized and sponsored this event. The amateur athletes will go on to participate in the 49th annual CANUSA Games. The CANUSA Games is a competition held between the residents of Flint and its sister city, Hamilton, Ontario, Canada. The CANUSA Games foster goodwill between the citizens of both communities. Held on alternate years in each community, this year the CANUSA Games will take place in Flint on August 11, 12 and 13. For many of the participants this is their first exposure to persons from another country.

In addition to the actual sports competitions, the organizers have also planned a banquet to be held in June and a golf outing for July. The 50th Flint Olympian Games Celebration is a joint celebration sponsored by the Flint Community Schools, Citizens Blue Ribbon Committee, Greater Flint Olympian-CANUSA Association, City of Flint, the Ruth Mott Foundation and the Charles Stewart Mott Foundation. The 50th Anniversary Games will be dedicated to the founders, Mr. and Mrs. Charles Stewart Mott and Mr. and Mrs. Frank Manley.

Mr. Speaker, please join me in applauding the dedication of the many volunteers and contestants that come together each year in the atmosphere of camaraderie to promote the ideals of sportsmanship, physical well being and friendly competition. Their vision of families playing and working together to accomplish goals is to be commended.

PAYING TRIBUTE TO EARL AND MILDRED BURRIS

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Earl and Mildred Burris for 70 years of marriage.

Earl and Mildred were married in 1936, and over the course of 70 years have raised a family that now includes two children, five grandchildren, and seven great grand children. Earl and Mildred's marriage dates back to the days when Franklin Roosevelt was in the White House, and the Berlin Olympic Games preceding Hitler's march through Europe. During their time together, they have witnessed such historic events as the landing on the moon and the construction and destruction of the Berlin Wall.

They raised their children in an age where they did things together as a family and instilled in them the values of service, community, and charity. In 1990, the couple moved to Boulder City, Nevada. Since that time Earl has been very active in water-related citizens committees, and both Earl and Mildred have been active in the church.

Mr. Speaker, I am proud to honor Earl and Mildred Burris for their 70 years of marriage. Their commitment to each other is admirable, and should serve as a lesson to us all. I commend and congratulate them, and wish them many more anniversaries together.

HONORING OFFICER SCOTT SEVERNS

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CHOCOLA. Mr. Speaker, today I rise with a solemn heart to honor a hero. On Friday, April 21, 2006 Cpl. Scott Severns of the South Bend Police Department was shot during an attempted robbery. He succumbed to his wounds and passed early Sunday morning.

I have heard it said that at times like these, we should not focus on how someone dies, but on how they lived, but how Cpl. Severns died was a testament to how he lived. When two would-be robbers approached Cpl. Severns and a female companion, brandished a gun, and threatened them, Cpl. Severns instinctively stepped in between the gunman and his friend. Character like this cannot be taught through a police academy course, and it is not issued to every officer after their swearing in. This type of valor can only come from an individual with the heart of a hero.

We oftentimes do not take enough time to appreciate the sacrifice that law enforcement officers make every single day so that we can live in safety. It is easy for us to go about our daily lives without a thought about those that stand in between us and those that would try to hurt us.

Cpl. Severns's sacrifices from the moment he first put on his uniform, until his tragic, premature end, exemplify the best of American law enforcement.

Mr. Speaker, we would be remiss if we did not take this time to honor his service, remember his sacrifice, and mourn his passing.

TRIBUTE TO CINCO DE MAYO

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. BACA. Mr. Speaker, I rise today to pay tribute to the Mexican patriots who gave their lives to fight valiantly and successfully against an overwhelming French Army on May 5, 1862.

This is the week of Cinco de Mayo, a time to celebrate the courage and bravery of Mexican Americans and of all those who have fought for the freedoms of self-governance.

By celebrating Cinco de Mayo we honor the history of democracy in North America and remind ourselves that though our nation is made up of many diverse people and cultures, we all share a commitment to democratic freedom.

Last year this House passed Concurrent Resolution 44, a bill that recognizes the historical significance of the Mexican holiday of Cinco de Mayo.

Today, along with the other members of the Congressional Hispanic Caucus, I have called on the Senate Judiciary Committee to take up this resolution and pass it.

Many celebrate this day with festivals, singing, and dancing. But this day is more than a party. It is a celebration of cultural pride and the respect for the rights of all people. And the Senate should celebrate this day by passing H. Con. Res. 44.

HONORING SMURFIT-STONE'S SAFETY RECORD OF ONE MILLION WORK HOURS WITH NO INJURIES

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. BONNER. Mr. Speaker, today I rise to pay tribute to the Smurfit-Stone Containerboard Mill for achieving the admirable safety record of one million work hours without a recordable injury of any kind.

The Smurfit-Stone Containerboard Mill is an economically vital contributor to both the city of Brewton, and the state of Alabama. They are also the largest producer of containerboard products in North America with 18 mills. The mill has been in operation since 1957, and employs 583 people.

Smurfit Stone is the industry's leading integrated manufacturer of paper-based packaging products. However, it is only when a manufacturer provides a safe work environment for its employees that the company becomes the corporate neighbor that we all admire and respect. This is only the fourth time this milestone has been reached by paper mills in North America.

It is my sincere hope that the Smurfit-Stone Containerboard Mill will continue to set highly commendable examples for others in their industry, and I rise today to congratulate the employees and managers for the contributions they have made toward the betterment of Alabama.

RECOGNIZING THE 200TH ANNIVERSARY OF THE BALTIMORE BASILICA

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CUMMINGS. Mr. Speaker, I rise today to commemorate the 200th anniversary of America's first cathedral, the historic and beautiful Baltimore Basilica. Officially known as the Basilica of the National Shrine of the Assumption of the Blessed Virgin Mary, this magnificent cathedral, built from 1806 to 1821, stands as a symbol of the beginning of the Catholic Church in America, and the religious freedoms embodied in our Constitution.

For over a century until the Revolutionary War, Catholics in America were a devoted but persecuted minority. After the Constitution was adopted, the Catholic Church embarked on the construction of a cathedral to celebrate their faith and their new-found right to worship freely.

Under the guidance of the future first archbishop of America, John Carroll, a hill above the Baltimore Inner Harbor was selected in 1806 as the site for the cathedral. After hearing about the proposed church, Benjamin Harry Latrobe volunteered his services as chief architect. Latrobe, the architect of the United States Capitol, is considered the father of American architecture and is responsible for what is now considered one of the world's most impressive buildings of the 19th century.

In addition to its structural magnificence, the cathedral has fulfilled its place as one of the most historically significant churches in the world. Two-thirds of all American Catholic dioceses can claim their roots at the Baltimore Basilica, and three Plenary Councils guiding the Catholic Church's role in the expanding United States were held within its walls. The Basilica continued to embrace progressive ideals throughout the years by, for example, including the first order of African-American nuns in its convent.

As we do today, the Baltimore Basilica has been honored on many occasions for its greatness. In 1937, Pope Pius XI raised the cathedral to the rank of a Minor Basilica. In 1972 it was declared a National Landmark and then in 1993 a National Shrine. The Basilica has also been greatly honored by the visits of His Holiness Pope John Paul II in 1995 and Mother Teresa of Calcutta in 1996.

Mr. Speaker, for the past two centuries, the Baltimore Basilica has stood as a beacon of hope and religious freedom. An architectural masterpiece built by two great visionaries, the Basilica continues to be ''a shining citadel'' of faith and hope for Maryland and the United States.

HONORING CHERYL NIX, SOUTH BEND SCHOOL CORPORATION TEACHER OF THE YEAR

HON. CHRIS CHOCOLA

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CHOCOLA. Mr. Speaker, today I rise to honor Cheryl Nix who was recently honored as the South Bend School Corporation's Teacher of the Year.

Cheryl is a math teacher at LaSalle Intermediate Academy in South Bend, Indiana and has been a teacher in South Bend for 29 years. She began her teaching career in 1976 at Monroe Primary School in South Bend teaching deaf and hearing-impaired children. She has been married 26 years and, in addition to teaching her students, she also has a full-time teaching job as a mother of two children.

Her 29 years of dedication and excellence in one of our Nation's most important professions deserves our honor and our respect. We don't spend enough time highlighting the great things that are happening every day in our schools.

It has been said many times, and will always be true, that our children are our future. Their education is the key to making sure that they have the proper tools to succeed when it is their turn to steer the ship of this Nation. As long as teachers such as Cheryl Nix are entrusted with that responsibility, I have confidence that our future as a Nation will be bright.

PATARA: THE ORIGINS OF AMERICAN DEMOCRACY, 1800 YEARS AND 7000 MILES AWAY

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. STEARNS. Mr. Speaker, the city of Patara in Turkey sports a fantastic beach that sprawls for more than 11 miles. It recently rated number one, on the London Sunday Times' list of the world's best beaches. But Patara is worth our attention for more than sand and surf. An archeological team led by Akdeniz University Professors Fahri Isik and Havva Iskan Isik recently unearthed an ancient parliament building in Patara—the meeting place of the first federal republic in recorded human history. The building, called the Bouletarion, housed at least twenty-three city-states of the Lycian League, which existed along the Mediterranean coast of Turkey from about 167 BC until 400 AD.

The Lycian League's republican governing system, utilizing proportional representation, was unparalleled in the ancient world, and fascinated the pioneering intellectuals of the Enlightenment, particularly Montesquieu. Depending on the size of the member cities, each elected one, two or three representatives to the Lycian parliament. When cities were too small, two or three banded together to share one representative vote. The six largest cities in the League had the right to three votes. The parliament elected a president, called the ''Lycearch,'' which at various times served as

the League's religious, military, and political leader. Although it is contested, there is evidence to suggest that women could be and in fact were Lycearch.

In Book IX of Montesquieu's Spirit of the Law, after charting the highs and lows of the earliest republics, he stresses the utility of a confederacy. He cites the Lycian League as an example: ''It is unlikely that states that associate will be of the same size and have equal power. . . . If one had to propose a model of a fine federal republic, I would choose the republic of Lycia.''

Montesquieu's interest in the Lycian way of government would prove central to our founding. Thanks to his writings, in the debates about our own Constitution, Alexander Hamilton and James Madison cited the Lycian League as a model for our own system of government.

As well, in literal linkage, the semi-circular configuration of seats in this House of Representatives is exactly the same seating arrangement as in the Bouletarion in Patara. The Bouletarion's throne-like perch, where the elected Lycearch sat, is much the same as the seat of the Speaker of the House of Representatives.

On June 30, 1787, at the Constitutional Convention in Philadelphia, James Madison appealed to the delegates' understanding of the Lycian League. The Convention had just rejected the ''New Jersey Plan'', which called for a rather modest revision of our nation's first constitutional framework, the failed Articles of Confederation. The delegates resolved to come up with a new constitution, but had few notions in common of how it should proceed.

A delegate from Connecticut, Oliver Ellsworth, had just finished arguing for the Articles of Confederation's principle that every state should be equal in the national arena. He specifically asked, ''Where is or was a confederation ever formed, where equality of voices was not a fundamental principle?''

James Madison replied that the Lycian League was different, according representation in reflection of actual size. His Virginia plan provided for a bicameral legislature, with both houses' representation based on states' population. He eventually had to accept a compromise, with a people's house of proportional representation, our House of Representatives, in tandem with a Senate of equal state representation.

Hamilton and Madison also cited the Lycian League in defense of representative democracy. While direct rule usually resulted in either tyranny or anarchy, the two founders felt that delegation of authority to elected representatives would allow the government to function properly.

In addition, the Lycian League was. used in defense of individual rights and a strong national government, two notions the original Articles of Confederation conspicuously avoided. In Federalist number 15, Hamilton called the Articles' avoidance of individual rights in favor of state rights the ''radical vice'' of our nation's first governing system.

The ideas and debates of our founding fathers may seem archaic to our modem times, but we face questions of federalism every day in this Congress. A federalist system of government divides power between a central authority (the federal government) and constituent political units (the states and localities). The delineation of that power comes into question particularly often on the Energy & Commerce Committee, of which I am a Subcommittee Chairman, whether we are debating the proper authority over electricity transmission across state lines., the regulation of hazardous waste, or the transmission of information through our telecommunications infrastructure.

Meanwhile, whether we are helping Iraq and other Middle Eastern countries develop representative democratic systems, or providing advice to the burgeoning democracies of post-Soviet Eastern Europe, we effectively reenact the Constitutional Convention's debates about the Lycian League and the nature of democracy around the world. We are doing what we can to help spread freedom and democracy, in our own image. Unfortunately, while it is relatively easy to conceive of the best model of government—as our founding fathers did, and Montesquieu did before them—the diversity of the real world, in geography, ethnicity, religion, and history, makes applying that best model quite difficult in practice.

The British archeologist George Bean highlighted some of the unique features of the Lycian League—features not dissimilar to our own country's: ''Among the various races of Anatolia, the Lycians always. held a distinctive place. Locked away in .their mountainous country, they had a fierce love of freedom and independence, and resisted strongly all attempts at outside domination; they were the last in Asia Minor to be incorporated as a province into the Roman Empire.''

Our experience so far in guiding the nascent democracy in Iraq should certainly illustrate that representative democracy may not be perfectly replicable, at least overnight.

Fifteen years ago, all a visitor to Patara would have noticed were the tops of a few old stones. Today, the excavations at Patara have unearthed the remains of an entire city. The archeological team has rescued numerous buildings and items from the sand and scrub brush, besides the Bouletarion parliament building, including: a large necropolis; a Roman bath; a sizeable semicircular theater; a sprawling main avenue leading to the market square; a Byzantine basilica (one of 22 churches once packed into Patara); one of the world's oldest lighthouses; and a fortified wall.

I would encourage everyone to visit Patara, for its beauty and for its archeological significance. The excavation site is 10–15 minutes from the glorious beach, and will be opened to the public in 2007. While we wait, one of Turkey's largest museums, the Antalya Archaeological Museum, displays many of the finds from Patara and the surrounding area.

We owe a great debt to Turkey's Ministry of Culture and the Akdeniz University in Antalya for their dedication of time and money to bringing the ancient ruins of Patara out of the dust and back into our lives.

In closing, I would like to thank: Dr. Gul Isin, Associated Professor of Archeology at Akdeniz Antalya in Turkey, who has been diligently working with Dr. Fahri Isik and Dr. Havva Iskan Isik to uncover the mysteries of the Patara site; Professor James W. Muller of the University of Alaska, Anchorage, who dissected how the Lycian League impacted the founding fathers; and the American Friends of Turkey, the Friends of Patara, and former Representatives Stephen Solarz and Robert Livingston, who graciously introduced me to the archeological findings at Patara, and the important work of Professors Isin and Miller.

INTRODUCTION OF THE EXPRESS CARRIER FAIRNESS ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. GEORGE MILLER of California. Mr. Speaker, in late 1996, a rider was included in the Federal Aviation Administration reauthorization that erodes the rights of American workers. Without even holding hearings on the matter, a single company was able to insert language in a conference report to make it harder for its workers to exercise their right to organize. Specifically, Federal Express wanted to prevent its truckers in Pennsylvania from organizing.

This goes beyond any special interest giveaway, to a major erosion of collective bargaining rights. Congress passed a specific provision in an airways bill to prevent a specific unit of truckers from organizing. The right to organize, to freely associate, is a fundamental, internationally recognized human right. There is an assault on the working class in this country; one that aims to curtail the right to collectively bargain whenever possible. This rider was one such blow to workers.

Prior to the passage of that amendment, truckers at Federal Express were allowed to organize under the rules of the National Labor Relations Act NLRA, and the airline component of the company was covered by the Railway Labor Act RLA. The main difference between the guidelines under these different laws is that the NLRA allows workers to organize in local bargaining units. The RLA, however, would require that the bargaining unit be nationwide, making it much more difficult for workers to communicate with each other enough to form a union.

The bill I introduce today modifies the ''express carrier'' language in the RLA so that there is consistency in the industry. Specifically, this bill provides that only the employees of an express carrier involved with the aircraft—the airman, aircraft maintenance technicians and airline dispatchers—would have to comply with the RLA. It would be consistent to allow those workers who are directly involved with the air cargo operation of such a company to be treated like their counterparts in the air carrier business. The remaining and likely larger portion of the workforce in such a company would then fall under the jurisdiction of the NLRA with their peers in the rest of their industry.

We need to have standards that are fair. Some employers are trying to do the right thing for workers. They should still be competitive in the industry. There are many ways employers can tilt the playing field, but in such a competitive marketplace, federal law should not be manipulated to provide special favors for employers seeking to deny workers' rights.

Workers must be able to work together to raise their standards of living. That means the ability to decide for themselves whether or not they want to collectively bargain. It is only fair for us to conclude that people doing similar work should be governed under the same federal laws.

HONORING LAURIE RICHARDSON

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. GIBBONS. Mr. Speaker, on behalf of the state of Nevada, I would like to congratulate Mrs. Laurie Richardson of Henderson, Nevada for her achievement and recognition as Mother of the Year by the American Mothers Inc. (AMI). While all 50 states are represented, as well as Puerto Rico, this is their 51st award and the first one that has been awarded to a resident of Nevada since the state's chapter began in the 1940's.

While this award recognizes her only as a mother, Mrs. Richardson is also a distinguished singer in a Grammy award-winning choir, a grandmother of nine, an advocate for children with special needs, and a dynamic guest speaker for special education issues. Mrs. Richardson has volunteered with various school districts for over 29 years before recently becoming a full-time child advocate.

While also raising three of her own children, Mrs. Richardson has opened her home and her heart to raise four foster children as well. Upon her reception of this distinguished award, Mrs. Richardson will represent AMI for the next calendar year as she advocates the importance of motherhood around the country.

Mrs. Richardson has not only set a benchmark for mothers throughout this country, but she is also a great example for all Nevada families. Mrs. Richardson's dedication to children is truly inspirational. As a Representative of Nevada, I am very proud to have her as a part of my community. I commend and congratulate her for this great achievement.

A PULITZER FOR THELONIOUS MONK

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CONYERS. Mr. Speaker, I rise today to recognize the legendary jazz pianist Thelonious Monk. In April, the 90th annual Pulitzer Prizes were announced and Monk was selected to receive a posthumous Award ''for a body of distinguished and innovative musical composition that has had a significant and enduring impact on the evolution of jazz.''

Every few generations there are people who come along that change the way we look at the world, for musical enthusiasts Monk is one of these individuals. Tom Carter, President of the Thelonious Monk Institute of Jazz, put it quite succinctly when he recently said that Monk's ''. . . unique sound and creative spirit revolutionized the music and transcends generations.'' Thelonious' piano playing and compositions were truly revolutionary and they helped bridge the gap from bebop to modern jazz.

Thelonious Sphere Monk (1917–1982) was one of the architects of bebop and his impact as a composer and pianist has had a profound influence on every genre of music.

Monk was born in Rocky Mount, North Carolina, but his parents, Barbara Batts and Thelonious Monk, soon moved the family to New York City. Monk began piano lessons as a young child and by the age of 13 he had won the weekly amateur contest at the Apollo Theater so many times that he was barred from entering. At the age of 19, Monk joined the house band at Minton's Playhouse in Harlem, where along with Charlie Parker, Dizzy Gillespie, and a handful of other players, he developed the style of jazz that came to be known as bebop. Monk's compositions, among them '''Round Midnight,'' were the canvasses over which these legendary soloists expressed their musical ideas.

In 1947, Monk made his first recordings as a leader for Blue Note. These albums are some of the earliest documents of his unique compositional and improvisational style, both of which employed unusual repetition of phrases, an offbeat use of space, and joyfully dissonant sounds. In the decades that followed, Monk played on recordings with Miles Davis, Charlie Parker, and Sonny Rollins and recorded as a leader for Prestige Records and later for Riverside Records. Brilliant Corners and Thelonious Monk with John Coltrane were two of the albums from this period that brought Monk international attention as a pianist and composer.

In 1957, the Thelonious Monk Quartet, which included John Coltrane, began a regular gig at the Five Spot. The group's performances were hugely successful and received the highest critical praise. Over the next few years, Monk toured the United States and Europe and made some of his most influential recordings. In 1964, Thelonious Monk appeared on the cover of Time magazine, an honor that has been bestowed on only three other jazz musicians. By this time, Monk was a favorite at jazz festivals around the world, where he performed with his quartet, which included long-time associate Charlie Rouse. In the early '70s he discontinued touring and recording and appeared only on rare occasions at Lincoln Center, Carnegie Hall and the Newport Jazz Festival.

Thelonious passed away on February 5, 1982. His more than 70 compositions are classics which continue to inspire artists in all forms of music. In his lifetime he received numerous awards and continues to be honored posthumously. The Smithsonian Institution has immortalized his work with an archive of his music. In addition, the U.S. Postal Service issued a stamp in his honor. A feature documentary on Monk's life, Straight, No Chaser, was released to critical acclaim. Monk's integrity, originality, and unique approach set a standard that is a shining example for all who strive for musical excellence.

Monk is the first jazz musician and composer to receive the honor since 1999, when a Special Citation was awarded to Duke Ellington on the centennial of his birth. In addition to Ellington and Monk, only three other jazz composers have been recipients of the Pulitzer: George Gershwin, Scott Joplin, and Wynton Marsalis.

TRIBUTE TO KENNETH TENORE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. HOYER. Mr. Speaker, America lost one of its finest scientists this week. And I lost both a constituent and a dear friend.

Kenneth Tenore, a coastal ecologist from Hollywood, Maryland, died of acute pancreatitis Sunday at University of Maryland Medical Center. He was 63.

I had the privilege of working with Ken in his role as director of the University of Maryland Center for Environmental Science's Chesapeake Biological Laboratory on Solomons Island.

Ken's work made an invaluable contribution to the health and vibrancy of the Chesapeake Bay, and his leadership brought together marine scientists from around the world to bolster the health of coastal waterways.

While at Solomons, he led collaborative research programs involving marine scientists from the United States, the Galicia region of Spain and Portugal.

His frequent visits to both countries have helped build strong scientific relationships that endure today.

At the time of his death, he was leading the Navigator Project, an international effort supported by the National Science Foundation and the Luso-American Foundation, to characterize and compare the ecology of coastal seas around the world.

Ken's efforts while serving the University of Maryland, my alma mater, reflect a man deeply committed to preserving the Earth for future generations.

While Ken was passionate about advancing technology to make new discoveries in his discipline, he was also a man that followed a higher moral code—even teaching a science and ethics course at the University of Notre Dame.

Father Ernan McMullin, a retired Notre Dame professor said of Ken: ''He was an inspirational teacher who had a strong feeling for the philosophical and ethical issues in science.''

Among his tremendous accomplishments, Ken founded and directed the Alliance for Coastal Technologies, a partnership of research institutions, environmental managers, and industry representatives which foster sensor technologies for use in monitoring coastal environments.

Ken leaves behind a sister, Dr. Elizabeth J. Tenore, a brother, Louis James Tenore, and a nephew, Louis James Tenore Jr.

Ken's life touched so many around the world: family, friends, and colleagues. I was privileged to know him.

On behalf of the Fifth Congressional District, I want to extend my sympathies to his family and join the scores of others in honoring his life's work.

PERSONAL EXPLANATION

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. ANDREWS. Mr. Speaker, I regret that I missed three votes on May 9th, 2006. Had I been present I would have voted ''yes'' on H.R. 1499 (the Heroes Earned Retirement Opportunities Act); ''yes'' on H.R. 5037 (the Respect for America's Fallen Heroes Act) and ''yes'' on H.R. 3829 (the Jack C. Montgomery Department of Veterans Affairs Medical Center Designation Act).

NATIONAL TEACHER DAY

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. ORTIZ. Mr. Speaker, I rise to honor all teachers today on National Teacher Day. I want to thank teachers everywhere for their devotion to children and a better tomorrow.

Teachers are our greatest public servants; they spend their lives educating our young people and shaping our Nation for tomorrow. Education is the key to success in life, and teachers make a lasting impact in the lives of their students.

Even as we thank our teachers for the invaluable work they do, there are proposals to cut funding from numerous educational programs, including GEAR–UP and the Elementary and Secondary School Counseling Program. Education should be one of our top funding priorities; talking about it does not help the teachers and students who desperately need promises fulfilled.

An education provides today's children with valuable and necessary skills to lead a productive life in tomorrow's society. Education makes children less dependent upon others and opens doors to better jobs and career possibilities. Education is the silver bullet to improve this Nation's standing worldwide . . . and our teachers know that.

I have supported teachers and their efforts to provide quality education to our children, and will always continue to do that. I fought for Texas teachers' Social Security benefits by advocating the amendment to the Teacher Social Security Protection Act that protected them. I have fought to protect those benefits that ensure better salaries for teachers across the Nation such as grants to pay off student loans and funding for Teach for America. Still, we must all do more to show our continued appreciation for our Nation's leading role models.

Today, let us remember the essence of why teachers are our most important public servants. There is a story about a dinner conversation with a puffed up CEO who demeaned a teacher at the table by asking: ''What's a kid going to learn from someone who decided his best option in life was to become a teacher? What do you make?''

The teacher smiled a contented smile, and enlightened her dinner companions: ''I make kids work harder than they ever thought they could. I make kids enjoy learning. I make them dream, wonder, question, criticize, apologize (and mean it) . . . I make them write, work, and discover. I make them responsible. I make them achieve. You want to know what I make? I make a difference. What was it again you make?''

Amen . . . teachers make a difference in every single life they touch, and today I thank each teacher for the work they do and the lives they change every day.

THE PASSING OF EARL WOODS

HON. DIANE E. WATSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Ms. WATSON. Mr. Speaker, it is with great sadness that I learned of the passing of Earl Woods, the father of golfing legend Tiger Woods, of cancer.

Earl Woods was a father, coach, and mentor to Tiger Woods. There is no doubt that the world would not now have the opportunity to witness the genius of Tiger Woods on a golf course without the input from Earl Woods. Theirs was a father-son match made in heaven.

Earl Woods was the driving force in the development of Tiger Woods as not only a golf player but human being. Almost before Tiger could walk, his father had acclimated him to the game of golf. According to one account, Earl would hit golf balls in the garage on a makeshift range with Tiger watching him from his high chair. Earl later recounted that Tiger, at the tender age of 9 months, first demonstrated to him his incredible potential as a golf player.

Mr. Speaker, Earl Woods is a model of fatherhood. He supported, nurtured, and literally raised Tiger Woods to the heights of the golfing world. I am particularly struck by the close relationship Earl Woods had with his son.

When you hear so many professional athletes thanking or saying hello to their mothers after a television interview, it was refreshing to hear Tiger mention both his father and mother.

IN RECOGNITION OF MRS. LEA ANN PITCHER

HON. EMANUEL CLEAVER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CLEAVER. Mr. Speaker, I rise today to congratulate Mrs. Lea Ann Pitcher as being named one of the most 'Outstanding Mathematics Teachers in the United States' by The Presidential Award for Excellence. This award was established in 1983 by an Act of Congress and is administered for the White House by the National Science Foundation. Offered every other year to high school teachers, only two teachers per state are bestowed this great honor. Recognizing only the most exceptional teachers from across the United States, this awards' program is designed to honor teachers for their ingenious contributions to the classroom and to their profession. Mrs. Pitcher personifies excellence both in the classroom and as a professional. ''Awardees serve as an example for their colleagues, inspiration to their communities, and leaders in the quality of mathematics and science.'' As a high school math teacher, Mr. Pitcher does just that.

Mrs. Pitcher's work at Lee's Summit Senior High School is exemplary. She educates our children in one of the areas we need strengthening the most—mathematics. After a decade as a pharmacist, she left to pursue teaching. Her students respect and rely on her knowledge; her peers emulate her dedication and teaching practices of using debate and discussion in math; and I know that Principal Faulkenberry considers her to be one of the school's greatest assets. She has truly touched our community and changed the lives of students in Lee's Summit throughout her 11 years as an educator. As a longtime resident, she has shown her dedication to our community, her students, and education throughout her long career as a teacher in the Greater Kansas City Area, having worked at both Hickman Mills High School and Lee's Summit High School.

Mr. Speaker, please join me today, May 9, 2006, on National Teacher Day, in thanking Mrs. Lea Ann Pitcher for her unyielding commitment to education, but more importantly, thank her for her significant contributions to the students of Lee's Summit Senior High School in Missouri's Fifth Congressional District. This year's theme of National Teacher Day is ''Great Teachers Make Great Public Schools'' and is a fitting description of Mrs. Pitcher's contribution to our society. Rarely do people touch the lives of students and communities in a way that will follow them forever. I want to thank her again for her outstanding work and her extraordinary commitment to the Lee's Summit students. As one former recipient of the Presidential Award exclaimed, ''I think of this as the Nobel Prize of my profession.'' Mrs. Pitcher has truly attained the highest honor in her field. This accolade is something to celebrate because it recognizes someone to emulate. I urge my colleagues of the 109th Congress to please join me in congratulating Mrs. Lea Ann Pitcher on her well-deserved recognition.

TOWARDS A RULE BASED INTERNATIONAL SOCIETY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CONYERS. Mr. Speaker, I rise to call my colleagues' attention to an alarming, but accurate portrayal of where the Bush Administration has been taking America. This survey shows how they have dragged down the United States from its traditional leadership in international law and peace-keeping institutions and turned America into a worldwide pariah for flouting the rule of law. In the latest issue of the ''New York Review of Books,'' scholar Brian Urquhart reviews the work of three authors. Their common theme is the damage done by the Bush/Cheney doctrines to the world's peacekeeping structure. As Urquhart notes, they have ''brushed aside fifty years of international law in the name of the ''global war on terrorism.'' A pioneer of international peace-keeping and a former U.N. Undersecretary General, Urquhart is well-placed to summarize the Bush Administration's disdain for the rule of law, or as he puts it: ''the ideological opposition of the Bush Administration, both to vital treaties and to international institutions.''

One of the authors reviewed, Phillipe Sands, a professor and veteran international lawyer, has provided a history of how modern governments like the United States have alternated between weaving a stronger fabric of international law, and at other times taking actions that unraveled it. Sands has made especially invaluable contributions to our understanding of how President Bush and Prime Minister Blair secretly plotted to drag both nations into war with Iraq. For this I salute him.

Last spring, the British press published classified minutes of a series of 2002 secret meetings between Prime Minister Tony Blair and his senior national security advisors about planning for war in Iraq. They were originally described in Sands' book, The Lawless World,

(before the press published the full texts.) These ''Downing Street Memos'' revealed the cynical deceit on which those plans were based. After meeting with their U.S. counterparts in the spring and summer of 2002, the British officials advised Blair that the case for war was ''thin;'' that the White House was hatching plans to create an artificial justification for attacking Iraq; and that Bush reluctantly agreed to go back to the U.N. but only to precipitate a basis for war, not to avoid it. The memos also revealed that Bush had secretly decided to go to war by the summer of 2002, although he publicly insisted for months thereafter that he was undecided and war was his ''last resort.'' The clearest ''smoking gun'' of all was the memo by Britain's highest intelligence official who had met with his U.S. counterparts and warned that ''the intelligence and facts were being fixed around the policy'' by the Bush Administration. My request for answers from the Administration about these charges met with silence.

I also convened an informal hearing at which several experts discussed the importance of these and other revelations in the Downing Street Memos. Most of the mainstream press pooh-poohed them and echoed the White House mantra that they presented little new about the lack of grounds for war. Faced with their failure to be more skeptical of the White House claims before the war, the media seemed reluctant to read the real significance of the memos, or they simply missed the point. Obviously by last spring, the truth about WMD and alleged links between Saddam and Al Qaeda were well known. The momentous disclosure in these Memos, however was their hard evidence of all the false statements and manipulation of intelligence that the President and other officials intentionally and cynically had made before the war to the Congress and the American people. Fortunately a number of columnists, magazines and blogs, not blinkered by their performance before the war, did acknowledge the importance of the revelations Professor Sands had first provided.

Most disturbing were press reports earlier this year, again based on Professor Sand's revelations. They quoted a memo marked ''extremely sensitive'' by, David Manning, Blair's top foreign affairs advisor about Blair's January 2003 meeting with Bush. Bush reportedly said he would attack Iraq whether or not WMD were found or the U.N. Security Council passed a second resolution. The memo recorded that Bush also suggested provoking war by flying American U2 reconnaissance planes with aircraft plane cover, and painted with U.N. insignia, over Iraq, so that when Iraq fired on it that would be a breach of U.N. resolutions. My call for a Special Counsel to investigate this astounding revelation also went unheeded.

I commend the entire article by Brian Urquhart to my colleague's attention.

[From The New York Review, May 11, 2006]

THE OUTLAW WORLD

(By Brian Urquhart)

''A rule-based international society'' may seem a lackluster phrase, but it describes, for those who wish organized life on this planet to survive in a decent form, the most important of all the long-term international objectives mankind can have. That international law has already been formulated to deal with a wide range of human activities is one of the great, if often unappreciated, achievements of the years since World War II. Yet the obstacles to its being effective are enormous. We all know that international law is often challenged by the caprices and diverging interests of national politics and that it still lacks the authority of national law. With a few important exceptions, international law remains unenforceable; when it collides with the sovereign interests or the ambitions of states, it is often ignored or rejected. It is still far from being the respected foundation of a reliable international system.

In the first years of the new millennium, and especially after the terrorist attacks of September 11, the development of international law has encountered an unexpected and formidable obstacle—the ideological opposition of the Bush administration, both to vital treaties and to international institutions. This attitude culminated in the 2003 invasion of Iraq without the specific authorization of the UN Security Council, and without allowing UN inspectors to complete their work. Prisoners captured by the US were denied the protection of the Geneva Conventions and were often treated brutally. It is therefore no surprise that the three very different books under review all end by deploring the United States' war for regime change in Iraq and the illegal abuses that have accompanied it.

It is ironic that such widespread criticism should be incurred by the US. From the Permanent Court of International Justice in The Hague, the Covenant of the League of Nations, and the Charter of the United Nations to the Universal Declaration of Human Rights and many UN conventions, the US has done more than any other country to develop and strengthen both the concept and the substance of international law. It is nothing less than disastrous that a United States administration should have chosen to show disrespect for the international legal system and weaken it at a time when the challenges facing the planet demand more urgently than ever the discipline of a strong and respected worldwide system of law. Those challenges include globalization at almost every level of human society, the deeply troubling evidence of climate change, and the linked threats of international terrorism and proliferating weapons of mass destruction. It is true that the United States remains broadly committed to the international rules on trade of the World Trade Organization and NAFTA, rules that are important to the United States not least because they protect the rights of US investors and intellectual property rights.

Philippe Sands is a practicing international lawyer and professor in London. Having been involved in many cases before the International Court of Justice in The Hague, he took part in the effort to deny Augusto Pinochet immunity in the UK and has represented the British detainees at Guantánamo.

Along with the other books under review, Sands's Lawless World provides a disturbing picture of the state of international law and the part, at times visionary, at other times destructive, that the US had in its development. Sands indicts the United States, with Tony Blair's complicity, for abandoning its commitment to the post-World War II legal and institutional arrangements that both countries, more than anyone else, had put in place. ''I am not starry-eyed about international law,'' Sands writes. ''I recognize that it has frequently failed millions around the world and will continue to do so. But do recent events justify a wholesale change of approach?''

Before World War II, governments could act more or less as they wished in international affairs, provided they had the power to do so. This situation began to change radically when Roosevelt and Churchill proclaimed the Atlantic Charter on a battleship off the coast of Newfoundland on August 14, 1941, at a time when Nazi Germany appeared to be decisively winning the European war. This first sketch of the UN Charter and the international system that was to regulate the postwar world was based on three simple but revolutionary principles. First, states would recognize the obligation to refrain from the use of force in their international relations, and would resort to force only in self-defense or when authorized to do so by the international community—later to be represented by the UN Security Council. Second, they would maintain and respect the ''inherent dignity'' and ''equal and inalienable rights'' of all members of the human family. Third, they would promote economic liberalization and progress through free trade and other means.

The Atlantic Charter marked the beginning of the long process that led to the establishment of the UN, the various UN specialized agencies, the World Bank and the International Monetary Fund, the General Agreement on Tariffs and Trade (which after forty-five years became the World Trade Organization), and the 1948 Universal Declaration of Human Rights (in Sands's words ''arguably the single most important international instrument ever negotiated''), as well as the Geneva Conventions of 1949 and 1977.

Further steps toward establishing an international institutional and legal order continued with the 1957 International Atomic Energy Agency in Vienna, which has now become an important monitoring and inspection agency; the Nuclear Non-Proliferation Treaty and other arms control conventions; environmental law and institutions; and now the International Criminal Court, and the beginning of a system of legal obligations for states related to the prevention and suppression of international terrorism.

Throughout Lawless World Sands's main preoccupation is the damage that current United States policies and actions may do to the respect for international law and its authority, both of which may be decisive in dealing effectively with the global challenges that lie ahead. His concern is well justified. As he notes, the 1997 manifesto of the neoconservative organization Project for the New American Century, signed by such people as Dick Cheney, Paul Wolfowitz, Donald Rumsfeld, and Scooter Libby, proclaimed that the detention of Augusto Pinochet, the new International Criminal Court, and the Kyoto Protocol on global warming were all threats to American security. John Bolton, now United States ambassador at the UN, said at the time that treaties were simply political acts and ''not legally binding.'' Richard Perle declared publicly in April 2003 that the war in Iraq provided an opportunity to refashion international law and undermine the United Nations.

Sands is particularly concerned about the frenzied opposition of the Bush administration to the new International Criminal Court, which has been accepted by one hundred other nations and is now investigating the current genocide in Darfur. The Bush administration, he writes, is using the ICC as ''a useful stalking horse for a broader attack on international law and the constraints which it may place on hegemonic power.''

As for the rejection of the Kyoto Protocol, Sands recalls with nostalgia that in 1970, another Republican president, Richard Nixon, signed into law the National Environmental Policy Act, the world's first comprehensive attempt to protect the environment. The UN Charter makes no mention of rules governing the environment. Nixon vigorously

supported an environmental program within the UN, and just before the UN's first global conference on the environment in Stockholm in 1972, he proposed a World Heritage Trust to protect regions of such unique worldwide value that they should be treated as part of the heritage of all mankind. The United States was also a leader in adopting the first measures, taken under the Reagan administration in the 1980s, to counteract the depletion of the ozone layer; it did so against the opposition of European governments that were worried about possible unfavorable economic consequences.

Since 1990, when the report of the UN's International Panel on Climate Change revealed a deadly potential threat to islands and other low-lying regions that clearly called for a timely global response, Sands himself has been deeply involved in such issues. He makes it clear that short-term economic considerations have so far taken precedence over the enormous long-term risks involved in doing too little about climate change.

As he points out, the United States and OPEC initially opposed an international convention on climate change or any timetables to reduce and stabilize the emission of greenhouse gases. A preliminary convention, in a very modest form, came into force in 1994. In 1997 the Kyoto Protocol marked a real commitment to action and provided a basis for more far-reaching measures. In signing it, President Clinton praised the protocol as a major step forward. Sands writes that Clinton was then informed somewhat mystifyingly by former Secretary of Defense Dick Cheney and a number of other Regan and Bush officials that the protocol would ''hamstring'' American military operations and undermine American sovereignty. The Bush administration soon ''unsigned'' the Kyoto Protocol, claiming among other reasons that the scientific verdict on global warming was not yet in. Alone of all industrialized states, the United States and Australia have not ratified the protocol. Whatever its defects in not adequately controlling emissions from the large Asian economies, it remains an essential preliminary step toward limiting climate change.

The invasion of Iraq that started in March 2003 arouses Sands's deepest objections to what he sees as an unwarranted assault on international law. The invasion itself, without benefit of Security Council authorization, was a blow to the essential basic principle contained in Article 2.4 of the UN Charter, which reads:

''All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.''

Sands is equally concerned with the violation of international laws in connection with the conduct of the war. In the Guantańamo prison hundreds of alleged ''killers,'' ''terrorists,'' or ''unlawful combatants,'' as they have been variously designated by the United States, have been deliberately put, he writes, into a ''legal black hole,'' from which most of them are unlikely to emerge anytime soon. The basic principle of habeas corpus has seldom if ever taken such a beating at the hands of a leading democracy. The atrocities at Abu Ghraib and elsewhere are plainly in violation of the Geneva Conventions and the UN Convention against Torture. They also set a terrible precedent for the future treatment of captured Americans.

The 1899 Hague Convention, which puts limits on methods of interrogation of prisoners of war; the four 1949 Geneva Conventions, which deal, among many other matters, with treatment of prisoners; and Article 75 of the Geneva Protocol I of 1977 mean, in Sands's judgment, that ''no person can ever fall outside the scope of minimum legal protections'' against violence, torture, threats of torture, outrages against personal dignity including humiliating and degrading treatment, and any form of indecent assault. This list certainly describes what happened in Abu Ghraib and other prisons.

Of course these rules have often been violated by other states, but the United States, since 2001, is unique in claiming, in the words of Deputy Assistant Attorney General John Yoo in 2002, ''What the Administration is trying to do is create a new legal regime.'' This was also presumably the basic notion behind Bush's proclaiming the right to resort unilaterally to preventive war as part of his new national security strategy. To minimize legal constraints on the United States and to extract information from prisoners, Alberto Gonzales, then White House general counsel and now attorney general of the United States, urged the President to declare that the Geneva Convention III of 1949 did not apply to al-Qaeda or the Taliban. ''This new paradigm,'' Gonzales wrote in January 2002, ''renders obsolete Geneva's strict limitations on questioning of enemy prisoners and renders quaint some of its provisions. . . .''

Although Guantańamo, because it was not in US territory, was chosen partly to avoid such interference, from time to time the US judiciary has tried to stem the administration's flood of expedient revisionism. A federal judge halted the first hearing, after nearly three years, before a special military commission established to try non-American Guantánamo prisoners. He did so on the grounds that the proceedings lacked the basic elements of a fair trial and violated the Geneva Conventions.

Sands is particularly good at picking, from an amazing wealth of material, quotations that capture the eerie atmosphere of the Bush administration in the midst of a war of choice and an unprecedented assault on international law. On the Guantánamo inmates, for example, he quotes Cheney as saying, ''They're living in the tropics. They're well fed. They've got everything they could possibly want.''

Sands's discussion of the period preceding the second Iraq war are particularly interesting in charting Bush's relatively unobstructed path to war as compared with Tony Blair's far more difficult one. Sands shows that both leaders engaged in much dissembling and tinkering with the truth. He describes the content of the so-called ''Downing Street memo,'' which caused a considerable stir on both sides of the Atlantic when it was later published in full in the London Sunday Times and in these pages.

On March 27, 2006, The New York Times reported on another ''extremely sensitive'' British memo describing Bush and Blair's private two-hour meeting in the Oval Office in January 2003, of which several highlights were first published in the later edition of Sands's book. The sometimes bizarre quality of these talks make one long for the publication of the full five-page text. Bush apparently suggested provoking a confrontation with Saddam Hussein by painting a US surveillance plane in UN colors in the hope of drawing Iraqi fire. The basic theme of the meeting was Bush's determination to go to war in early March regardless of Security Council resolutions, the findings of UN inspectors, or anything else.

About the performance of the UN Security Council concerning Iraq, Sands concludes:

''The simple fact is that the great majority of states who sat on the Security Council in March 2003 did not consider that the circumstances, as they were then known to be, could justify the use of force. History has shown that they were right and that the US and Britain were wrong. No WMD have been found. It could be said that the UN system worked. No amount of bullying by two permanent members could buy the votes they wanted.''

He could have added that had the inspections been allowed to continue, war probably could have been avoided, with all credit being given to the US for putting the necessary pressure on Saddam Hussein. Instead, the ostensible reason for the US invasion was changed from the alleged threat of WMDs to regime change. Moreover, as Hans Blix reminded the Security Council after inspectors had reached preliminary conclusions about the absence of WMDs, ''international inspections and monitoring systems were to stay in place.''

Michael Byers states that the objective of his book is to ''provide the interested nonlawyer with a readily comprehensible overview of the law governing the use of force in international affairs.'' Clear and informative, his account is particularly valuable at a time when there is a worldwide debate, arising largely from the Iraq situation—but also relevant to the genocide in Darfur—about the circumstances in which it is legally appropriate for one country to use force against another or for international intervention on humanitarian grounds.

Byers's discussion of self-defense, the justifying condition for the unilateral use of force in the UN Charter, takes up more than half his book. He goes back to the case of the steamship Caroline, which was hired in 1837 by a private militia to ferry men and supplies across the Niagara River to support a Canadian rebellion against the British. The British set the ship on fire and floated it over Niagara Falls, later claiming that they did so in self-defense and that their action was justified on political grounds. When the dispute was finally, and amicably, settled in 1842, the American secretary of state, Daniel Webster, conceded that the use of force in self-defense could sometimes be justified as a matter of necessity, but that nothing ''unreasonable or excessive'' could be done in self-defense.

These criteria—''necessity and proportionality''—were widely accepted as the requirements of a new international legal right to self-defense. Byers emphasizes the importance of this precedent as showing that a country could defend itself without declaring war, and that peace could be maintained even when the right to self-defense was exercised; he traces the development of this concept up to the present time.

The United Nations was the first international organization to combine in its charter the three main rules for maintaining peace: prohibition on the use of force in international affairs (Article 2.4); a provision for the use of force by the Security Council against threats to the peace and acts of aggression (Chapter VII); and an exception for the use of force by governments in self-defense (in Article 51). But the plea of self-defense, as Byers shows, can be complex when it involves forceful action beyond a nation's own territory.

For example, in 1976 an Air France plane with many Israeli passengers aboard was hijacked by Palestinians and taken to Entebbe in Uganda, where non-Jewish passengers were released. Facing a deadline for meeting the hijackers' demand for the release of fifty-three Palestinian terrorists, an Israeli commando team, led by Jonathan Netanyahu, killed the hijackers, rescued the Israeli hostages, and flew them back to Israel. Netanyahu himself was killed. This action is now credited as a precedent for extending the right of self-defense to protecting nationals abroad.

In April 1993 an attempt to assassinate former President George H. W. Bush in Kuwait was thwarted by the discovery of a sophisticated car bomb. When Iraq's involvement in this attempt was established, President Clinton ordered the destruction of Saddam Hussein's Military Intelligence Headquarters in Baghdad by twenty-three Tomahawk missiles. The Security Council did not censure this action, although the use of force without Council authorization was condemned by the Arab League.

The Council did not even consider President Clinton's response to the destruction by terrorists of the U.S. embassies in Tanzania and Kenya when he fired seventy-nine Tomahawk missiles at al-Qaeda training camps in Afghanistan and also at a pharmaceutical plant in Sudan suspected of making chemical weapons for terrorists. Moreover, by authorizing the U.S.-led operation against the Taliban in Afghanistan after September 11, the Security Council also set a precedent for using force against a state harboring terrorists, provided that the terrorists had previously attacked the state concerned.

On the even more controversial question of preemptive self-defense, Byers cites the case of Israel's 1981 attack on Iraq's French-built Osirak nuclear reactor, which the Council unanimously condemned as a grave breach of international law. Byers writes that George W. Bush's policy claiming the right of the United States to use unilateral, preemptive force—widely considered a dangerous example that other states may try to emulate—clearly violates the common-sense criteria of the Caroline case for self-defense. He believes that such a policy as Bush's, if maintained, could even serve as an incentive to some states to try to acquire a nuclear deterrent in self-defense. He quotes the response of the UN Secretary-General's High-Level Panel on Threats, Challenges and Change to Bush's claim of the right of preemptive self-defense:

''. . . In a world full of perceived potential threats, the risk to the global order and the norm of nonintervention on which it continues to be based is simply too great for the legality of unilateral preventive action, as distinct from collectively endorsed action, to be accepted. Allowing one to so act is to allow all.''

Byers then examines the current legal status of the relatively recent issue of humanitarian intervention and the obligation to protect populations in distress, even from the actions of their own governments. One of the most important decisions of the UN Summit Meeting of September 2005 was to give a general, although highly qualified, approval to such interventions. But as Byers points out, while Kofi Annan reiterates that the ''security situation in Darfur continues to deteriorate and the moral case for action is overwhelming,'' the Security Council has so far agreed only to deploying a UN peacekeeping force later this year to take over from the existing African Union force, a move strongly opposed by the Sudanese government. The Council has also, as mentioned above, referred the Darfur case to the International Criminal Court.

Byers's closing chapters on the protection of civilians and prisoners of war, and on the various UN international tribunals, are characterized by mounting frustration at the US administration's contemptuous attitude toward international law and legal institutions. Of the Bush administration's obsessive hostility toward the recently established International Criminal Court he writes:

''Only the United States has actively endeavoured to undermine the court. With troops in more than 140 countries, a propensity to intervene under dubious legal circumstances, and interpretations of the laws of war that sometimes differ from those of other states, the single superpower feels vulnerable to international mechanisms for enforcing international criminal law. Whereas the Clinton Administration sought to negotiate protections against the abuse of international procedures into the statutes of the tribunals it helped to create, the Bush Administration has adopted an entirely hostile stance. . . .

''Since coming to office, President Bush has 'un-signed' the ICC statute, pressured the UN Security Council into temporarily exempting US forces from the Court's jurisdiction, and obtained more than ninety bilateral treaties committing individual countries not to surrender US citizens to The Hague. Bush has even signed legislation that authorizes him to use military force to secure the release of any US service member detained by the ICC. The law is popularly known as 'The Hague Invasion Act.' ''

Since under the present ICC statute it is virtually impossible that the Court would detain a US soldier, this exceptional—even paranoid—brand of US exceptionalism can only add to the frustration of the nations seeking a fair and workable international legal system.

When the UN Preparatory Commission was setting up the world organization in London in the fall of 1945, the European colonial powers could sometimes scarcely contain their resentment of what they saw as the self-righteous attitude of the US delegation toward European colonialism and its abolition. Their resentment occasionally took the form of rather feeble allusions to the fate of American Indians; but I cannot recall a single reference to America's many efforts at regime change in the fairly recent past. These actions are the subject of the first part of Overthrow, Stephen Kinzer's wonderful chronicle of America's interventions in foreign countries.

Kinzer describes three periods' of American intervention: first the ''Imperial Era'' between 1893 and 1910 (in Hawaii, the Philippines, Cuba, Puerto Rico, Nicaragua, and Honduras); second, the ''Covert Action period'' between 1953 and 1973 (in Iran, Guatemala, South Vietnam, and Chile); and third, the ''Invasions'' since 1983 (in Grenada, Panama, Afghanistan, and Iraq). The original announced aim was to help anti-colonial patriots to achieve success, as in Cuba and the Philippines; and then, to the patriots' surprise, the U.S. would establish an authoritarian protectorate. The reasons for doing so were usually presented as extending the advantages of American democratic principles and protecting U.S. security. In practice, as Kinzer shows, the principal aims were to establish the right of U.S. business to act as it wished, to satisfy a new national ambition for expansion, and to add to the strength of the U.S. economy.

Kinzer quotes a letter from John L. Stevens, the American minister in Honolulu, on January 16, 1893, to Captain Gilbert Wiltse, the commander of the cruiser *Boston*. He comments, ''Its single sentence is a dry classic of diplomatic mendacity, full of motifs that Americans would hear often in the century to come.'' The letter reads:

''In view of the existing critical circumstances in Honolulu, indicating an inadequate legal force, I request you to land marines and sailors from the ship under your command for the protection of the United States legation and the United States consulate, and to secure the safety of American life and property.''

That, effectively, was the end of the courageous Queen Liliuokalani's resistance to the American annexation of Hawaii.

Although there were impassioned opponents of such actions in the United States, William James among them, Kinzer shows that the expansionist mood of the 1890s was already producing justifications that sound all too familiar today. American presidents and military officers, then as now, said they were intervening in struggles of ''good and evil'' for humanity's sake and had God's guidance in doing so. ''The parallels between McKinley's invasion of the Philippines and Bush's invasion of Iraq were startling.'' Kinzer writes:

''Both presidents sought economic as well as political advantage for the United States. Both were also motivated by a deep belief that the United States has a sacred mission to spread its form of government to faraway countries. Neither doubted that the people who lived in those countries would welcome Americans as liberators. Neither anticipated that he would have to fight a long counterinsurgency war to subdue nationalist rebels. Early in the twenty-first century, ten decades after the United States invaded the Philippines and a few years after it invaded Iraq, those two countries were among the most volatile and unstable in all of Asia.''

Kinzer's book is particularly enlightening about the consequences of such unilateral interventions. He writes:

''If it were possible to control the course of world events by deposing foreign governments, the United States would be unchallenged. It has deposed far more of them than any other modern nation. The stories of what has happened in the aftermath of these operations, however, make clear that Americans do not know what to do with countries after removing their leaders. They easily succumb to the temptation to stage coups or invasions but turn quickly away when the countries where they intervene fall into misery and repression.''

Brushing aside fifty years of international law in the name of the ''global war on terrorism'' is a bad idea for everyone, including the United States. Violating global rules undermines both America's authority and standing and its long-term strategic interests. An already globalized and interdependent world cannot permit a return to a situation where each nation is entirely free to act as it wishes.

To use Sands's words, the United States, like other countries, badly needs international agreements and international cooperation to promote and protect its own interests, and cooperation requires rules. The conclusion seems plain: the United States should reengage in respecting and developing the rule-based system that it largely initiated after World War II and which has for many years served it well.

Such an approach could certainly not have worse consequences than the recent attempt to abandon the idea of international restraint and go it alone.Some US administrations have vigorously supported international regulation in the past. On April 1, 2005, Secretary of State Condoleezza Rice told the annual meeting of the American Society of International Law that the US ''has been and will continue to be the world's strongest voice for the development and defense of international legal norms.'' She added that America ''has historically been the key player in negotiating treaties and setting up international mechanisms for the peaceful resolution of disputes.'' As Sands comments, ''These are important words, but they remain just that.''

A more down-to-earth perception of the situation was expressed in May 2004 by US Senate Foreign Relations Committee Chairman Richard Lugar, who was speaking of the U.S. Senate's delay of some ten years in acceding to the Law of the Sea Treaty, a delay largely caused by those Americans who have argued that the treaty restricts the exploration and exploitation of the seabed. Lugar

posed the question that the US has still to face:

''If we cannot get beyond political paralysis in a case where the coalition of American supporters is so comprehensive, there is little reason to think that any multi lateral solution to any international problem is likely to be accepted within the US policy-making structure.''

HONORING THE ACHIEVEMENT OF MR. LESTER (LES) WILLIAMS

HON. EMANUEL CLEAVER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CLEAVER. Mr. Speaker, I proudly rise today to pay tribute to Mr. Lester (Les) Williams for his recognition as ''Labor's Representative of the Year for 2006'' by Labor's Educational and Political Club Independent (LEPCI). He is President, Business Manager, and Member of the Executive Board of Construction and General Laborers' Local Union Number 264. As the eighth recipient of this prestigious award, Les joins an elite list of other dedicated and deserving individuals. His unwavering resolve to the betterment of the Kansas City community and its workers is the reason for this recognition and celebration.

Les is a political activist and humanitarian whose legacy continues to enrich the lives of all Kansas Citians. His dedication and commitment to the Labor Movement has spanned 38 years. In July 1985, Les was elected Vice President, Executive Board Member, and Field Representative of Construction & General Laborers Local Union No. 264. In May 1988, he was elected to his current positions of President, Executive Board Member, and Field Representative of Construction & General Laborers Local Union No. 264.

Les's reputation as a leader extends beyond the borders of the Fifth Congressional District of Missouri. He serves as President of Western Missouri & Kansas Laborers' District Council, Vice President of the Greater Kansas City AFL–CIO, Chairman of the Greater Kansas City Laborers' Pension Fund, Secretary of the Greater Kansas City Laborers' Health & Welfare Fund, Chairman of the Board of Trustees of the Greater Kansas City Laborers' Training Fund, and as Secretary of the MO–KAN CISAP Fund. Mr. Williams is a member of the Executive Committee Board of the African American Caucus for the Midwest Region of the Laborers' International Union of America and also serves on the Executive Committee of the United Way and is Vice Chairman of Working Families Friend. He is also very active in Democratic politics, serving on the Executive Committee Board for the Missouri Democratic Party.

Born in Kansas City, Missouri, in 1948, Les completed his elementary and secondary education in the Kansas City, Missouri, school district, a graduate of Manual High & Technical Vocational High School. Les is a proud father and husband, having been married to his wife, Judy, for 39 years.

Mr. Speaker, please join me in expressing our heartfelt gratitude to Mr. Les Williams for his relentless efforts in protecting and assisting the rights of others, while extending the labor movement, not only within the boundaries of the Fifth Congressional District, but within the United States and the entire global community. He represents the best in all of us. I urge my colleagues of the 109th Congress to please join me in congratulating Les on being honored as ''Labor's Representative of the Year for 2006.''

HONORING MAYOR RONDELL STEWART OF INDEPENDENCE, MISSOURI

HON. EMANUEL CLEAVER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. CLEAVER. Mr. Speaker, I proudly rise today to pay tribute to Mayor Ron Stewart, the arbitrator, peace maker and enthusiastic Mayor for the City of Independence, Missouri. After providing 12 years of planned economic advancement and growth for the city of Independence, Mayor Stewart has decided to retire.

For 45 years Ron Stewart has made Independence a safer and more productive city. He began his career at the City on the Independence Police Force where he served for 31 years. He cultivated an appreciation and understanding of the City and its problems. Upon retirement he was encouraged to run for the Independence City Council and won. Two years later he ran for Mayor. The citizens of Independence elected Ron Stewart every time he ran for office. The All American City appreciates and enjoys every positive objective initiated by Ron Stewart aimed at building a brilliant future while preserving a rich heritage.

During his three terms as Mayor he stimulated vibrant economic growth by working with public and private entities, and community organizations. He made it a priority to work closely with the Independence Chamber of Commerce, built partnerships with neighboring cities, championed relationships between state and federal elected officials, and strengthened international relationships with Sister City Higashimurayamam, Japan.

The Mayor persuaded the City of Independence to pass a sales tax to repair a debilitating infrastructure. As a result of his leadership, streets continue to be repaired and built, a critical Storm Water Control problem has been rectified through increased maintenance and repair, the City's water supply system has been upgraded, electrical supply increased, and a nonfunctioning Parks Department now serves the city with new facilities, programs and refreshed parks.

His honors and awards are numerous and include the United States Department of Transportation, Appreciation for Distinguished Leadership Award, 2000; The Jackson County Inter-Agency Council, Community Service Award, 1999; The Jackson County Historical Society Award for Service, 1998; Chamber of Commerce, Distinguished Citizen Award, 1996; Kentucky State Police, Division of Department of Public Safety Award, 1966. He is a member of the F.O.P Lodge 1; National FBI Academy, Masonic Blue Lodge 76, Ararat Shrine, South Independence Optimist Club; American Legion Post 21; Fraternal Order of Eagles; Moose Lodge Rotary and the Lions Club.

The citizens of Independence know Ron Stewart as a no-nonsense type of guy whose integrity has brought trust. He appreciates his life's treasures that include his family and his wife Marilyn who has been by his side for more than 46 years. He is a musician that enjoys singing and playing his steel guitar in his band, ''Country by Choice''. He rode into public service as a young Independence motor cycle patrol officer and continues to enjoy riding on his Harley-Davidson. His departing documentary was a video that followed the Mayor on his Harley-Davidson as he recounted his proudest accomplishments throughout the city.

Mr. Speaker, I ask that you and our colleagues in the House join me in saluting the Mayor of Independence, Ron Stewart, for his leadership and many accomplishments for the City of Independence, Missouri. We wish him the very best as Mayor Stewart leaves public office with a song in his heart and time to explore on his Harley. Thank you, Ron Stewart for choosing to serve. You elevated Independence, Missouri to an All-American City.

RECOGNIZING SHANE DANIEL

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Shane Daniel of Liberty, Missouri. He has spent many hours of study and preparation as a member of the Liberty High School Science Bowl Team. After numerous competitions and a victory in the regional competition, the Liberty High School Science Bowl Team earned a spot to compete in the 2006 National Science Bowl Competition in Washington, DC.

As one of America's best and brightest, Shane has been an accomplished student. As a student who loves competition, Shane is a member of the Varsity Scholar Bowl team, Future Business Leaders of America, and the cross-country team. He enjoys studying physics, chemistry, and mathematics, hoping to attend the University of Chicago to study in the sciences.

Mr. Speaker, I proudly ask you to join me in recognizing Shane Daniel, an outstanding student from Liberty, Missouri. As a top student who is committed to science and mathematics, Shane will certainly have a bright and fulfilling future. I commend him for his achievements and I am honored to represent him in the United States Congress.

IN SPECIAL RECOGNITION OF TRAVIS S.C. ROOT ON HIS APPOINTMENT TO ATTEND THE UNITED STATES AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District, I am happy to announce that Travis S.C. Root of Norwalk, OH, has been offered an appointment to attend the United States Air Force Academy at Colorado Springs, CO.

Travis's offer of appointment poises him to attend the United States Air Force Academy this fall with the incoming cadet class of 2010. Attending one of our Nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Travis brings an enormous amount of leadership, service, and dedication to the incoming class of Air Force cadets. While attending Norwalk High School in Norwalk, OH, Travis attained a grade point average which placed him near the top of his class. While a gifted athlete, Travis has maintained the highest standards of excellence in his academics, choosing to enroll and excel in advanced placement classes throughout high school. Travis has been a member of the Honor Roll, the Academic Challenge Team, and the Key Club.

Outside the classroom, Travis has distinguished himself as an excellent student-athlete by earning varsity letters in football, swimming and track. Travis's dedication and service to the community and his peers has proven his ability to excel among the leaders at the Air Force Academy. I have no doubt that Travis will take the lessons of his student leadership with him to the United States Air Force Academy.

Mr. Speaker, I ask my colleagues to join me in congratulating Travis S.C. Root on his appointment to the United States Air Force Academy at Colorado Springs. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Travis will do very well during his career at the United States Air Force Academy and I ask my colleagues to join me in wishing him well as he begins his service to the Nation.

IN HONOR OF CHARLOTTE CREWS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Charlotte Crews, upon her retirement as center director of the Barton Center of Lakewood, whose dedication and devotion to the residents of the Barton Center has brought joy and energy to their lives for more than two decades.

Mrs. Crews began volunteering at the Barton Center nearly 21 years ago. Though busy with family and her own job at a local insurance company, Mrs. Crews made time to prepare meals, and she also utilized her creative theatrical talent and experience by writing and directing countless performances and shows at the center. Her husband, Curt, was program director at the time, and she also volunteered as his assistant. In 1995, she was offered the position of center director. As center director for 11 years, Mrs. Crews went above and beyond the usual call of duty. Her care and compassion for the elderly and disabled residents of the center was equally matched by her energetic drive and dedication that focused on enriching their lives.

Mrs. Crews worked overtime to cook dinner for more than 100 people for the monthly dinner show. She set the menu, shopped, cooked and served the food. She also continued to channel her talents by writing, producing and directing the annual staff show. Additionally, she created a small grocery called the Corner Store, located in the building, for residents unable to leave the center. Mrs. Crews added a computer to the center, created several new programs for residents, and initiated a successful fundraising plan, known as the Annual Campaign. Moreover, Mrs. Crews' approachable demeanor and great sense of humor easily drew others to her, and her presence brightened the spirits of residents, staff and volunteers.

Mr. Speaker and colleagues, please join me in honor, recognition and gratitude to Charlotte Crews, for her unwavering dedication, generous heart, expansive talent and true sense of giving that has framed her presence at the Barton Center for the past 21 years. Her achievements are numerous, yet her most significant accomplishment is the love and compassion that she shared with the most frail citizens of our society—bringing them joy, great care and hope, and the foundation of friendship that Mrs. Crews created has raised the lives of every resident at Barton Center, and has strengthened our entire community.

RESPECT FOR AMERICA'S FALLEN HEROES ACT

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. MOORE of Kansas. Mr. Speaker, I rise today in support of H.R. 5037, the Respect for America's Fallen Heroes Act. I read with disgust the article on the protests that occurred at the military funeral for Army SSG. Jeremy Doyle, who was killed in Iraq, earlier this year. It especially saddens me that the individuals who protested at Staff Sergeant Doyle's funeral were from the Westboro Baptist Church in Topeka, KS. The church's founder, Rev. Fred Phelps, says that American soldiers are being killed in Iraq as vengeance from God for protecting a country that harbors gays.

I find it abhorrent that individuals and groups feel a military funeral is an appropriate forum to display their beliefs on gay rights. Losing a family member during military service is a very difficult and devastating thing. It is unfortunate that some individuals and groups add to the anguish and grief of those who have lost a loved one by protesting outside of the funerals of fallen soldiers. Our military heroes who make the ultimate sacrifice for our country deserve our respect and gratitude. I condemn these actions in the strongest terms possible and I'm proud to support H.R. 5037.

TRIBUTE TO U.S. ARMY SERGEANT PIERRE A. RAYMOND

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. MEEHAN. Mr. Speaker, I rise today to honor a true hero, Army Sergeant Pierre A. Raymond, who gave his life in service to our country.

Sergeant Raymond was a resident of Lawrence, MA, and was deployed with the brave men and women serving in our armed forces as part of Operation: Iraqi Freedom II. David was in Iraq just one week before sustaining fatal injuries from an explosion that ripped through his barracks in Ramadi, Iraq. He died five days later on September 20, 2005, surrounded by his family in the Landstuhl Regional Medical Center in Landstuhl, Germany.

Pierre was preparing to celebrate his 29th birthday in early October. He looked forward to returning to his family and his girlfriend, with whom he had lived before deployment, and was planning to finish a college degree in psychology. His friends and family recall his playful nature and his wonderful laughter. He was courageous to the end. Even as he lay wounded in his hospital bed, he is reported to have been talking and joking with doctors and nurses and was in good spirits. Friends and family also remember David's passion for cars and his talent for repairing them—a technical ability that served him well as an Army mechanic maintaining Bradley Fighting Vehicles in the Army Reserve's 228th Forward Support Battalion, 28th Infantry Division. His zest for life should be an inspiration to us all.

Pierre graduated from Salem High School in New Hampshire in 1994, and joined the Army in 1998, serving for thirteen months in Bosnia as a member of the U.N. peacekeeping force before being discharged in 2001. As a member of the Individual Ready Reserve, he was recalled in June of 2005 to serve in Iraq. While he was overseas, he called his family every morning. In his final hours, they joined him at his bedside in Germany, and his mother accompanied him on his journey home to the United States after his tragic death.

Pierre's family is proud of him for the supreme sacrifice he made on behalf of his country. He will always be remembered for his kindness, enthusiasm, his faith, and his desire for peace. He will be sorely missed.

I have now requested that an American flag be flown over our United States Capitol in memory of Sergeant Pierre Raymond to honor his brave service to our country. This flag will be delivered to his family. Pierre died fighting for the country he loved, alongside comrades he respected and with the family he adored, forever in his heart. Our nation is humbled and grateful for his sacrifice.

Mr. Speaker, we should all take a moment to recognize Sergeant Pierre A. Raymond, United States Army, who gave his life in service to his country.

THANKING JAMES S. MURPHY FOR HIS SERVICE TO THE HOUSE

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. EHLERS. Mr. Speaker, on the occasion of his retirement at the end of May 2006, I rise to thank Mr. James S. (Jim) Murphy for his 29 years of outstanding service to the United States House of Representatives.

Jim began his career with the House on October 11, 1977, and served in positions within the Office of the Clerk and the Finance office

of the Chief Administrative Officer. As a Team Leader within the Office of Financial Counseling, he provided financial assistance and guidance to all Member and Committee offices including monitoring and projecting available fund balances and ensuring expenditures comply with both House and Committee rules and regulations.

Jim has provided financial guidance to every entity of the House, assuring that House staff and vendors are paid accurately. His passionate customer service and tireless commitment to the countless House staff members who have worked with him will be deeply missed.

On behalf of the entire House community, I extend congratulations to Jim for his many years of dedication and contributions to the financial management of the House. We wish Jim many wonderful years enjoying his retirement.

RECOGNIZING JOHN AHLFIELD

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize John Ahlfield of Liberty, Missouri. He has spent many hours of study and preparation as a member of the Liberty High School Science Bowl Team. After numerous competitions and a victory in the regional competition, the Liberty High School Science Bowl Team earned a spot to compete in the 2006 National Science Bowl Competition in Washington, D.C.

As one of America's best and brightest, John has been an accomplished student. He is a member of Serteens and the National Honor Society. He joined the Liberty Scholar Bowl Team as a sophomore, then became a Varsity member and captain his junior year. Among his favorite subjects are science and mathematics and he hopes to pursue a degree in chemical engineering after graduating from Liberty High School.

Mr. Speaker, I proudly ask you to join me in recognizing John Ahlfield, an outstanding student from Liberty, Missouri. As a top student who is committed to science and mathematics, John will certainly have a bright and fulfilling future. I commend him for his achievements and I am honored to represent him in the United States Congress.

IN SPECIAL RECOGNITION OF PETER D. GUZOWSKI ON HIS APPOINTMENT TO ATTEND THE UNITED STATES AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Peter D. Guzowski of Tiffin, Ohio has been offered an appointment to attend the United States Air Force Academy at Colorado Springs, Colorado.

Peter's offer of appointment poises him to attend the United States Air Force Academy this fall with the incoming cadet class of 2010. Attending one of our Nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer.

Peter brings an enormous amount of leadership, service, and dedication to the incoming class of Air Force cadets. While attending Tiffin Columbian High School in Tiffin, Ohio, Peter attained a grade point average which placed him near the top of his class. While a gifted athlete, Peter has maintained the highest standards of excellence in his academics, choosing to enroll and excel in Advanced Placement classes throughout high school. Peter has been a member of the National Honor Society, Honor Roll and has earned awards and accolades as a scholar and an athlete.

Outside the classroom, Peter has distinguished himself as an excellent student-athlete by earning letters in varsity tennis and golf where he served as the captain of his varsity team. He has also remained involved in his community by coaching youth basketball and serving as an altar server. Peter's dedication and service to the community and his peers has proven his ability to excel among the leaders at the United States Air Force Academy. I have no doubt that Peter will take the lessons of his student leadership with him to the United States Air Force Academy.

Mr. Speaker, I ask my colleagues to join me in congratulating Peter D. Guzowski on his appointment to the United States Air Force Academy at Colorado Springs. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Peter will do very well during his career at the United States Air Force Academy and I ask my colleagues to join me in wishing him well as he begins his service to the Nation.

IN HONOR OF THE 90TH ANNIVERSARY OF THE LAKEWOOD LIBRARY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of the Lakewood Library, as we join in celebration of their 90th Anniversary.

For the past nine decades, the library, located on Detroit Avenue, has served as a vital source of learning, entertainment and enlightenment for residents of all ages, at no cost or low cost. Founded in 1916, the Lakewood Library has evolved over the years from a small space where books were exchanged, to a peaceful haven of energy where information and ideas are exchanged, learning flourishes and computer technology is presented on the cutting edge.

The Lakewood Library lends out thousands of books, and CD's every year, and also lends its rooms to community organizations where members gather on a regular basis. The Library offers programs for children, adults and seniors, literary programs, workshops, community volunteer programs and a variety of family entertainment programs and classes, including reading circles and the visual arts.

Mr. Speaker and Colleagues, please join me in honor and recognition of staff, administrators, volunteers and visitors, past and present, of the Lakewood Library. The library's collection of books, resources, historical documentation and advanced technology, offered free to the public, is a priceless component that continues to shape our culture, broaden our horizons and raise our collective and individual dreams into the light of reality—through imagination, discovery and learning, with every turn of the page.

H.R. 4975, THE SO-CALLED ''LOBBYING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006''

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. MOORE of Kansas. Mr. Speaker, on Wednesday, May 3, 2006, I voted against final passage of H.R. 4975, making changes to congressional ethics procedures and campaign finance laws.

As a member of Congress first elected to the HOUSE OF REPRESENTATIVES in 1998, I have supported and continue to support efforts to reduce the influence of money in politics because I believe that public cynicism is eating away at voter participation, causing citizens to tune out discussions of very serious issues, and turning a whole generation of young people away from our political system as a means of social change. There is a national crisis of confidence in our political system because of the influence of money in the legislative process. The American people share a widely held belief that special interests, lobbyists, and the very wealthiest campaign contributors wield too much influence in government.

Unfortunately, these concerns have been warranted, as recent scandals have come to light involving, among others, the transgressions of former Rep. Randy ''Duke'' Cunningham and lobbyist Jack Abramoff. For this reason, I joined as an original cosponsor of H.R. 4682, the Honest Government and Open Leadership Act. This legislation, among other things, takes steps to ban all gifts, including meals, tickets, entertainment and travel, from lobbyists and non-governmental organizations that retain or employ lobbyists; requires Members to pay full charter costs when using corporate jets for official travel; and establishes a new Office of Public Integrity under the Inspector General of the House.

H.R. 4975 falls short in all of these areas and instead chooses to maintain the status quo. Furthermore, the final rule reported out of the Rules Committee did not allow for the consideration of amendments on the House floor that would have addressed these concerns. Instead, the Rule included H.R. 513, controversial campaign finance legislation that would limit the ability of the public to mobilize voters and to hold incumbents accountable for the very misconduct that this bill purports to change. This kind of closed door process is indicative of the problems we are now experiencing in Congress.

Public office is a public trust. All elected officials and their staffs must conduct the public's business in public view and in a manner that is above reproach. Congress must take real steps to improve congressional ethics standards and to make congressional procedures more open and accountable to all Americans.

TRIBUTE TO U.S. MARINE LANCE CORPORAL NICKOLAS D. SCHIAVONI

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. MEEHAN. Mr. Speaker, I rise today to honor a true hero, Marine Lance Corporal Nickolas D. Schiavoni, who gave his life in service to our country.

Lance Corporal Schiavoni lived in my district in Haverhill, and was deployed with the brave men and women serving in our armed forces as part of Operation: Iraqi Freedom. Nickolas died tragically on November 15, 2005 when a suicide, vehicle-borne, improvised explosive device was detonated while he was conducting combat operations against enemy forces near Al Karmah, Iraq during Operation Steel Curtain. He was twenty-six years old.

Nickolas leaves behind his beloved wife Gina, and two young children, Marissa and Alex. He is also survived by his mother, Stephany Kern, his grandfather, David Swartz, and his sister, Vanessa Schiavoni. Nickolas treasured his time with his family and was very fond of their time together at his mother's home in Westerly, Rhode Island.

Nickolas served in Iraq with the 2nd Battalion, 2nd Marine Regiment, 2nd Marine Division, II Marine Expeditionary Force, based in Camp Lejeune, N.C. He was serving on his second tour of duty in Iraq when he was killed. He was very proud to be a Marine.

Nickolas' family is proud of him, not just for the supreme sacrifice he paid on behalf of his country, but for the honor he brought to them as a Marine. He strove to protect his family and his country. His courage will not be soon forgotten.

I have now requested that an American flag be flown over our United States Capitol in memory of Lance Corporal Nickolas Schiavoni to honor his brave service to our country. This flag will be delivered to his family. Nickolas died fighting for the country he loved, alongside comrades he respected and with the family he adored, forever in his heart. Our nation is humbled and grateful for his sacrifice.

Mr. Speaker, we should all take a moment to recognize Lance Corporal Nickolas D. Schiavoni, United States Marine Corps, who gave his life in service to his country.

THANKING MRS. ESTELLE JONES FOR HER SERVICE TO THE HOUSE

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. EHLERS. Mr. Speaker, on the occasion of her retirement in June 2006, I rise to thank Mrs. Estelle Jones for 29 years of outstanding service to the U.S. House of Representatives.

Throughout the years Estelle has made significant contributions managing the employee benefit programs for the U.S. House of Representatives and providing oversight to the processing of staff employee benefits for the U.S. House of Representatives. She began her career at the House on June 15, 1977, as an Employee Benefits Clerk in the Office of Personnel and Benefits, Office of Finance, under the Office of the Clerk. In January 1980, she assumed the title of Personnel Control Clerk, supervising the paperwork flow of the Employee Benefits Clerk. Estelle later accepted the position of Benefits Counselor, remaining with the Office of Personnel and Benefits. On December 1, 1987, she was promoted to Assistant Supervisor for the Office of Personnel and Benefits until November 12, 1995, when she accepted the appointment as Director of the Office of Personnel and Benefits, Human Resources for the Chief Administrative Officer. As Director of Personnel and Benefits, Estelle also served as the House Benefits Officer for both Health Benefits and Retirement with the Office of Personnel Management. She had the overall responsibility for the quality, accuracy and timeliness of submissions of all benefits records to OPM. She has provided many years of employee benefit support and guidance to the countless House staff members who have worked in this great institution throughout the last 29 years.

On behalf of the entire House community, I extend congratulations to Estelle for her many years of dedication and outstanding contributions to the U.S. House of Representatives. We wish Estelle many wonderful years in fulfilling her retirement dreams with her husband, Jack, and her children, Justin and Stephanie.

RECOGNIZING STEPHANIE HULL

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Stephanie Hull of Liberty, Missouri. She has spent many hours of study and preparation as a member of the Liberty High School Science Bowl Team. After numerous competitions and a victory in the regional competition, the Liberty High School Science Bowl Team earned a spot to compete in the 2006 National Science Bowl Competition in Washington, D.C.

As one of America's best and brightest, Stephanie has been an accomplished student. A very active student, she participates in Scholar Bowl, Orchestra, National Honor society, Model UN, Debate, the National Forensic League, her church youth group, and the Senior Girl Scouts. Stephanie would like to become a doctor and is interested in attending UMKC or the University of Chicago.

Mr. Speaker, I proudly ask you to join me in recognizing Stephanie Hull, an outstanding student from Liberty, Missouri. As a top student who is committed to science and mathematics, Stephanie will certainly have a bright and fulfilling future. I commend her for her achievements and I am honored to represent her in the United States Congress.

IN SPECIAL RECOGNITION OF KEIL J. MILLER ON IS APPOINTMENT TO ATTEND THE UNITED STATES NAVY ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Keil J. Miller of Napoleon, Ohio has been offered an appointment to attend the United States Naval Academy in Annapolis, Maryland.

Keil's offer of appointment poises him to attend the United States Naval Academy this fall with the incoming midshipmen class of 2010. Attending one of our Nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Keil brings an enormous amount of leadership, service, and dedication to the incoming class at the Naval Academy. While attending Napoleon High School in Napoleon, Ohio, Keil attained a grade point average which placed him near the top of his class. While a gifted athlete, Keil has maintained the highest standards of excellence in his academics, choosing to enroll and excel in Advanced Placement classes throughout high school. Keil has been a member of the Honor Roll, the Drama and German Club and has earned numerous awards and accolades as a scholar and an athlete.

Outside the classroom, Joshua has distinguished himself as an excellent student-athlete by earning varsity letters in track and football where he served as the captain of his varsity team. He has also remained involved in his community by serving as a camp counselor for a youth football program and as an active participant in Big Brothers/Big Sisters. Keil's dedication and service to the community and his peers has proven his ability to excel among the leaders at the Naval Academy. I have no doubt that Keil will take the lessons of his student leadership with him to Annapolis.

Mr. Speaker, I ask my colleagues to join me in congratulating Keil J. Miller on his appointment to the United States Naval Academy. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Keil will do very well during his career at the Naval Academy and I ask my colleagues to join me in wishing him well as he begins his service to the nation.

IN HONOR OF RICHARD ZEAGER AS HE CELEBRATES HIS 90TH BIRTHDAY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Richard Zeager as he celebrates his 90th birthday. Richard

worked hard throughout his life, served his country and raised a family. His accomplishments and contributions to his community are worthy of recognition.

Mr. Zeager was born on May 14, 1916, at home in Rocky River, Ohio, where he would spend the rest of his life serving his community and country. Much of his childhood was spent working and playing with his four siblings. After receiving his diploma from Rocky River High School in 1934, Richard worked a number of jobs as a gardener, hunter, fisherman, and truck driver and worked in the PepsiCola factory in Cleveland. Mr. Zeager found a career as a warehouse manager at Lifetime Cookware, where he worked for 52 years, just retiring last year.

In 1942, Richard answered the call of duty to fight for America during World War II. As a decorated Sergeant of the 7th Airdrome Squadron of the 13th Air Force Division, Richard served as an Aircraft Electrical Specialist. From 1942–45 he served in the Philippines, Guadalcanal, and New Guinea. Since his return home in 1945, Richard became an active member of the VFW in Rocky River, where he was a past commander, and also a member of the American Legion in Bay Village. He participated in parades and veteran reunions for his squadron, continuing close friendships with his fellow soldiers. Richard enjoys sharing his stories from the war with his family and friends. Besides his involvement with the VFW, he is also a member of the Danish Brotherhood Lodge where he continues the traditions of his heritage.

After his honorable service in World War II. Richard married Edna Klavon in March 1946. Throughout their 57-year marriage they had 3 sons, Terry, Stanley, and Edward. Richard and Edna also were loving and supportive grandparents to their six grandchildren. Besides spending time with family, Richard is an avid stamp and coin collector.

Mr. Speaker and Colleagues, please join me in honor and recognition of Richard Zeager on his 90th birthday. His contribution to his community, family, and country are irreplaceable and we are ever grateful for his service.

CONGRATULATING WE THE PEOPLE KANSAS CLASS ON RECEIVING MOUNTAIN/PLAINS STATES REGIONAL AWARD AT NATIONAL COMPETITION ON THE CONSTITUTION

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. MOORE of Kansas. Mr. Speaker, from April 29 to May 1, 2006, approximately 1,200 students from across the country participated in the national finals competition of We the People: The Citizen and the Constitution, the most extensive educational program in the country developed specifically to educate young people about the U.S. Constitution and Bill of Rights. I am pleased to announce that Saint Thomas Aquinas High School from Overland Park, Kansas received the Mountain/Plains States Regional Award in the competition. The We the People program is administered by the Center for Civic Education and funded by the U.S. Department of Education by act of Congress.

The We the People national finals is a three-day academic competition that simulates a congressional hearing in which the students testify before a panel of judges on constitutional topics. Students demonstrate their knowledge and understanding of constitutional principles as they evaluate, take, and defend positions on relevant historical and contemporary issues. Among the questions students responded to in the competition includes: Is judicial review essential for the functioning of our American constitutional democracy? Explain and justify your position.

Mr. Speaker, I'm proud of these outstanding students from Saint Thomas Aquinas High School: Danny Akright, Carrie Brand, Rob Conard, Andrew Conde, John Darnell, Evan Daugharthy, Kelsey Gustafson, Ben Haefele, Anthony Halling, Steve Hengeli, Jennifer Kinkade, Sarah Kuhlmann, Sinom Longhi, Christy Millweard, Evan Pederson, Sarah Potter, Patrick Short, Caitlin Thornbrugh, Jenny Timmons, Patrick Trouba, and Paul Wooten.

I also wish to commend the teacher of the class, Spencer Clark, who was responsible for preparing the student class for the national finals competition. Also worthy of special recognition are Lynn Stanley, the state coordinator and Ken Thomas, the district coordinator, who are among those responsible for implementing the We the People program in my district.

Mr. Speaker and my colleagues in the House, please join me in congratulating these young constitutional experts for their outstanding achievement.

RECOGNIZING RYAN STANDER

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Ryan Stander of Liberty, Missouri. He has spent many hours of study and preparation as a member of the Liberty High School Science Bowl Team. After numerous competitions and a victory in the regional competition, the Liberty High School Science Bowl Team earned a spot to compete in the 2006 National Science Bowl Competition in Washington, D.C.

As one of America's best and brightest, Ryan has been an accomplished student. This years entry in the National Science Bowl was his second entry in the national tournament. Ryan is very involved as a member of the Liberty Scholar Bowl team, Science Knowledge Bowl, National Honor Society, Young Democrats, and Serteens. After graduation, Ryan will attend Truman State University in the fall to major in history and political science.

Mr. Speaker, I proudly ask you to join me in recognizing Ryan Stander, an outstanding student from Liberty, Missouri. As a top student who is committed to science and mathematics, Ryan will certainly have a bright and fulfilling future. I commend him for his achievements and I am honored to represent him in the United States Congress.

IN SPECIAL RECOGNITION OF JOSHUA R. MINTON ON HIS APPOINTMENT TO ATTEND THE UNITED STATES MILITARY ACADEMY AT WEST POINT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Joshua R. Minton of North Baltimore, Ohio has been offered an appointment to attend the United States Military Academy at West Point, New York.

Joshua's offer of appointment poises him to attend the United States Military Academy this fall with the incoming cadet class of 2010. Attending one of our Nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer. Truly, it is one of the most challenging and rewarding undertakings of their lives.

Joshua brings an enormous amount of leadership, service, and dedication to the incoming class of West Point cadets. While attending Elmwood High School in Bloomdale, Ohio, Joshua attained a grade point average which placed him near the top of his class. While a gifted athlete, Joshua has maintained the highest standards of excellence in his academics, choosing to enroll and excel in Advanced Placement classes throughout high school. Joshua has been a member of the National Honor Society, the Honor Roll and has earned numerous awards and accolades as a scholar and an athlete.

Outside the classroom, Joshua has distinguished himself as an excellent student-athlete. On the fields of competition, he has earned varsity letters in basketball and football where he served as the captain of the varsity team. Joshua's dedication and service to the community and his peers has proven his ability to excel among the leaders at West Point. I have no doubt that Joshua will take the lessons of his student leadership with him to West Point.

Mr. Speaker, I ask my colleagues to join me in congratulating Joshua R. Minton on his appointment to the United States Military Academy at West Point. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Joshua will do very well during his career at West Point and I ask my colleagues to join me in wishing him well as he begins his service to the Nation.

IN HONOR AND REMEMBRANCE OF MIKE ZAPPONE, SR.

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Mike Zappone, Sr., beloved husband, father, successful restaurateur and friend. Mr. Zappone, Senior leaves behind a legacy that reflects his joy for

life, love for his family and dedication to his community.

Mr. Zappone was born and raised in Cleveland, OH. He learned early on the lessons of family unity, hard work and team work, as his father died at a young age, leaving his mother with a large family to raise. Shortly after graduating from John Marshall High School, Mr. Zappone joined his older brother, Tony Zappone, in the restaurant business.

Tony Zappone operated Tony's Diner for nearly 30 years, until his death in 1977. Mike Zappone opened his first restaurant in Kamms Corners in the 1950s, then in 1962, he opened up the Original 13 Colonies restaurant, located in the Holiday Inn on Brookpark Road. Mr. Zappone took over Tony's Diner when his brother passed away, and later opened up the highly popular Mr. Z's.

For decades, both brothers were successfully involved in the ownership and operation of nearly 20 local and out-of-State restaurants. Their signature establishments were Tony's Diner and Mr. Z's, cultural landmarks that provided a welcoming atmosphere where anyone could enjoy a great meal and lively conversation. Both Tony's Diner and Mr. Z's frequently set the stage for people from all walks of life—from politicians to steelworkers, to business owners and every profession in between, to discover and debate the neighborhood news of the day.

Mr. Speaker and colleagues, please join me in honor, remembrance and gratitude of my dear friend, Mike Zappone, Sr., whose kindness, integrity and goodwill defined his character and framed his life. I offer my condolences to his wife Jeanne; his sons, Michael, Junior and John; his four grandchildren; and his extended family and friends. His friendly smile, joyful spirit and kind heart will live on within the hearts of his family, friends and every patron, young and old, whose day was made brighter while gathered at the table of Tony's Diner or Mr. Z's, including my own.

TRIBUTE TO PETALUMA CHAMBER OF COMMERCE

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Ms. WOOLSEY. Mr. Speaker, I rise today to honor the Petaluma Chamber of Commerce on the occasion of its 100th anniversary celebration. The chamber has been serving my hometown of Petaluma, CA, since it was first launched on February 6, 1906, with 79 members.

Many of these early members bore names still remembered in Petaluma today, including J.E. Olmstead, publisher of the newspaper, and Rodney Putnam who was related to future mayor and first female Sonoma County Supervisor Helen Putnam.

One of the key characters in the chamber's early years was Bert Kerrigan who was hired in 1918 to promote the city. It is thanks to Kerrigan that I was able to participate in Petaluma's 25th Annual Butter and Eggs Day Parade this year.

After evaluating the local business situation, Kerrigan decided the town needed to push its poultry industry; he traveled to Washington, DC, to establish National Egg Day and coined the slogan ''The World's Egg Basket.'' He then performed various publicity stunts—flying an airplane over San Francisco to drop flyers, parking a huge egg basket in front of the St. Francis Hotel with attractive women, the ''Slick Chicks,'' to be photographed, and forming the precursor to today's parade, ''Egg Day,'' which was held at night.

Under the current leadership of CEO Onita Pellegrini, the chamber has been thriving and currently has over 900 members. In fact, I, too, was a member when I ran my business in Petaluma from 1980 to 1991. The chamber recently relocated to the historic Great Petaluma Mill Building in the heart of downtown. The group still actively promotes the city's businesses and advocates with city government for smart growth principles that maintain the community feeling that has been Petaluma's hallmark.

Mr. Speaker, the Petaluma Chamber of Commerce continues to represent the diversity of the city from its agricultural roots to its small businesses to its new high tech companies. I cut my political teeth as a member of the Petaluma City Council, and I know the good work that they do. Congratulations to everyone in the chamber on this centennial milestone.

RECOGNIZING AMMON SARVER

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Ammon Sarver of Liberty, MO. He has spent many hours of study and preparation as a member of the Liberty High School Science Bowl Team. After numerous competitions and a victory in the regional competition, the Liberty High School Science Bowl Team earned a spot to compete in the 2006 National Science Bowl Competition in Washington, DC.

As one of America's best and brightest, Ammon has been an accomplished student. As an active member of his church and in scouting, Ammon is very involved in the community. In school, he is a member of the National Honor Society and enjoys mathematics, physics, and chemistry. He plans on going on a mission for his church after graduation and then attending college to study in math or science.

Mr. Speaker, I proudly ask you to join me in recognizing Ammon Sarver, an outstanding student from Liberty, MO. As a top student who is committed to science and mathematics, Ammon will certainly have a bright and fulfilling future. I commend him for his achievements and I am honored to represent him in the United States Congress.

SPECIAL RECOGNITION OF JOSHUA R. FLAGE ON HIS APPOINTMENT TO ATTEND THE UNITED STATES NAVAL ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that Joshua R. Flage of Wayne, Ohio, has been offered an appointment to attend the U.S. Naval Academy in Annapolis, Maryland.

Joshua's offer of appointment poises him to attend the U.S. Naval Academy this fall with the incoming midshipmen class of 2010. Attending one of our Nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer.

Joshua brings an enormous amount of leadership, service, and dedication to the incoming class at the Naval Academy. While attending Wellsville High School in Wellsville, Ohio, Joshua attained a grade point average which placed him at the top of his class. While a gifted athlete, Joshua has maintained the highest standards of excellence in his academics, choosing to enroll and excel in Advanced Placement classes throughout high school. In addition to being a delegate to Buckeye Boys' State, Joshua has been a member of the National Honor Society and Student Council.

Outside the classroom, Joshua has distinguished himself as an excellent student-athlete. On the fields of competition, Joshua earned varsity letters in swimming and track. He was named captain of the varsity swimming team and co-captain of the varsity football team. Upon completion of high school, Joshua continued his education at the Hargrave Military Academy in Chatham, Virginia. Joshua's dedication and service to the community and his peers has proven his ability to excel among the leaders at the Naval Academy. I have no doubt that Joshua will take the lessons of his student leadership with him to Annapolis.

Mr. Speaker, I ask my colleagues to join me in congratulating Joshua R. Flage on his appointment to the U.S. Naval Academy. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Joshua will do very well during his career at the Naval Academy and I ask my colleagues to join me in wishing him well as he begins his service to the Nation.

TRIBUTE TO THE GENERAL FRELINGHUYSEN CHAPTER OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor The General Frelinghuysen Chapter of the Daughters of the American Revolution. On May 10, 2006, the General Frelinghuysen Chapter of the ''Daughters of the American Revolution will be celebrating their 110th anniversary.

In 1896, sixteen ladies formed the General Frelinghuysen Chapter of the Daughters of the American Revolution with Mrs. E.E. Batcheller as the first Regent. The Chapter was named for a native of Somerset County who held the highest military rank in the state, that of Major General and Commander-in-Chief of New Jersey and Pennsylvania state troops under

George Washington—Frederick Frelinghuysen. He was born at the First Dutch Reformed Church Parsonage at Somerville, then Raritan, New Jersey, on April 13, 1753. He was sent to Continental Congress in 1775 and was later a United States Senator. He fought at the Battles of Trenton and Monmouth. He is buried in the Weston cemetery, which is maintained by the Chapter.

Through the years, this chapter has been a very hardworking group of ladies who held their meetings first in various members' homes in the Somerville area, later at the Wallace House, and then at the Old Dutch Parsonage. The gavel used by the Chapter was made from a locust tree grown on the grounds of the home of General Frelinghuysen at Millstone, New Jersey.

Restoring the Wallace House was one of the major projects early in the chapter's history. Former members also contributed to the Continental Hall in Washington, D.C., including a chair presented by Senator Frelinghuysen in honor of his mother, Victoria, in 1927. In 1932, a 103 year old painting, painted by Elizabeth Frelinghuysen when she was 13 years old, was presented to the chapter and placed on display in the Wallace House.

Also in 1896, it became known that a real live daughter was to become a member of the chapter: Miss Elizabeth McIlroy, daughter of William McIlroy, a Soldier of the American Revolution. She lived to be more than 100 years old, but died soon after having been made a member of the Chapter.

In 1932, U.S. Senator Joseph S. Frelinghuysen made a gift of the Old Dutch Parsonage to the General Frelinghuysen Chapter. The Old Dutch Parsonage was built by the Reverend John Frelinghuysen in 1751, of bricks brought from Holland. The first class of the Theological Seminary of Rutgers University was held in this building. When the railroad was being put through, the Frelinghuysen family saved the parsonage from being demolished by moving it a short distance to its present site. In 1947, the Old Dutch Parsonage was deeded to the State of New Jersey as a historic shrine, as was the Wallace House.

In 1995, The General Frelinghuysen Chapter merged with the Old White House Chapter to become the Old White House-General Frelinghuysen Chapter. Philanthropic works, in addition to caring for the Wallace House and The Old Dutch Parsonage, have included providing scholarships to students of local high schools who have demonstrated knowledge and insight concerning historic events, supporting Native Americans, placing markers along Washington's line of march from Princeton to Morristown (after the Battle of Princeton), and contributions of books to the Somerville Public Library, the Library of Memorial Continental Hall in Washington and to the New Jersey Historical Society.

The objectives of the General Frelinghuysen Chapter of the Daughters of the American Revolution continue to be: To perpetuate the memory and spirit of the men and women who achieved American Independence, and To promote as an object of primary importance, institutions for the general diffusion of knowledge, and To cherish, maintain, and extend the institution of American freedom, to foster true patriotism and love of country, and to aid in securing for mankind all the blessings of Liberty.

Mr. Speaker, I urge you and my colleagues to join me in congratulating the members of the General Frelinghuysen Chapter of the Daughters of the American Revolution on the 110th anniversary of the chapter and for their continuing good works.

CONGRATULATIONS TO THE LIBERTY CHRISTIAN SCHOOL BOYS TRACK AND FIELD TAPPS STATE TITLE

HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. BURGESS. Mr. Speaker, I rise today to recognize the superior performance of the Liberty Christian School Warriors' Boys Track and Field team for their second consecutive Texas Association of Private and Parochial Schools, TAPPS, State title.

The Warriors totaled 150 points at Hart-Patterson Athletic Complex in Waco, TX easily winning the TAPPS 5A crown over second-place Midland Christian with 82.50.

After the first day's field events, things looked just as dark as the weather forecast for Liberty, as the Warriors trailed Dallas Christian by five points. With the weather holding despite the prediction of thunderstorms in Waco, the Warriors came back strong on the track, and dominated the medal stand, shattering the state record of 3:24.45 in the 4 x 440-yard relay with 3:22.70 and also winning the 4 x l00-meter relay in 43.49 and taking third in the 4 x 200 in 1:31.20.

This victory was a combined effort and would not have been possible if it was not for the incredible sense of teamwork put forth by all athletes.

I extend my sincere congratulations to the principal, coaches, teachers and members of the Liberty Christian School Boys Track and Field Team. The team showed true that value of sportsmanship then victory. I am honored to serve as their U.S. Representative in Congress.

RECOGNIZING NICHOLAS A. SERROQUE FOR ACHIEVING THE RANK OF EAGLE SCOUT

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker I proudly pause to recognize Nicholas A. Serroque, a very special young man who has exemplified the finest qualities of citizenship and leadership by taking an active part in the Boy Scouts of America and in earning the most prestigious award of Eagle Scout.

Nicholas has been very active with his troop, participating in many Scout activities. Over the many years Nicholas has been involved with scouting, he has not only earned numerous merit badges, but also the respect of his family, peers, and community.

Mr. Speaker, I proudly ask you to join me in commending Nicholas A. Serroque for his accomplishments with the Boy Scouts of America and for his efforts put forth in achieving the highest distinction of Eagle Scout.

IN SPECIAL RECOGNITION OF JAMES D. McKINNEY ON HIS APPOINTMENT TO ATTEND THE UNITED STATES MILITARY ACADEMY AT WEST POINT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young man from Ohio's Fifth Congressional District. I am happy to announce that James D. McKinney of Bowling Green, Ohio has been offered an appointment to attend the United States Military Academy at West Point, New York.

James' offer of appointment poises him to attend the United States Military Academy this fall with the incoming cadet class of 2010. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer.

James brings an enormous amount of leadership, service, and dedication to the incoming class of West Point cadets. While attending Bowling Green High School in Bowling Green, Ohio, James attained a grade point average which placed him near the top of his class. While a gifted athlete, James has maintained the highest standards of excellence in his academics, choosing to enroll and excel in Advanced Placement classes throughout high school. James has obtained the rank of Eagle Scout, has been a delegate to Buckeye Boys' State and president of his school's Model United Nations Club.

Outside the classroom, James has distinguished himself as an accomplished student-athlete by actively participating in fencing and cycling. He has also remained active in his community by volunteering to assist his local Meals on Wheels program. Upon completion of high school, James continued his education at Washington and Lee University in Lexington, Virginia. I have no doubt that James will employ the lessons of his student leadership as he excels among the leaders at West Point.

Mr. Speaker, I ask my colleagues to join me in congratulating James D. McKinney on his appointment to the United States Military Academy at West Point. Our service academies offer the finest military training and education available anywhere in the world. I am sure that James will do very well during his career at West Point and I ask my colleagues to join me in wishing him well as he begins his service to the nation.

TRIBUTE TO COLONEL RICHARD SIMCOCK

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. HUNTER. Mr. Speaker, I rise today to honor and pay tribute to Colonel Richard Simcock, the United States Marine Corps Liaison Officer to the U.S. House of Representatives. Colonel Simcock has faithfully served in

this capacity since May 2004 and he will soon be accepting command of the 6th Marine Regiment at Camp Lejeune, North Carolina.

Through his assignment as the Marine Corps Liaison Officer to the House, Colonel Simcock has been an invaluable link between Members of Congress and the Marine Corps. He has coordinated and accompanied congressional delegations to places such as Iraq and Afghanistan, organized and contributed to meetings between Members of Congress and key leaders of the Marine Corps, and worked to ensure that Members are kept fully informed of the programs vital to the Corps' operability.

As Chairman of the House Armed Services Committee, I have worked directly with Colonel Simcock on many Committee-related issues. We have come to rely on his candid illustrations and knowledge of the Marine Corps and, over the last two years, Colonel Simcock has been an important part of our efforts to identify the priorities and address the challenges facing the Corps.

Mr. Speaker, the men and women of the Marine Corps have been called to action and tasked with confronting unconventional adversaries in the operational theaters of the global war on terrorism. In Iraq, they are fighting courageously and continue to provide developing security forces with quality instruction and training. However, as the Marines have adjusted and developed new tactics to successfully combat the Iraqi insurgency, Congress has responded by ensuring these brave men and women have the operating and protective equipment necessary to accomplish their mission. In doing so, we have utilized the insight of Colonel Simcock and his ability to open effective communication channels between Congress and the Marine Corps.

Colonel Simcock is greatly respected as an officer and leader who possesses a deep and abiding passion for what it means to be a Marine: unquestionable devotion to duty; impeccable integrity; and sound character. His efforts will have a long lasting impression on the Marine Corps and I know he will serve the 6th Marine Regiment with the same level of dedication and selflessness he demonstrated while serving this House.

Mr. Speaker, it is with the greatest sense of appreciation that I salute Colonel Simcock for his tireless work and outstanding leadership on such important issues and I wish both him and his wife, Mary, continued success in their future endeavors.

THIRTIETH ANNIVERSARY OF THE FOUNDING OF THE MOSCOW HELSINKI GROUP

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. SMITH of New Jersey. Mr. Speaker, 17 years ago, my dear friend and colleague, Rep. FRANK WOLF, and I traveled to the Soviet Union, to visit the notorious Perm Labor Camp No. 37, located in the shadows of the Ural Mountains. There were three camps in the Perm labor camp complex that had been set up specifically in 1972 for political prisoners and others whom Moscow considered ''especially dangerous.'' Fortunately, by the time of our visit many of the incarcerated had been released and by 1991 the camp had emptied out completely in the closing chapter of the USSR. As Co-Chairman of the Helsinki Commission, I can vividly recall that glimpse into life in the Soviet GULag, both a memorable and sobering experience.

I mention that trip because Friday of this week, May 12, will mark the 30th anniversary of the founding of the Moscow Helsinki Group, a leading human rights organization devoted to monitoring the Kremlin's adherence to the Helsinki Final Act of 1975. The Helsinki Final Act was signed by the United States, Canada and thirty-three European countries, including the Soviet Union. While much of this document was focused on military security, economics and trade, there were important provisions on human rights and humanitarian issues, such as freedom of conscience and family reunification, which the Soviet Government and the other signatories promised to uphold.

At a May 12, 1976, Moscow press conference organized by Nobel Peace Prize Laureate Dr. Andrei Sakharov, the Moscow Helsinki Group announced that it would collect information and publish reports on implementation of the Helsinki Accords by the Soviet Government. The initiator of this effort was Dr. Yuri Orlov, a physicist who had already been repressed by the Kremlin and the KGB for his human rights activism. Orlov was joined by ten other founding members; with time others joined in the group.

As might be expected, the Soviet Government did not welcome this initiative. Members were threatened by the KGB, imprisoned, exiled or forced to emigrate. The Soviet press went into full-scale attack mode, accusing the Moscow Helsinki Group of being subversive and charging that some members were on the payroll of foreign intelligence services. I might mention that a thinly veiled version of this canard against the group was recently resurrected by a representative of the KGB's successor, the FSB, on national television.

Arrests of members of the Moscow Group began within a year of its founding. In 1978, Dr. Orlov himself was sentenced to 7 years labor camp and 5 years internal exile. In 1986, he was brought back to Moscow, put on a plane and deported to the United States in exchange for a Soviet spy. Other Moscow Helsinki Group members found themselves at the notorious Perm Labor Camp complex that I mentioned earlier. For his criticism of the 1979 Soviet invasion of Afghanistan, Dr. Sakharov was exiled to the closed city of Gorky beginning in January 1980. His wife and Moscow Helsinki Group member, Dr. Elena Bonner, joined him there in 1984 after having been convicted of ''anti-Soviet agitation and propaganda.'' Founding member Anatoly Marchenko died while on a hunger strike at Chistopol Prison in December 1986,

By the end of 1982, less than 7 years after the group's founding, it appeared that the KGB and the Soviet Government had triumphed over the small band of idealists who pressed their leaders to live up to the promises made at Helsinki. With only three members at liberty and those under intense KGB pressure, the Moscow Helsinki Group was forced to suspend its activities. By 1986, only one member of the group, Naum Meiman, continued to meet with foreign visitors and Western correspondents. Meiman's wife, Irina, died of brain cancer after waiting years for Soviet authorities to give her permission to leave the Soviet Union for specialized treatment abroad, a reminder of the personal costs to human rights activists and their families under a cruel regime.

But the Helsinki spirit lived on. In the West, supporters and sympathizers demonstrated on behalf on imprisoned Helsinki Monitors. The cases of imprisoned or exiled Helsinki Monitors were often raised at diplomatic meetings between the United States and the Soviet authorities. In the Soviet Union itself, enlightened leaders began to understand that repressive governments may squelch the voices of dissenters for a time, but their message will heard by other means.

And on February 14, 1987, less than 5 years after the Moscow Helsinki group was forced to suspend its activities, a small item in ''Izvestiya'' announced the possibility of certain prisoners being released from labor camp. It was the beginning of the end for the repressive Soviet system.

In July 1989, the Moscow Helsinki Group was reestablished by several longtime human rights activists: Larisa Bogoraz, Sergey Kovalev, Viatcheslav Bakhmin, Alexey Smirnov, Lev Timofeev, and Boris Zolotukhin. Today, Ludmilla Alexeyeva, who had been exiled to the United States by Soviet authorities for her earlier work, now chairs this respected organization.

Mr. Speaker, 30 years after its founding and 15 years after the collapse of the Soviet Union, the re-established Moscow Helsinki Group remains active in speaking out in defense of human rights, civil society, and rule of law in Russia. I congratulate the members of the Moscow Helsinki Group for their achievements in the past and pledge my support for their vital ongoing work.

RECOGNIZING JARED GOEDE

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly rise to recognize Jared Goede of Kansas City, Missouri. Jared will be honored with the Billy Mitchell Award and Second Lieutenant Bars as a member of the Platte Valley Civil Air Patrol. He has been a member of the Civil Air Patrol since 2004 and has been involved in the color guard since 2005.

As a member of the community, Jared has been active in 4–H, the North Kansas City High School Scholar Bowl Team, the American Heartland Theatre, and his church. Additionally, he has pursued many academic activities outside of his regular schoolwork. He has studied at Truman State University's Joseph Baldwin Academy for Eminent Young Scholars, studied hydrodynamics at a Westminster College summer camp, and participated in the Students in Academically Gifted Education program through the North Kansas City School District.

Jared has already enlisted into the United States Army Reserves as a Civil Affairs Specialist. Upon graduating from North Kansas City High School in May of 2006, Jared will enter boot camp in June of 2006 and then defer his active duty status until he completes

his college studies. He has been accepted to Missouri Western State University and plans to major in History and participate in the Reserve Officer Training Corps program.

Mr. Speaker, I proudly ask you to join me in recognizing Jared Goede, an outstanding student from Kansas City, Missouri. His commitment to the community and desire to serve his country should be commended. I would like to express my gratitude to him for his achievements and I am honored to represent him in the United States Congress.

IN SPECIAL RECOGNITION OF DEBORAH J. ALMY ON HER APPOINTMENT TO ATTEND THE UNITED STATES MILITARY ACADEMY AT WEST POINT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GILLMOR. Mr. Speaker, it is my great pleasure to pay special tribute to an outstanding young woman from Ohio's Fifth Congressional District. I am happy to announce that Deborah J. Almy of Tiffin, Ohio has been offered an appointment to attend the United States Military Academy at West Point, New York.

Deborah's offer of appointment poises her to attend the United States Military Academy this fall with the incoming cadet class of 2010. Attending one of our nation's military academies is an invaluable experience that offers a world-class education and demands the very best that these young men and women have to offer.

Deborah brings an enormous amount of leadership, service, and dedication to the incoming class of West Point cadets. While attending Tiffin Columbian High School in Tiffin, Ohio, Deborah has attained a grade point average which places her near the top of her class. While a gifted athlete, Deborah has maintained the highest standards of excellence in her academics, choosing to enroll and excel in Advanced Placement classes throughout high school. Deborah has been a member of the Honor Roll, the High School Choir and has earned awards and accolades as a scholar and an athlete.

Outside the classroom, Deborah has distinguished herself as an excellent student-athlete by earning letters in both varsity soccer and basketball. She has also remained involved in her community by serving as a teacher's aide and as a volunteer for her Church's nursery. I have no doubt that Deborah will employ the lessons of her student leadership as she excels among the leaders at West Point.

Deborah's dedication and service to the community and her peers has proven her ability to excel among the leaders at West Point. I have no doubt that Deborah will take the lessons of her student leadership with her to West Point.

Mr. Speaker, I ask my colleagues to join me in congratulating Deborah J. Almy on her appointment to the United States Military Academy at West Point. Our service academies offer the finest military training and education available anywhere in the world. I am sure that Deborah will do very well during her career at West Point and I ask my colleagues to join me in wishing her well as she begins her service to the nation.

SECURITY AND ACCOUNTABILITY FOR EVERY PORT ACT

SPEECH OF

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 2006

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4954) to improve maritime and cargo security through enhanced layered defenses, and for other purposes:

Ms. LEE. Mr. Chairman, I rise in support of H.R. 4954, the SAFE Port Act, and I want to thank the Chairman and Ranking Member for their work on this bill, as well as my colleagues from California Mr. LUNGREN, Ms. HARMAN, and Ms. LORETTA SANCHEZ.

As a member of the Port Security Caucus and as an original co-sponsor of this legislation I have been consistently fighting for a massive increase in funding and focus to secure our Nation's ports.

The fact of the matter is that over the last 4 years we have done far too little to secure our Nation's ports.

Since 2002 we have barely spent $700 million on port security grants throughout the country even though our ports have already identified and applied for over $3.8 billion worth of security improvements and even though the Coast Guard estimates that at least $5.4 billion is needed through 2010.

Instead of spending $320 billion to mislead us into a war in Iraq, the administration could have hired nearly 5 million inspectors to ensure that all cargo that enters our country is inspected.

This year this administration has even proposed to roll all critical infrastructure security grants into one pool, forcing ports, rail and other critical infrastructure to compete for scarce security dollars. That just doesn't make any sense.

The SAFE Port Act rejects the administration's wrongheaded proposal and increases the authorization for port security funding to $400 million per year.

Although this bill does make a number of very good steps in the right direction to secure our ports, I am disappointed that it does not go far enough to screen foreign cargo before it enters U.S. ports.

If we had adopted the Markey-Nadler amendment requiring 100 percent container scanning prior to shipment from foreign ports, we could have ensured that any potential threat would be identified and dealt with before it entered the United States.

If even one incident occurs that compromises a single container of a known shipper, our current screening system will fall apart. Mr. Chairman, I believe that 100 percent screening is our only option because in this day and age we cannot afford the risk of even one incident.

But we haven't even been given the option to vote on the Markey-Nadler amendment.

I'm also disappointed that the bill does not contain enough funding for the Coast Guard's deepwater program, or the radiation portal monitoring program that was first successfully launched at the Port of Oakland in my district last year.

We can and we must increase funding for both these programs and provide a comprehensive and integrated approach to port security that includes 100 percent screening. Until we do so, our job remains unfinished.

RECOGNIZING ASIAN PACIFIC AMERICAN HERITAGE MONTH

SPEECH OF

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. MCDERMOTT. Mr. Speaker, May is Asian Pacific American Heritage Month, and I rise to proudly recognize and honor over 78,000 Asian Pacific Americans who live in my 7th Congressional District in Washington State. They are the largest minority group in my district, embracing over 13 percent of the population. They are Japanese, Asian Indian, Korean, Chinese, Filipino, Cambodian, Laotian, Hmong, Vietnamese, Pacific Islanders, as well as other Asian American cultures. Their contributions have helped to make Seattle a richly textured weave of cultures and people. We all benefit as a result.

Beginning in the late 19th century, Asian Americans immigrated to the United States to work hard and make a better life for themselves and their families. Many faced prejudice, racial injustice, and discrimination, but these new immigrants believed in America, and they made our Nation stronger by fighting for American values like equality. As our Nation again debates the importance and role of immigration in the early 21st Century, we should consider the contributions that Asian-Americans have made, and continue to make, to our Nation, becoming leaders in public and social service, business and industry.

In Seattle, I am proud to have introduced the legislation that renamed a United States Courthouse as the William Kenzo Nakamura United States Courthouse in honor of a Japanese American who was posthumously awarded the Congressional Medal of Honor for his courage under fire in World War II. Mr. Nakamura made the ultimate sacrifice in service to the country he loved, an honor made more poignant by the fact that William and his family were forcibly relocated to a federal internment camp at the beginning of the war.

Today, we proudly celebrate Asian Pacific American culture and heritage, from the Vietnamese Tet in Seattle Lunar New Year celebration to other local cultural festivals. We also honor Asian Pacific Americans by preserving the ethnic heritage of our citizens. Places like the Wing Luke Asian Museum, the Seattle Asian Art Museum, the Filipino American National Historical Society, and Densho: The Japanese American Legacy Project keep us in touch with the roots of our neighbors.

Our pride in and recognition of many Asian American role models has earned Washington State a global awareness. Just last month Chinese President Hu Jintao chose Seattle for his inaugural visit to the United States as head of state, touring a Boeing plant and Microsoft headquarters and noting the ''good cooperative relations'' between China and Washington

State. One out of every four jobs in Washington State is directly tied to international trade, and we have a strong and growing trading relationship with the Asia Pacific region. This relationship has been established, expanded, and nurtured largely through cultural awareness first developed in the region by Asian-American immigrants. We all benefit from the contributions Asian Pacific Americans make to our community and country.

Asian Pacific American Heritage Month is a celebration of the American spirit. We are a nation of immigrants, and by honoring Asian Pacific Americans, we honor all cultures.

RECOGNIZING KRISTIN VENZIAN

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GRAVES. Mr. Speaker, I proudly rise to recognize Kristin Venzian of Parkville, Missouri. Kristin will be honored with the Billy Mitchell Award and Second Lieutenant Bars as a member of the Platte Valley Civil Air Patrol. As a member of the Civil Air Patrol, she has been moving swiftly through the ranks and is a member of the first string color guard, participating in various local events as a member of the team that won the Missouri State Color Guard Championship this year.

Kristin is a very active member of her school and the community. She received the President's Volunteer Service Award in 2005 and founded Kids Celebrate Soldiers, a foundation that sends thank you cards from children around the United States to American soldiers overseas. In school she is a member of the National Honor Society, the South Boulevard Singers, French Club, Teenage Republican Club, and a Captain on the Girls Cross Country squad.

After graduating from Park Hill South High School, Kristin hopes to enter the Air Force Academy and pursue a degree in Aeronautical Engineering with a specialty in engines. For many years she remains focused on becoming a pilot and serving in the Air Force throughout her career.

Mr. Speaker, I proudly ask you to join me in recognizing Kristin Venzian, an outstanding student from Parkville, Missouri. Her commitment to the community and desire to serve her country should be commended. I would like to express my gratitude to her for her achievements and I am honored to represent her in the United States Congress.

TRIBUTE TO CINCO DE MAYO

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GENE GREEN of Texas. Mr. Speaker, I rise today in honor of Cinco de Mayo. Cinco de Mayo is not only a celebration of the victory of a small Mexican militia over the Napoleonic French forces at the Battle of Puebla in 1862, but also the commemoration of the friendship and goodwill that exists between the United States and Mexico to this day.

Following the Mexican War of Independence, Mexico found itself heavily indebted to Spain, France, and England. England and Spain quickly settled their debts, but Napoleon saw this as an opportunity to expand his empire and reclaim a portion of the New World.

France invaded Mexico in Veracruz, but was stopped from gaining passage to the Nations seed of government in Mexico City by General Ignacio Seguin Zaragoza and his small militia. Napoleon; however, would not be deterred. He sent 30,000 more troops and began a three month siege of Puebla, who finally surrendered and eventually took Mexico City. Napoleon appointed his cousin Ferdinand Maximilian of Austria as Emperor of Mexico. He was in power from 1864 until 1867 when the United States was able to provide assistance to Mexico after the conclusion of the Civil War and helped Mexico expel the French. Shortly after the French expulsion Maximilian was executed in Mexico.

Cinco de Mayo commemorates the Battle of Pueblo in 1862 where General Ignacio Seguin Zaragoza and his small militia valiantly prevented the invasion of Mexico. This brave group of 4,500 men was able to prevent 6,500 French soldiers from marching on to Mexico City.

Mexico, and more recently, the United States both celebrate Cinco de Mayo. It represents a victory for the Mexican people and the beginning of a wonderful diplomatic relationship between the United States and Mexico that is not simply intertwined geographically but also culturally.

As a Texan I have an added respect for General Ignacio Sequin Zaragoza. He was born near the town of Goliad, Texas on March 24, 1829. A ten foot stature honoring General Zaragoza was dedicated in Goliad, Texas as a gift from the Governor of Puebla, Mexico.

IN MEMORY OF CORPORAL RICHARD PRICE WALLER

HON. KAY GRANGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Ms. GRANGER. Mr. Speaker, I rise today to honor the courage of a young hero from my district. On April 7, 2006, the Department of Defense declared that Corporal Richard Price Waller (United States Marines, Company C, 1st Battalion, 1st Marine Regiment, 1st Marine Division) was killed in the line of duty while conducting combat operations against enemy forces in the Al Anbar Province of Iraq.

Corporal Waller, who was known as ''Ricky'' by family and friends, had dreamed since he was a young boy of following in the footsteps of a number of relatives who have served in the U.S. military over the last nine decades. Soon after graduating from Fort Worth's Western Hills High School in 2002, Ricky realized his ambition and joined the Marines. After boot camp, Ricky was assigned to Company C where he excelled and became a platoon leader who earned the nickname ''The Motivator.''

Ricky's dedication to protecting freedom and winning peace around the world was demonstrated in his unconditional devotion to duty. He was serving on his third tour of duty in Iraq when he was killed. Despite the dangers and sacrifice that Ricky faced in Iraq, he had informed his family that he planned to re-enlist with the Marines in the fall.

Ricky's family is also to be commended for urging other young men and women to take heart in the life of Corporal Waller who lived ''for God, family and country, with love for all and with no regrets.''

The American people know the sacrifices Ricky, like many other soldiers, made to his country and his memory will not be in vain. I am proud to honor Corporal Waller's service to the State of Texas and to the United States of America. He will not be forgotten.

TRIBUTE TO PASTOR DAVID L. EVERSON, SR.

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PAUL. Mr. Speaker, I am pleased to pay tribute to my constituent, Pastor David L. Everson, Sr. A pastor for over 26 years, David Everson has spent the last seven years serving at the First Union Baptist Church in Galveston, Texas. During his time in Galveston, Pastor Everson has worked tirelessly to help his congregation, and all residents of Galveston. Pastor Everson's efforts have improved the lives of many Texans.

For example, Pastor Everson has been given an identification badge by the University of Texas Medical Branch (UTMB), one of Texas's most respected hospitals, so he may visit with, extend compassion to, and pray with and for people receiving treatment at UTMB and their families. Pastor Everson has also been given a badge by the Galveston Police Department in recognition of his work against drug abuse.

Education is an area of particular concern to Pastor Everson. In order to ensure his neighbors have access to adult education services, Pastor Everson initiated the First Union Baptist Church Community Center. Pastor Everson also regularly meets with local school board members and networks with other ministers to ensure all the children in Galveston receive a quality education. Pastor Everson is always willing to mentor any young person in his congregation, and he regularly visits local schools to provide support for the young people of Galveston.

Pastor Everson is always available to counsel and assist any members of his congregation with any problems they are having, or with any projects on which they are working. Even with his busy schedule, Pastor Everson still makes time to brighten the lives of his congregation. For example, in order to ensure senior citizens who are members of his congregation continue to enjoy a fulfilling social life, Pastor Everson takes them out for lunch and dinner, paying for their meals out of his own pocket.

In recognition of Pastor Everson's numerous good works, some members of his congregation have launched an effort to have Sunday, May 21, 2006 deemed Pastor David L. Everson, Sr. day. I am pleased to take this opportunity to pay tribute to Pastor Everson and thank him for all his good works.

RECOGNIZING THE SHARED HISTORY OF SLAVERY OF FRANCE AND THE UNITED STATES

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. OWENS. Mr. Speaker, the African slave trade stands out in the annals of world history as one of the greatest crimes ever committed against humanity. It is important that we institutionalize every possible reminder of this horrible chapter in our civilization.

I want to take this opportunity to commend the French Republic and the work of Madame Christiane Taubira for setting May 10th as an annual national day in France to remember its role in slavery and the slave trade.

On the afternoon of the 23rd of May 1848, Africans and their New World descendants enslaved by France were set free. That was 45 years after the Louisiana Purchase of 1803, when France sold most of its territory in the Americas to the fledgling USA, and 15 years before President Abraham Lincoln's Emancipation Proclamation of 1863.

Madame Christiane Taubira is a member of the French parliament, representing her native Guiana in South America. She is also an economist. On May 10th, 2001 Madame Taubira successfully proposed French legislation that thereafter declared slavery a crime against humanity, making France the first country in the world to make this declaration.

Madame Taubira's work in France complements the work of Professor Gwendolyn Midlo Hall here in the United States. Not only is Dr. Hall a distinguished historian, she is also a New Orleans, Louisiana native.

Hurricane Katrina's devastation in the Gulf Coast region has given an urgency and importance to the work of both Professor Hall and Madame Taubira.

Our active understanding and appreciation of the French and American culture and history of New Orleans and Louisiana, as part of the Gulf Coast, will help the people of the region as they restore and rebuild their community over the coming months, years and decades. We cannot honor a unique community and its people without honoring its history that has grown over four centuries from both French and American roots.

RECOGNITION OF MR. EDWARD KERBEYKIAN

HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. ROTHMAN. Mr. Speaker, I rise to recognize Mr. Edward Kerbeykian, a resident of Tenafly, New Jersey, for his devoted service to Hekemian & Co., Inc. as a senior staff member for 55 years.

Mr. Kerbeykian currently serves as Hekemian & Co.'s Senior Vice President. Since 1950, he has made many meaningful contributions to the company. During this time period, he has also been a dedicated member of the Hackensack, New Jersey business community and served in leadership positions of the Hackensack Lions Club for nearly fifty years and the Chamber of Commerce for more than 20 years. In fact, he was even given the nickname, "Mr. Main Street" because of his contributions to the early stages of the development of Main Street in Hackensack.

Mr. Kerbeykian, who is of Armenian descent, has been a devoted member of the Sts. Vartanantz Armenian Apostolic Church in Ridgefield, New Jersey and was involved, years ago, in the Armenian Folk Dance Society of New York. He is a devoted husband to Shirlee, wonderful father to Craig, who also holds a leadership position at Hekemian & Co., and the late Jeffrey Kerbeykian, a prominent New York City architect, and a loving grandfather of six.

Today, I would like to recognize Edward Kerbeykian's leadership at Hekemian & Co., for more than half a century and the many contributions he has made to this company as well as to the community of Hackensack, the County of Bergen and Northern New Jersey.

HONORING ARTHUR KUBIC, PRINCIPAL OF JOHN C. DORE ELEMENTARY SCHOOL

HON. DANIEL LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. LIPINSKI. Mr. Speaker, I rise today to Honor Arthur Kubic, Principal of John C. Dore Elementary School in Chicago, Illinois. Principal Kubic recently announced his retirement following a career lasting nearly four decades.

Arthur Kubic was born and raised in the City of Chicago. He attended St. Simon the Apostle School and Thomas Kelly High School in Chicago's Southwest Side. He began his teaching career in 1968 after graduating from Northern Illinois University, and in 1977 he earned his Master's Degree from Roosevelt University.

Arthur Kubic, a champion for the hearing-impaired, taught sign language for twenty-five years in the Adult Education Department at Morton Community College in Cicero, Illinois.

In 1990, Arthur Kubic became the principal of Dore School. Since that time, he launched full-time kindergarten classes and the Full Inclusion Program which teaches students with disabilities in regular-education classes with their peers. His efforts on behalf of the children of Chicago Public Schools are truly appreciated.

I ask my colleagues to join me today in recognizing the many achievements of Principal Arthur Kubic. It is my honor to acknowledge Arthur Kubic for his outstanding leadership and commitment to public service, in the City Chicago and the Third Congressional District of Illinois.

HONORING THE 60TH ANNIVERSARY OF VFW POST 63

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in honoring the 60th anniversary of the Veterans of Foreign Wars Post 6368 in Dupo, Illinois.

The Veterans of Foreign Wars (VFW) of the United States traces its roots back to 1899. That year, veterans of both the Spanish-American War and the Philippine Insurrection founded local organizations to secure rights and benefits for their veterans. In Columbus, Ohio, Spanish-American War veterans founded the American Veterans of Foreign Service and in Denver, Colorado, Philippine veterans organized the Colorado Society, Army of the Philippines. In 1913, both organizations merged to form the present Veterans of Foreign Wars organization.

The VFW is known the world over for their service not only to veterans, but to all people. They are considered to be one of the most active forces in the pursuit of services for and recognition of veterans at a national level. The efforts of the VFW resulted in the creation of the House Veterans Committee, the WWI bonus, the national Veterans Day holiday, various GI bills, the creation of a cabinet-level office of Veterans Affairs and support on many veterans' health issues. The VFW is active in disaster relief and also provides information to citizens about our national flag. You cannot mention the VFW without mentioning their "buddy poppy" program which raises funds for veterans' homes.

VFW Post 6368 was chartered in 1946 with 52 charter members and was named the Sugar Loaf Memorial VFW Post. Currently, of the 52 original members, three are still with the Post; Robert Schneeberger, Stan Parrin and John Fischer. Post 6368 is very active in the community and provides many services and support to our area veterans, such as raising funds for homeless vets, money for the National Children's Home, and the Veterans Relief Fund. The Post also donates funds and supports the Dupo Senior High School Junior ROTC program.

Mr. Speaker, I ask my colleagues to join me in congratulating the men and women of VFW Post 6368 both past and present on 60 years of serving veterans and the people of Southwestern Illinois.

PRAISING ASIAN/PACIFIC AMERICAN HERITAGE MONTH

SPEECH OF

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. RANGEL. Mr. Speaker, I rise in celebration of Asian/Pacific Americans and their innumerable contributions to our Nation. The fabric of American society has benefited from the talent, dedication and enthusiasm of Asian/Pacific Americans. The month of May is designated as a time when we all can appreciate and observe diversity in America by highlighting the contributions of Asian/Pacific Americans.

In June 1977, Representative Frank Horton of New York and Norman Y. Mineta of California introduced a House Resolution that called upon the President to designate the first ten days of May as Asian/Pacific Heritage Week. Subsequently, Senators DANIEL INOUYE and Spark Matsunaga introduced a similar bill in the Senate. Both House and Senate Bills

were passed. The first 10 days of May were chosen to coincide with two important milestones in Asian/Pacific American history. The arrival in the United States of the first Japanese immigrants on May 7, 1843 and contributions of Chinese workers to the building of the transcontinental railroad, completed on May 10, 1869. In 1992, Congress expanded the observance for the entirety of May.

Asian Pacific American Heritage Month is celebrated with community festivals, government-sponsored activities, and educational activities for students. This year's theme is ''Freedom for All—A Nation We Call Our Own.''

Mr. Speaker, Asian/Pacific Americans are leaders in public service, business, government, science, law, education, athletics, the arts, and many other areas. Their love of family, community, and hard work has helped to uphold our Nation for many generations. Asian/Pacific American entrepreneurs are helping to strengthen our economy and our communities through their hard work and ingenuity, and they inspire a new generation of American innovation through their example. More than 14 million Americans of Asian or Pacific Island Heritage contribute to the vitality, success, and prosperity of our Nation.

PAYING TRIBUTE TO ARGU

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Argu, an artist of remarkable skill who has contributed greatly to the community.

Argu, a self taught artist, was born in Mexico City, and has gained far reaching recognition for his works depicting Mexican culture and history. Argu most recent work is the Centennial Mural, titled ''A Rose in the Desert'', honoring Las Vegas' centennial. This mural, the only mural on a city of Las Vegas facility, is also one of the largest in the city. ''A Rose in the Desert'' joins more that 100 centennial murals, and serves as an icon in the community.

Argu moved to Las Vegas several years ago from New Mexico, and, in that time, has significantly contributed to the artisan community. His style is described as ''hypr-realist'', uses varieties of technique and has a broad range of inspirations. His unique style has earned him extensive acclaim and his works are showcased throughout Southern Nevada.

Mr. Speaker, I am proud to honor Argu for his artistic prowess and considerable contributions to the community. He is truly a master, and his works both inspire and impress his audience. I wish him continued success and look forward to seeing his future works.

RECOGNIZING JANET HENDERSON

HON. CHARLES W. ''CHIP'' PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PICKERING. Mr. Speaker, Mississippi will miss a 36-year presence in our education community with the retirement of Janet Henderson. Janet will conclude her role as Starkville School District assistant superintendent next month after serving in that capacity for 8 years. She has previously served as both as a teacher and a principal in Mississippi. Her legacy of teaching can be seen daily in Mississippi in the lives of her students who now have families of their own.

With a bachelor's of science degree in elementary education, a master's degree in elementary education, and a doctorate in education leadership—all from Mississippi State University—Janet is a tribute to Mississippi's educational system. She has been Teacher of the Year, has earned the Mississippi Association of Women in Educational Leadership Award, selected as Ward Fellow for the Harvard Principal Institute, inducted into the Starkville Area Chamber of Commerce Education Hall of Fame, and was named the Southern Association of Colleges and Schools Mississippi Distinguished Educator.

Mr. Speaker, I hope Congress joins me in recognizing the public service of Janet Henderson. Her dedication to leadership, professional development, and teacher training will leave a strong imprint on our educators for years to come. Her colleagues and students alike will remember her and I recognize and honor her work today. Mississippi has been blessed by her work and life.

CELEBRATING THE LIFE OF CANON FREDRICK B. WILLIAMS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. RANGEL. Mr. Speaker, I rise to celebrate the life of a bold moral voice in Harlem, the Rev. Frederick B. Williams. He gave his life to the cause of righteousness and justice. He ministered and worked in my Congressional district on behalf of the destitute and poor. He also spoke courageously concerning national and international social-political issues which captured the attention of the world.

Canon Williams served as Pastor Emeritus of the Episcopal Church of the Intercession in Harlem, New York. As the IXth Vicar and XIVth Rector he launched the first religious center in the United States addressing the HIV-AIDS crisis. This program provided crucial care and advocated for those inflicted with the disease through a concrete programmatic approach. He led the way in opening up dialogue to discuss and grapple with HIV-AIDS at a time when it was not popular. In 1993 Canon Williams was able to galvanize black clergy to step up to the challenge. He said, ''What has changed is that all of us know, or will know in the next 12 months, someone who has died of AIDS.'' He helped to raise broad awareness of HIV-AIDS and initiated a movement to educate and respond decisively to the crisis.

Canon Williams was founder and chairman of Harlem Congregations for Community Improvement which developed over 2,000 units of new and rehabilitated housing in Harlem, which still stands as the largest in the history of New York City. His community efforts as chair also included 40 commercial spaces and Harlem's first large supermarket. He also opened the doors of Intercession Church to the Boys Choir of Harlem which gave them their first home. Additionally, he led the renovation of Jackie Robinson Park at 145th Street and Bradhurst Avenue.

He was widely known for his passion for the arts. Since 1973 he served as chairman of trustee of numerous major African-American performing arts group in New York City. Among other committees, he served on the Rockefeller Foundation; member of Board of Advisors, New York City Landmarks Conservancy; Black Alumni of Pratt Institute advisory council; Trustee of the African Activists' Archive Project, Inc. and served as chair of the National Clergy Advisory Committee of Harlem Week of Prayer. He was also an advisor to Archbishop Emeritus Desmond Tutu of South Africa.

Mr. Speaker, I am forever indebted to Rev. Canon Frederick B. Williams for his dedication and commitment to public service through ministry in my Congressional district.

CELEBRATING THE LIFE OF CANON FREDERICK B. WILLIAMS

Canon Williams is the Pastor Emeritus of the Episcopal Church of the Intercession in Harlem, New York, where he has served 1972—2005 as the IXth Vicar and XIVth Rector. This institution is one of the first religious centers in the United States to initiate a programmatic response to the HIV-AIDS crisis.

He serves as the Chairman of the Board of the Interfaith, Ecumenical, Harlem Congregations for Community Improvement, Inc. (HCCI) and is a key member of the leadership team that has developed over 2,000 units of new and rehabilitated housing in Harlem, the largest such undertaking in the history of New York City.

Recognized as a true ''Patron of the Arts,'' Canon Williams served, since 1973, as chairman of trustee of almost every major African-American performing arts group in New York City. He is a Trustee of The Rockefeller Foundation; member of the Board of Advisors, New York City Landmarks Conservancy; Black Alumni of Pratt Institute advisory council; Trustee of the African Activists' Archive Project, Inc. and served for 10 years as Chair of the National Clergy Advisory Committee of the renowned Harlem Week of Prayer (the Balm in Gilead, Inc.). He is an advisor to Archbishop Emeritus Desmond Tutu of South Africa whom he represents on the board of Directors of PEACEJAM, Inc. an international peace education program for youth headquartered in Denver, Colo., and sponsored by 14 Nobel Peace Prize laureates. has been a visiting professor at the Episcopal Divinity School, Cambridge Massachusetts, the General Theological Seminary, New York City; and guest lecturer at several American and international institutions of higher learning. He has preached on six of the earths' seven continents and is the founder of the International Conference on Afro-Anglicanism.

PAYING TRIBUTE TO ZELVIN ''ZEL'' LOWMAN

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Zelvin ''Zel'' Lowman, who died February 28, 2006. Mr. Lowman was a former Nevada Legislator who held office between 1967 and 1977 and served as the Majority Leader and Chairman of several committees.

In the early 1950s, he and his young family moved to Las Vegas where he began work at a company that would become Nevada Power Company. He had a long career at Nevada Power and retired in 1978 as director of public relations. He later worked in real estate as a broker-salesman at Mary Lowman Realty and served as court administrator for the 8th Judicial District of Nevada. Mr. Lowman was a dedicated husband and father, always interested in his children's education and activities. This led him to a lifetime of community service. He was most proud of his work with the Boy Scouts of America, Las Vegas Area Council. He was a 50-year member of the council. He served as chairman of the board and almost every other voluntary position in the council.

Mr. Lowman was always active in youth and education arenas. He was a perennial moderator of the Sun Youth Forum. During the decade of the 1960s, he was presented the Heart Award of the Local Variety Club and was given the Meritorious Service Award of the Secondary School Principals for outstanding service to education. In 1993, an elementary school was named Zel Lowman Elementary for his service to youth.

Mr. Speaker, I am proud to honor Zelvin ''Zel'' Lowman for his extraordinary career and exemplary service to the community. His death is a profound loss to the community and he will be greatly missed.

RECOGNIZING JAMES CRUDUP

HON. CHARLES W. ''CHIP'' PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PICKERING. Mr. Speaker, each year, the University of Michigan medical school in Ann Arbor honors the chief resident with the outstanding record for research in surgery with the James W. Crudup Award. James Crudup of Forest, Mississippi has no medical license, no medical degree, and no college degree. But he had the intellect and the determination to learn and achieve, and along the way he trained some of this Nation's finest surgeons and helped to pioneer microsurgery.

James Crudup was born in central Mississippi during the Depression. His mother was a midwife and his father hauled wood. He learned to work driving a tractor and then a truck. After serving in the Army, he returned to Scott County, Mississippi in 1946 to finish his education at Scott County Training School. He married and he and his wife moved near Detroit where he drove a truck for a brick company. The brick company ran into some trouble and James looked for a new job—what he found changed the lives of countless doctors and patients for years to come.

He went to work with his brother Jonas at the medical school morgue. He cleaned surgical instruments used on animals to instruct surgeons and perfect techniques including organ transplants. He began practicing himself on animal bodies on their way to be incinerated. He borrowed medical books and learned terms and practices. The doctor who ran the lab discovered this and watched with wonder as he performed advanced and complex surgical procedures. Soon, residents came to see James to learn their lessons and he became a legend on campus.

When Dr. Sherman Silber wanted to study transplant rejections and use rats as subjects, James designed and fashioned the previously unengineered instruments needed. Silber has said that he and James ''basically pioneered microsurgery together.''

Mr. Speaker, today James Crudup is retired. He lives humbly in Forest, Mississippi. His story is not well known but those of us who have heard it want to recognize him for his contributions to our Nation's medical heritage, as well as his gift to the American spirit. James is one of those hard working heroes who move through their life blessing others, contributing to society and making this a better country for his service. I hope Congress joins me in applauding and recognizing his contributions to medicine and the well being of doctors and patients alike.

GENERAL ANTHONY ZINNI: HIS VISION FOR NATIONAL SECURITY BRING STABILITY WHERE THERE IS INSTABILITY THAT IS THE BATTLE FOR PEACE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. RANGEL. Mr. Speaker, I rise to honor General Anthony Zinni for his courage and for his vision for Peace and to insert into the CONGRESSIONAL RECORD an article published in the Washington Post on April 10, 2006, entitled ''A General with an Alternative Vision.'' His recently published book with Tony Koltz is entitled The Battle for Peace: A Frontline Vision of America's Power and Purpose. I am pleased General Zinni is now an author of his third book. I am especially pleased that this third book is available now at this time in our country's history when General Zinni's ideas and leadership are so sorely needed.

The Washington Post calls General Zinni a ''General with an Alternative Vision.'' It is that alternative vision which I want to celebrate in this RECORD. Because General Zinni has a vision for America he is able to set out specific strategic goals he believes would achieve his vision for America. According to General Zinni, this Nation's purpose and most important strategic goal is to bring stability wherever there is instability. It is his belief that stability should be the centerpiece of the Nation's national security policy and the most important purpose of the U.S. government. As Michael Abramowitz, National Editor of the Washington Post put it in this article, Zinni's view of ''job number one'' for the U.S. government as ''Wresting order out of a chaotic world.'' The remarkable part of this vision and purpose for American and its part in the battle for peace is that it is a combat hardened veteran and diplomat who has had the vision. War and a near-death experience in Vietnam; listening to the rationale for the loss of 60,000 Americans in Vietnam and hearing similarities in the rationales given for going to war in Iraq and a promise he made himself as he lay dying in Vietnam to always speak the General Zinni has envisioned it, is who General Zinni is and the events that have shaped his life.

Upon graduating from Villanova University in 1965, Anthony Zinni was commissioned a second lieutenant in the Marine Corps. Sent to Vietnam in 1967 as a Infantry Battalion Advisor to the Vietnamese Marine Corp, he returned as a company commander where he suffered life threatening wounds, taking three rounds from an AK–47 in the chest and back.

From 1997 to 2000, he was Commander in Chief of the U.S. Central Command, in charge of all American troops in the Middle East. That was the same job held by Gen. Norman Schwarzkopf before him, and Gen. Tommy Franks after him. Following his retirement, he was selected by the President Bush to one of the highest diplomatic posts in the administration, special envoy to the Middle East. General Zinni has 40 years serving his country as a marine and as a diplomat. He is widely respected. He is known for his candor.

General Zinni supported the Bush-Cheney ticket in 2000 but broke with the administration on the issue of going to war in Iraq. He spoke out in print and on television against an invasion of Iraq. In his first book, Battle Ready written with co-author Torn Clancy, Gen. Zinni wrote that he saw true dereliction, negligence and irresponsibility in the lead up to the war as well as lying, incompetence and corruption. He was especially critical of the insufficient number of forces and lack of planning for the invasion. He voiced his criticism on the CBS program 60 Minutes. He blamed the war on the civilian leadership at the Pentagon. General Zinni characterized the Iraq war as one the generals did not want but the civilians at the pentagon wanted.

In his new book, The Battle for Peace: A Frontline Vision of American's Power and Purpose General Zinni has in fact become a visionary. I have long searched for a visionary for our beleaguered military. Our forces are stretched dangerously thin in Iraq, a war based on lies from President Bush, Vice President CHENEY, Secretary Rice and others in the Administration who deliberately sold the war as a ''product'' to the Congress and the American people. I have looked back on General Zinni's statements on 60 Minutes and as quoted in The Washington Post. In an article by Thomas E. Ricks in the December 23 2003, issue of The Washington Post General Zinni was quoted stating: ''Iraq is in serious danger of coming apart because of lack of planning, underestimating the task and buying into a flawed strategy,'' he says. ''The longer we stubbornly resist admitting the mistakes and not altering our approach, the harder it will be to pull this chestnut out of the fire.'' Ricks wrote: ''Zinni long has worried that there are worse outcomes possible in Iraq than having Saddam Hussein in power—such as eliminating him in such a way that Iraq will become a new haven for terrorism in the Middle East.'' Again, Zinni was quoted:

''I think a weakened, fragmented, chaotic Iraq, which could happen if this isn't done carefully, is more dangerous in the long run than a contained Saddam is now,'' he told reporters in 1998. ''I don't think these questions have been thought through or answered.''

We know now Gen. Zinni's words were prescient. That is why it is so important we listen to him now when he talks about the use of our military in the future and the goal of our national security policy. Although General Zinni remains a strong critic of the Bush Administration, this book The Battle for Peace is not a screed against the administration, but it is a condemnation of its war policies and its use of the military. But what is best about the book

is that it contains a positive plan for real national security. He remains a strong critic of the Bush Administration. In fact, in The Battle for Peace, General Zinni offers a vision of national security policy and national purpose that is the complete opposite of those stated by President Bush. In doing so, General Zinni offers the harshest and truest criticism of President Bush's most recent rationale for his misbegotten Iraq war. There is no talk in Zinni's book of bringing ''freedom to the people of the world because all men and women deserve to be free.'' There is no talk of making democracies so they will become our allies.'' Instead Gen. Zinni gives pragmatic and realistic ideas and plans for stabilizing any nation-state or country that is about to destabilize.

In his book Zinni writes: ''The real threats do not come from military forces or violent attacks; they do not come from a nation-state or hostile non-state entity. They do not derive from an ideology (not even from a radical, West-hating, violent brand of Islam). The real new threats come from Instability. Instability and the chaos it generates can spark large and dangerous changes anywhere in the land.''

General Zinni believes that the most urgent problem facing the country is the problem posed by dysfunctional countries or those in danger of becoming dysfunctional. These countries, Afghanistan, Pakistan, Iraq, are the breeding grounds for the radicals and terrorists who hate the United States and want to attack us.

But, General Zinni believes we cannot rely only on the military to solve the problems we face from these countries. He believes we use the military in ways that alienate other countries. Most importantly, General Zinni, a military veteran and retired General believes we should better organize U.S. agencies to respond to droughts, famines and civil wars and other sources of instability before they metastasize into situations that require military force. He advocates for an interdepartmental team drawn from relevant agencies to watch for tensions and other signs of instability and a deployable force of civilians to handle recovery and reconstruction in war zones.

I view General Zinni's statement of what he believes should be this nation's purpose and plan for national security to be a direct refutation of President Bush's often stated depiction of our ''enemy'' the one driven by an evil ideology who ''lurks'' everywhere and must be fought ''over there,'' as well as General Zinni's strong statement that it is the business of the U.S. to bring stability where there is chaos is a reality based statement of what our national purpose should be.

General Zinni was one of the generals who endorsed President Bush in 2000. It is clear now that he would take the country in an entirely different direction on national security than the path the President is on. That is in sync with the American people who also believe the President is taking the country in the wrong direction.

[From the Washington Post, Apr. 10, 2006]

A GENERAL WITH AN ALTERNATIVE VISION

(By Michael Abramowitz)

Well into his new book, Gen. Tony Zinni lists what he thinks ought to be the nation's strategic goals. They include, among other things, keeping regions and countries stable; making unstable countries stable; and working with regional partners to address unstable conditions. For Zinni, stability is the lodestar of modem national security policy. Wresting order out of a chaotic world is the mission he sees as job number one for the U.S. government.

''The real threats do not come from military forces or violent attacks; they do not come from a nation-state or hostile nonstate entity. They do not derive from an ideology (not even from a radical, West-hating, violent brand of Islam),'' Zinni writes. ''The real new threats come from Instability. Instability and the chaos it generates can spark large and dangerous changes anywhere in the land.''

Notably absent from Zinni's list is any mention of spreading democracy and freedom, among the goals articulated recently by the White House in its National Security Strategy, often with soaring, idealistic rhetoric. The document states: ''The United States possesses unprecedented—and unequaled—strength and influence in the world. Sustained by faith in the principles of liberty, and the value of a free society, this position comes with unparalleled responsibilities, obligations, and opportunity. The great strength of this nation must be used to promote a balance of power that favors freedom.''

Zinni's contrast in tone and emphasis seems purposeful. With ''The Battle for Peace,'' the retired Marine general has set out to present an alternative vision of the national interest to the one espoused by President Bush. It is a less ambitious, more incrementalist vision. If adopted by the Democrats, his dry, bureaucratic approach may lack for popular appeal. Yet might it bring about a more rational alignment of our national purpose with our fiscal and military resources? That is the implicit question raised in this slender volume by one of the nation's most prominent military voices.

Zinni is a combat veteran whose experience in Vietnam brought him three rounds from an AK–47 and a near-death experience. Before retiring, Zinni served as chief of the military's Central Command, which oversees operations in the Middle East and South Asia, a post that brought him into direct contact with many of the region's leading political and military figures and a firsthand experience in the most challenging foreign policy questions facing the United States. He was one of a raft of former generals who endorsed Bush for president in 2000, but he has since broken with the administration over what he sees as its ill-thought-out adventurism in Iraq. Zinni was against the war before it was popular to be so.

Those hoping for an intemperate screed against Bush's policies, however, will be disappointed. Zinni writes soberly and, largely, without invective. Although he disapproves of what he considers Bush's excessive faith in military power and the imprudence of the Iraq invasion, he does not frontally attack the administration. But by the end of this book, it is clear Zinni would have us move into a radically different direction on national security matters.

Zinni believes far too little thought and attention are being paid to the management of what, as he describes it, is the most urgent issue facing the country—how to manage the problems posed by dysfunctional countries or those that are in danger of becoming dysfunctional. Those countries, such as Afghanistan, Pakistan, Iraq, are the breeding grounds for the radicals and terrorists who hate the United States and want to attack us.

Yet as Zinni tells it, we have expertise in only one tool—military force—for dealing with these countries, and we too often use our power in ways that alienate other societies. He offers a variety of proposals to better organize U.S. agencies to respond to droughts, famines, civil wars and other sources of instability before they metastasize into situations that require military force. He wants an interdepartmental team drawn from relevant agencies to watch for tensions and other signs of instability and a deployable force of civilians to handle recovery and reconstruction in war zones.

This is not an easy book to read. Even with the help of a professional writer, there is a fair amount of jargon in here, and the structure of the book is a bit mysterious. Zinni veers between interesting accounts of his involvement in various crises—such as the effort to aid the Iraqi Kurds after the Persian Gulf War—and his analysis of the shortcomings in U.S. grand strategy and how we are organized to deal with the threats of the 21st century. It is hard to judge whether his proposals would amount to more than a reshuffling of the bureaucratic deck.

Still, Zinni is an interesting man, and he has a lot of interesting things to say about the dangers of pursuing our current course in foreign policy. He is a distinctly non-ideological man in an era when ideology is running rampant both home and abroad. He seems to be saying that the world is full of problems that can be better managed if only we had more competent U.S. leadership, different bureaucracies and less idealism from our leaders. The premise is debatable, but the next president may decide to give it a go.

PAYING TRIBUTE TO LEAH BRYANT

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Mrs. Leah Bryant as she retires from the Southwest Homebuilding Industry after 28 years in the business.

Leah Bryant began her tenure in the homebuilding industry in 1978 as a loan expediter for Lewis Homes in Las Vegas. Since then Leah has distinguished herself as a prominent and respected leader in her trade during her 28 years with KB and Lewis Homes. Leah was known for her contributions in the areas of quality assurance and customer service.

Leah was the regional general manager for KB Home's Southwest region, which includes Las Vegas, Phoenix, and Tucson. In 2004, her region delivered nearly 7,000 homes. Leah was the driving force behind the company-wide satisfaction initiatives of 2003 and 2004, and launched and directed the company's Customer Satisfaction Task Force which has helped the company achieve the No. 3 ranking in 2004 by the J.D. Power and Associates customer satisfaction survey of home builders.

Leah has served as President of the Las Vegas division of KB Home, which is the largest homebuilder in Southern Nevada and was an active member of the board of directors of the Southern Nevada Home Builders Association. Her leadership earned her a spot on Nevada Business Magazine's Women to Watch list. In her retirement, she plans to continue living in Las Vegas, and devoting herself to family and personal activities.

Mr. Speaker, I am honored to recognize Leah Bryant on the floor of the House. I commend her for her contributions to the homebuilding industry and thank her for her service to southern Nevada.

REMEMBERING KENT SILLS

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PICKERING. Mr. Speaker, all of Mississippi recently lost a musical legacy who impacted thousands of high school and college students over a 40-year career in education. Dr. Kent Sills—"Doc"—passed away on May 3 in Starkville, Mississippi. His obituary in the Starkville Daily News recounts his achievements:

Dr. Sills began his teaching career as band director at Lumberton High School in 1956 before accepting a similar position at Clarksdale High School in 1961. He joined the faculty at Mississippi State University in 1967 as assistant director of bands and in 1983 was appointed as only the sixth director in the band's 100-year storied history. He served as director of bands and professor of music education at Mississippi State until his retirement in 1999.

While at Mississippi State, he founded the MSU Stage Band (1967), established the MSU Jazz Band Festival, the MSU Junior High Band Festival, and directed the ''Famous Maroon Band'' at MSU football and basketball games.

Dr. Sills also served as the manager and director of the Mississippi Lions All-State High School Band from 1983 until 1997. Under his leadership the Lions Band won seven international championships and never finished lower than second place in any competition, performing in Asia, Australia and across North America.

A graduate of Kosciusko High School, Dr. Sills held a bachelor of music education degree (1956) and master of education degree (1959) from the University of Southern Mississippi. He also held a master of music degree (1967) and doctor of arts degree (1977) from the University of Mississippi.

In 1996, he was awarded as ''Outstanding Contributor to Bands to the State of Mississippi'' by Phi Beta Mu, and in 2000 was selected for the Mississippi Bandmasters Hall of Fame.

From 1954 through 1960, Dr. Sills traveled throughout the country performing with his popular swing band ''Kent Sills and His Southernaires.'' He also was a veteran of the U.S. Army and performed with the U.S. Army Reserve Band. Throughout his career, he served as an adjudicator and conductor at numerous band festivals and clinics.

The Daily News' editor Brian Hawkins shared some of his personal experiences with Doc.

If you ask any band alumnus to share memories of Doc, the floodgates open. There are just THAT many stories to share, and so many of them leave us in stitches every time.

In fact, one year in the early 1990s, a T-shirt with a top 10 list of ''Doc-isms'' was developed by some individual members and was sold to many in the band. Here are just a few:

''It's not ya-ya time''—This meant that we needed to quit messing around and get down to business in rehearsal.

''You know, somebody somewhere loves that child''—This was heard frequently when Doc had to correct someone individually in rehearsal. It often broke any tension that may have arisen from the mistake.

''Don't be dumb, cause when you're dumb, you're showing me, the band and the whole world that you just don't care''—In other words, get your head in the game and pay attention to what you're doing.

''You play when we all play''—This was meant to discourage any showboating or individual playing when the full band or a designated section was not playing.

There are countless ''Doc-isms,'' some a bit more colorful than others.

One thing was certain, though, Doc had a wicked sense of humor. Not a rehearsal went by where the entire band didn't have at least one good laugh.

But that was Doc. He loved life, he loved music and he loved his students.

Hawkins continued:

I know without a doubt that God has a special place for him in heaven and that he's already there as I write this.

Even now, I can imagine the majestic music of the hosts on high filling the expanse anew under the baton of heaven's newest bandleader. And what glorious music it is.

Mr. Speaker, so many prayers are with Kent's family: his wife, Nora; his son Allen; and his grandchildren Hannah and Tyler. Their family is a pillar of the Starkville community where Nora is the organist at their church. Dr. Kent Sills is a music icon in Mississippi, at Mississippi State University, and in Starkville. I hope Congress joins me today in saluting and remembering this amazing and talented life and person.

IN TRIBUTE TO THE WORK OF ANA PEIERA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. RANGEL. Mr. Speaker, I rise in celebration of the life and work of Ana Peiera. Ana Peiera championed the cause of the poor and disadvantaged of New York City. She courageously led the cause of housing for the neediest and most vulnerable and dedicated her life to virtues that are admirable and noble. She certainly exemplified Jesus' admonition stated in Matthew 25:40 to devote one's life to serve "the least of these." She indeed has left an indelible print on the landscape of New York City.

Her advocacy work led her to found the Heritage Health & Housing and Community Services organization which serviced many of New York City's poor. She was loved in a variety of circles, especially within social action and social service professional networks. Jorge Abreui, the acting executive director of the Heritage Health & Housing, stated "She was a multifaceted social worker, who greatly influenced the construction of a safety net to care for this City's neediest—especially in the Harlem, Washington Heights and South Bronx districts of New York."

Mr. Speaker, I am grateful for all of the hard work Ana engaged in during her life in my Congressional district. However, her legacy stretches beyond borders to the hearts of those persons who need homes and who are challenged by the likes of poverty, mental illness, Aids and drug addiction. Ana became a voice for the voiceless in New York City; those who live at the margins of society had a platform through Ana to voice their needs.

She implemented and fought for comprehensive programs to adequately address the needs of the underserved. She was never known to dodge even the most difficult cases and prided in the opportunity to conquer the giants of poverty and homelessness. She believed that her life could reach even the most destitute who found themselves in the grips of calamity and deprivation. Through 24-hour/7 days a week comprehensive programs she managed to wrestle those individuals away from the strong grips of poverty and lack.

Before starting Heritage Housing she worked in New York City Housing authority. From 1972 to 1978 she was the District Supervisor for Community Services. From 1969 to 1972, she was Director of the Senior Advocacy Services in the Bronx. She provided leadership in a host of other capacities that all centered on addressing the needs of the poor.

Mr. Speaker, I would like to enter into the CONGRESSIONAL RECORD an article titled, "Memorial Tribute to Ana Peiera" featured in CARIBNEWS on May 2, 2006, highlighting the achievements of Ana Peiera.

MEMORIAL TRIBUTE TO ANA PEREIRA

TIRELESS FOUNDER DEDICATED LIFE WORK TO NEW YORK CITY'S NEEDIEST

On Thursday, April 27, 2006, elected officials; health, housing and social service professionals; family and friends will join Heritage Health and Housing to celebrate the life of one if its founders, Ana Pereira. The former Executive Director, who championed housing for New York City's neediest, will be memorialized at a special ceremony at Aaron Davis Hall from 4 p.m.–6 p.m. The ceremony, hosted by WHCR–FM radio personality, Jeanne Parnell Habersham, will conclude with a special reception.

''Ana Pereira was a beloved figure in New York City's social action circles'', stated Jorge Abreui, Heritage Health & Housing acting Executive Director. ''She was a multifaceted social worker, who greatly influenced the construction of a safety net to care for this City's neediest—especially in the Harlem, Washington Heights and South Bronx districts of New York. Her legacy lies in the care of persons who needed homes, and suffered from mental illness, addiction, AIDS, poverty, and the accompanying deprivation typically evident in the lives of many of her consumers of service. I knew her for 21 years, and worked with her for 18 of those years, crafting programs, fighting for, and winning services for the underserved''.

Under Ms. Pereira's supervision, Heritage Housing and Community Services developed a reputation as an agency willing to take on the most difficult cases and help individuals transform their lives through programs providing a full continuum of care, from 24-hour/7-days-a-week supervision to semi-independent living. Working with the mentally ill, substance abusers, individuals with HIV/AIDS, the homeless and ex-offenders, the Agency, through Ms. Pereira's strong, personal leadership, helped its clients achieve independence and become contributing members of their communities.

Prior to starting Heritage Housing and Community Services, Ms. Pereira worked in various capacities for the New York City Housing Authority.

From 1972 to 1978, she was a District Supervisor for Community Services and managed a District office responsible for community services in 35 different housing developments. At the time, she was responsible for agency budgets totaling $25 million. From 1969 to 1972, she was Director of the Senior Advocacy Services in the Bronx, responsible for training and supervising case workers who provided services for homebound elderly.

In effort to keep her legacy alive, the Board of Directors and staff of Heritage

Health and Housing established The Ana Pereira Memorial Endowment Fund 416 West 127th Street, New York New York 10027. From deep in the heart of Harlem to the Banks of the South Bronx, Ana will be missed but never forgotten.

PAYING TRIBUTE TO KAREN KNISLEY

HON. JON C. PORTER

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PORTER. Mr. Speaker, I rise today to honor Karen Knisley for her 30 years of service to the Boulder City Hospital and for her being granted Emeritus Board Member Status to the hospital.

Karen was born in California to Ray L. Knisley, a Nevada Legislator, and Florence Richardson Knisley. At a young age she moved to Beowawe, Nevada and has spent the majority of her life in the state. Karen has held a variety of jobs beginning with her early years; she voluntarily worked with the Boulder City Fire Department and later she was hired by Boulder City Hospital to work in Radiology. Karen has also been active in a variety of community service projects and was active in many organizations. She has served as both a corresponding Secretary and Trustee for the Boulder City Library, as well as on the Boulder City Chamber of Commerce. Karen has also served as a member of the Boulder City Long Range Planning Committee as Chairman of the ByLaws Committee, and was a Boulder City Hospital Trustee and Co-Chairman. Karen retired from Boulder City Hospital's Board of Trustees in December 2005.

Karen has served her community continuously throughout her life and Boulder City Hospital has been privileged to benefit from her knowledge and service for the past thirty years. For her years of dedicated service, Karen was recently granted Emeritus Board Member Status to Boulder City Hospital.

Mr. Speaker, I am proud to honor Karen Knisley for years of service to the Boulder City Hospital and the Boulder City community. Her efforts in both professional and private life are to be commended, and we all thank her for her service.

TRIBUTE TO NORMAN AND MARILYN SCHEFFEL

HON. THOMAS G. TANCREDO

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. TANCREDO. Mr. Speaker, I rise today to honor two great Americans, Norman and Marlyn Scheffel of Parker, Colorado. Norman and Marlyn are long-time champions of public involvement in the democratic process.

Norman and Marlyn have attended precinct caucuses ever since they moved to Parker, in 1973. Norman currently serves as a district captain overseeing five precincts.

The Scheffel's have always been active in the community. Marlyn has volunteered with Bible studies and has run programs to watch children so that mothers could have a day off.

The Scheffel's decades of dedication to grassroots politics is so legendary that they were the focus of a recent news story in the Rocky Mountain News.

Americans should look at Norman and Marlyn as examples of how everyday Americans should be engaged in the political process. I thank them for their commitment to America and wish them all the best in the future.

INTRODUCTION OF THE FEDERAL PAYDAY LOAN CONSUMER PROTECTION AMENDMENTS OF 2006

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to introduce the Federal Payday Loan Consumer Protection Amendments of 2006. This legislation prohibits federally insured institutions from engaging in high-cost payday loans and expands protections for consumers in connection with making these loans by uninsured entities.

It is well known that payday lending is a rapidly expanding form of high-cost, short-term credit. Studies indicate that the average annual percentage rate on payday loans ranges from 390 to 780 percent for a two-week loan. Let me repeat that: the average annual percentage rate on payday loans ranges from 390 to 780 percent. Additionally, typical payday loan customers take out between eight and twelve loans per year from a single lender.

I believe lending that fails to assess a borrowers ability to repay, that requires consumers to write checks on insufficient funds and that encourages perpetual debt is unacceptable. However, many of the laws pertaining to payday lenders are dealt with at the State level. One area, however, where the Federal Government has an important role to play is with what are known as ''rent-a-banks.'' Rent-a-banks are banks that partner with payday lenders to make single-payment and installment loans. These arrangements are designed to allow payday lenders to evade small loan laws in their respective States.

As such, my bill prohibits insured financial institutions from making payday loans, either directly or indirectly. It prohibits them from making loans to other lenders so that they can, in turn, make, refinance, or extend payday loans. In addition to prohibiting rent-a-banks, my legislation seeks to ensure that those individuals who choose to take out a loan with a high interest rate know that they are doing so. Consumers should be aware that they are borrowing with an unusually high interest rate. My legislation requires the Federal Reserve System to conduct a study to determine the most effective way to require all credit applications that have an annual percentage rate higher than thirty-six percent to include a high-interest warning label.

Last year, despite my opposition, Congress passed the Bankruptcy Abuse Prevention and Consumer Protection Act, which only addressed the personal responsibility of debtors. While I fully concede that individuals must take greater responsibility for their debt, I also feel that the lending industry should be held accountable for targeting those individuals who are unable to pay off their debts. We must address both irresponsible borrowers and lenders to stop the cycle of debt that has enveloped many Americans.

I urge my colleagues to support this legislation.

HONORING ALAN SELTZER FOR 17 YEARS OF SERVICE TO SANTA BARBARA COUNTY

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mrs. CAPPS. Mr. Speaker, today I rise to pay tribute to a dedicated public servant and friend, Alan Seltzer, upon his retirement from Santa Barbara County.

Alan has served the people of Santa Barbara County well during his employment in the County Counsel's office, where he most recently served as Chief Assistant County Counsel. During his tenure with the county, Alan Seltzer worked on a multitude of issues and projects but he managed to carve time out of his busy schedule to have some fun. Mr. Seltzer served as pitcher for the Air Pollution Control District's softball team in a fiercely competitive adult softball league in Santa Barbara. At one point, he dressed up as a charcoal briquette for Santa Barbara's quirky and offbeat Summer Solstice parade.

His enthusiasm for the job and for the County of Santa Barbara is what makes Alan such an effective attorney. He has worked tirelessly on endangered species issues, which are plentiful on the Central Coast, including the establishment of open space conservation areas. He has been an extremely successful facilitator in bringing all stakeholders together to find solutions on many tough issues. One especially important focus for Alan was the regulation of development of the Gaviota coast, a pristine coastal region of open space north of Santa Barbara. Mr. Seltzer also worked on collaborative efforts to save native oak trees in the Santa Ynez valley, in addition to spending a great deal of time trying to save wetlands throughout Santa Barbara county.

I am pleased to honor Alan Seltzer for all of his hard work on issues that are important to so many of us on the Central Coast. His dedication to environmental protection and sound land use policy are exemplary and deserving of recognition. Alan, I wish you the best in the future and thank you for your service to this community.

J.K. GALBRAITH'S TOWERING SPIRIT

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. FRANK of Massachusetts. Mr. Speaker, the recent death of John Kenneth Galbraith brought to a close one of the truly great careers in both the intellectual and political history of our country. As an economist, as a teacher, as a writer, as a creative public official, and drawing on all of these and more, as a tough-minded and effective activist for social justice, John Kenneth Galbraith made enormous contributions to the quality of life in America.

Appropriately, he was memorialized in the Washington Post recently by one of his most important comrades in arms, Arthur Schlesinger Jr., who shared with Ken Galbraith not just a friendship, but the effective pursuit of the roles I have just described, substituting of course Arthur Schlesinger's historical work for Ken Galbraith's economic contributions.

Drawing on their collaboration on so many issues over more than 60 years, Arthur Schlesinger concisely and deftly reminds us in his essay of what citizenship in a democracy is at its best. I ask that this article be printed here.

J.K. GALBRAITH'S TOWERING SPIRIT

(By Arthur Schlesinger Jr.)

Edmund Burke once made a famous prediction. ''The age of chivalry is gone. That of sophists, economists and calculators has succeeded and the glory of Europe is extinguished forever.'' Some years later Thomas Carlyle disdained economists as professors ''of the dismal science.'' The profession has indeed done little since to disprove Carlyle and to refute Burke. But neither Burke nor Carlyle foresaw John Kenneth Galbraith.

In the first place, Galbraith was the tallest economist in the world. That reinforced the boldness with which he confronted the establishment and its ''conventional wisdom.'' Salvation, Galbraith argued, lies in the subversion of the conventional wisdom by the gradual encroachment of disquieting thought. ''The emancipation of belief,'' he writes, ''is the most formidable of the tasks of reform, the one on which all else depends.'' He was the republic's most valuable subversive.

His skills were not confined to economics. He was a diplomat, politician, bureaucrat, satirist, novelist, journalist, art collector, and man of the world and wit, and he took disarming delight in each role. I met him as a Washington bureaucrat during World War II. We discovered that both of us were born on Oct. 15, 9 years apart, and we became grown men who were, in height, 13 inches apart. The convergence of thought—I do not remember a disagreement—is the only compelling argument for astrology that I know.

His brilliant deployment of subversive weapons—irony, satire, laughter—did not always please the more sedate members of his profession. But it vastly pleased the rest of us. Ken used the whiplash phrase and the sardonic thrust for several purposes: to reconnect academic economics, walled off in mathematical equations, with human and social reality; to rebuke the apostles of selfishness and greed; and to give the neglected, the abused and the insulted of our world a better break in life.

He challenged the national conscience with a series of thoughtful books, provocative interviews, merry rejoinders and lethal wisecracks. The Bush presidency led Ken to muse aloud that it had caused him to think thoughts that he never thought himself capable of thinking. I asked, ''For example?'' Ken replied, ''I begin to long for Ronald Reagan.''

Galbraith was never less than opinionated, and his opinions were often deflationary and sometimes devastating. He was the master of the unconventional wisdom. How, in view of his elegant unmasking of pomposity, hypocrisy and shame, can we account for the broad and indeed ecumenical range of his friends and fans—stretching from left to right; from tall to short; from Bill Buckley to Arthur Schlesinger (and Ken more or less induced the last two characters to be fond of each other)?

Within this tall fellow bristling with opinions there resided a rare kindness of heart and generosity of spirit. In Mr. Dooley's phrase, Ken not only afflicted the comfortable but comforted the afflicted. In a quiet way, without fanfare, he helped more people, promoted more noble causes, sustained more fragile spirits than almost any of us have known, giving of himself and his substance with grace and concern. Underneath his joy in combat, he was a do-gooder in the dark of night. There is another reason why Ken was so generally loved—his wife of 69 years, Catherine Atwater. Kitty was an intrepid lady, having stood up to Ken for more than half a century. Together they created a welcoming household.

John Kenneth Galbraith has left us, and the sum of human valor, wit, irreverence, sympathy, compassion and courage has badly diminished when we need them most.

PUYALLUP INDIAN TRIBE LAND CLAIMS SETTLEMENT

SPEECH OF

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 2006

Mr. SMITH of Washington. Mr. Speaker, I am pleased that today the House of Representatives passed S. 1382, a bill which would allow the Puyallup Indian Tribe to convert parts of their tribal land into a Trust held by the Department of the Interior.

The Puyallup Tribe has worked in partnership with the State of Washington, the Port of Tacoma, Pierce County, the Cities of Fife, Puyallup, and Tacoma to finalize an arrangement that will enable more than $450 million in new investment and create an estimated 4,000 construction jobs and nearly 6,000 permanent jobs in Pierce County. Under the multi-party agreement—which builds on the 1988 Puyallup Indian Land Claims Settlement—relocation of some of the tribal lands will enable construction of a major new container terminal on the Blair Waterway.

S. 1382 is critical to the success of this broad-based agreement, and I look forward to the President signing this important legislation into law so that it can be fully implemented and the region can realize the benefits. I commend all parties involved on the way they worked together to allow for this expansion which will be an economic driver for the region.

IN RECOGNITION OF JOSEPH GARCIA SACA

HON. DENNIS A. CARDOZA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. CARDOZA. Mr. Speaker, it is with the greatest respect and admiration that I rise today to honor the late Mr. Joseph Garcia Saca. Joe was not only an endearing member of our community in Merced County, California, but he was a beloved member of my family. He was a very special and well respected man to many people, known for his gift of conversation, unwavering faith and positive approach to life. At the age of 84, Joseph Garcia Saca passed away on Thursday, May 4, 2006.

Joe, a longtime resident of the Atwater/Winton area of Merced County, was born to the late John and Adeline Saca in Pico, Azores on August 11, 1921. At the age of 7, Joe arrived in the United States with his mother and late brother John. In the years that followed, Joe attended Fruitland Grammar School in Winton, met his wife Laura Maciel and married on May 14, 1944.

To describe Joe's life as anything less than amazing would not suffice. Throughout his 84 blessed years, he participated in many successful business ventures throughout Merced County. He owned and operated the Arena Grocery Store in Livingston and was also a successful almond rancher for many years. In the 1950's Joe put his natural talent as a gifted conversationalist to work as a local talk show host for KYOS. In 1952, Joe established what would become his most memorable business—Kathy's Tot Shop in Atwater. Named after his daughter, the children's apparel store grew up with Kathy. Years later it was renamed to Kathy's Deb U Teens and specialized in teen clothing, and then in its last years it was simply Kathy's, selling women's wear until it was sold in 1977.

Throughout his life, Joe was involved in many community organizations and activities. He held the position of past President of the Atwater Pentecost Association and the Atwater Chamber of Commerce, was a member of the Lion's Club and Knights of Columbus. He dedicated many hours of service as President of the St. Anthony's Parent's Club and in countless volunteer positions for St. Anthony's Church. He has certainly left behind a legacy of community service that is to be admired and followed.

Joe is survived by his wife Laura with whom he shared 62 years of fulfilling happiness, and his three wonderful children and their spouses: Kathy and Wayne Jansen, Ron and Kathy Saca and Alan Saca. Known as ''Papa,'' Joe adored his grandchildren Laurie Havel and her husband Richard, Kori Lynn Jansen and Allyson, Gigi and Caroline Saca, and his only great grandchild Tyler Havel.

Mr. Speaker, it is my distinct honor and privilege to join my family and community in honoring the memory my dear cousin, Joseph Garcia Saca. He will be greatly missed by all.

IN COMMEMORATION OF THE NATIONAL WETLANDS LANDOWNER STEWARDSHIP AWARD TO THE HIGEL FAMILY FROM THE ENVIRONMENTAL LAW INSTITUTE

HON. JOHN T. SALAZAR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. SALAZAR. Mr. Speaker, I rise today to congratulate the Higel family of Alamosa, Colorado, as the honored recipient of the National Wetlands Landowner Stewardship Award from the Environmental Law Institute.

This award, specifically for conservation in Wetlands areas, recognizes the Higel family's commitment to conservation while maintaining sustainable agricultural conditions in the same area. The values the Higel's are being honored for are values all of us strive for in farming at any level. These values include a healthy thriving relationship between people

and the ground that allows food to be produced on the land and a respect for the important habitat qualities and wetlands necessary for abundant wildlife.

Recently the Higel family sold over 1,000 acres of their ranch land to the Colorado Division of Wildlife in order to create the Higel State Wildlife Area. This exchange opens part of the Rio Grande River corridor and its wetlands to the public for wildlife viewing and hunting. The Higel's are also currently working with Ducks Unlimited to protect their adjacent acreage through conservation easements. This hard work is done all while promoting optimal wildlife habitat and a viable ranching operation. The Higel's effort is a model that farmers and ranchers nationwide should look to for how to manage their operations in a way that also protects nature. The dedication they have shown to the land and the environment is tremendous and I am proud that they have led by example. Their leadership in showing that ranchers can engage in both conservation and agriculture practices will be recognized today by myself and by the Environmental Law Institute. The real reward will be seen by the next generation of Coloradans who will be able to enjoy the wildlife area donated and created by the Higel family.

I am proud to represent the Higel family and their outstanding land stewardship in Colorado's Third District. I urge my colleagues to join me today in recognizing the Higel family for receiving this award.

TRIBUTE TO UNIVERSITY SYNAGOGUE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. WAXMAN. Mr. Speaker, Congresswoman LINDA SÁNCHEZ and I ask our colleagues to join us in recognizing the honorees at the 2006 University Synagogue "Heroes Among US" dinner being held on June 7, 2006.

Located in Brentwood, California, University Synagogue is an important religious center for the Los Angeles Jewish community. Each year the synagogue honors individuals who make remarkable contributions to University Synagogue and the community. We are delighted to recognize this year's honorees.

Susan Corwin is being named the University Synagogue Volunteer of the Year. Susan initiated a Mitzvah Corps program at University Synagogue in 2002. She has nurtured the program to include a Bikkur Holim component for visiting the sick, outreach to new parents, Shabbat Shuttle, Caring Callers and Rosh Hashanah Remembrance. She has also helped launch support groups, including the Fifth Commandment Group, Parents of Special Needs Children, the Gay and Lesbian Social Outreach and the newly formed Cancer Survivors Network. Together with her able committee chairs, Susan has built a network of caring congregants who are reaching out to a wide range of community members.

Susan also sits on the Board of Jewish Family Service for Gramercy Shelter, the Miracle Project and is the Regional Representative on the Jewish Family Concerns Committee for the Union for Reform Judaism. She considers her greatest accomplishments as being the mother of her soon-to-become Bar Mitzvah son, Joshua, along with her 15-year marriage to her husband Scott.

Richard Weintraub is being named the Educator Honoree. He has a longstanding history of working with and on behalf of youth. He was the Director of the Youth and the Administration of Justice Project for the Mayor of Los Angeles, President of the California Council on Children and Youth and Supervisor of the Dare Plus Program, an after school program for at-risk youth.

At University Synagogue Richard has been a Religious School Confirmation and Post-Confirmation teacher, as well as at Temple Judea and Wilshire Boulevard Temple, for more than 30 years. His work with teens has won him the admiration of the students and parents who participate in his programs.

In August 2000, Sheriff Lee Baca selected Richard to serve as Los Angeles County Sheriff's Department Director of Training. In this capacity, he is responsible for overseeing all training including Court Services, Custody Training, Professional Staff and Leadership Development and Los Angeles Sheriff Development University.

Los Angeles City Council member Bill Rosendahl is being named the Community Honoree. Bill was elected in May 2005 to represent the 11th District, which includes the communities of Brentwood, Del Rey, Mar Vista, Marina del Rey, Pacific Palisades, Palms, Playa del Rey, Playa Vista, West Los Angeles and Westchester.

FINANCIAL NET WORTH

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. SENSENBRENNER. Mr. Speaker, through the following statement, I am making my financial net worth as of March 31, 2006, a matter of public record. I have filed similar statements for each of the 27 preceding years I have served in the Congress.

ASSETS

Real property	Value
Single family residence at 609 Ft. Williams Parkway, City of Alexandria, Virginia, at assessed valuation. (Assessed at $1,494,100). Ratio of assessed to market value: 100% (Unencumbered)	$1,494,100.00
Condominium at N76 W14726 North Point Drive, Village of Menomonee Falls, Waukesha County, Wisconsin, at assessor's estimated market value. (Unencumbered)	140,600.00
Undivided 25/44ths interest in single family residence at N52 W32654 Maple Lane, Village of Chenequa, Waukesha County, Wisconsin, at 25/44ths of assessor's estimated market value of $1,475,000.	838,068.18
Total Real Property	$2,346,228.18

2006 DISCLOSURE

Common and Preferred Stock	No. of shares	$ per share	Value
Abbott Laboratories, Inc.	12200	42.64	520,208.00
Allstate Corporation	370	52.14	19,291.80
American Telephone & Telegraph	2830.2473	27.04	76,529.89
JP Morgan Chase	4539	41.53	188,504.67
Bell South Corp.	1484.0878	34.60	51,349.44
Benton County Mining Company	333	0.00	0.00
BP PLC	3604	69.77	251,451.08
Centerpoint Energy	300	12.15	3,645.00
Chenequa Country Club Realty Co.	1	0.00	0.00
Comcast	423	26.53	11,222.19
Darden Restaurants, Inc.	1440	41.01	59,054.40
Delphi Automotive	212	0.64	135.68
Dunn & Bradstreet, Inc.	2500	75.32	188,300.00
E.I. DuPont de Nemours Corp.	1200	42.51	51,012.00
Eastman Chemical Co.	270	51.27	13,842.90
Eastman Kodak	1080	28.92	31,233.60
El Paso Energy	150	12.21	1,831.50
Exxon Mobil Corp.	9728	61.12	594,575.36
Gartner Group	651	13.95	9,081.45
General Electric Co.	15600	34.65	540,540.00
General Mills, Inc.	2280	50.61	115,390.80
General Motors Corp.	304	21.06	6,402.24
Halliburton Company	2000	74.30	148,600.00
Hospira	1220	39.33	47,982.60
Imation Corp.	99	43.12	4,268.88
IMS Health	5000	25.80	129,000.00
Kellogg Corp.	3200	44.18	141,376.00
Kimberly-Clark Corp.	10735	58.18	624,562.30
Lucent Technologies	696	3.09	2,150.64
Merck & Co., Inc.	34078	35.61	1,213,517.58
3M Company	2000	75.69	151,380.00
Medco Health	4109	57.59	236,637.31
Monsanto Corporation	1426.1575	84.44	120,424.74
Moody's	2500	70.85	177,125.00
Morgan Stanley/Dean Whitter	312	63.62	19,849.44
NCR Corp.	68	42.00	2,856.00
Neenah Paper Co.	462	33.10	15,292.20
Newell Rubbermaid	1676	25.58	42,872.08
JP Morgan Liquid Assets Money Mkt	338.51	1.00	338.51

2006 DISCLOSURE—Continued

Common and Preferred Stock	No. of shares	$ per share	Value
Pactiv Corp.	200	24.64	4,928.00
PG&E Corp.	175	39.39	6,893.25
Pfizer	22211	25.20	559,717.20
Qwest	571	6.83	3,899.93
Reliant Energy	300	10.50	3,150.00
RH Donnelly Corp.	500	58.20	29,100.00
Sandusky Voting Trust	26	1.10	28.60
Solutia	1672	0.36	601.92
Tenneco Automotive	182	21.92	3,989.44
Unisys, Inc.	167	6.92	1,155.64
US Bank Corp.	3081	30.57	94,186.17
Verizon	1313.4958	34.49	45,302.47
Vodaphone Airtouch	370	21.37	7,906.90
Weenergies (Wisconsin Energy)	1022	40.28	41,166.16
Total Common & Preferred Stocks and Bonds			$6,613,860.95

Life Insurance Policies	Face $	Surrender $
Northwestern Mutual #4378000	12,000	70,274.50
Northwestern Mutual #4574061	30,000	168,875.31
Massachusetts Mutual #4116575	10,000	10,944.07
Massachusetts Mutual #4228344	100,000	269,151.65
American General Life Ins. #5–1607059L	175,000	39,810.38
Total Life Insurance Policies		$559,055.91

Bank & Savings & Loan Accounts	Balance
Bank One, Milwaukee, N.A., checking account	$67,010.23
Bank One, Milwaukee, N.A., preferred savings	33,619.36
M&I Lake Country Bank, Hartland, WI, checking account	12,358.14
M&I Lake Country Bank, Hartland, WI, savings	366.15
Burke & Herbert Bank, Alexandria, VA, checking account	1,081.42
JP Morgan, IRA accounts	107.343.48
Total Bank & Savings & Loan Accounts	$221,778.78

Miscellaneous	Value
1994 Cadillac Deville—retail value	$4,250.00
1989 Cadillac Fleetwood—retail value	2,600.00
1996 Buick Regal—retail value	3,450.00
1991 Buick Century automobile—retail value	1,800.00
Office furniture & equipment (estimated)	1,000.00
Furniture, clothing & personal property (estimated)	170,000.00
Stamp collection (estimated)	90,000.00
Interest in Wisconsin retirement fund	329,041.41
Deposits in Congressional Retirement Fund	152,728.17
Deposits in Federal Thrift Savings Plan	243,511.60
Traveller's checks	7,218.96
17 ft. Boston Whaler boat & 70 hp Johnson outboard motor (estimated)	7,500.00
20 ft. Pontoon boat & 40 hp Mercury outboard motor	13,500.00
Total Miscellaneous	$1,026,600.14
Total Assets	$10,767,523.96

Liabilities	Amount
None	
Total Liabilities	$0.00
Net Worth	$10,767,523.96

Statement of 2005 Taxes Paid	Amount
Federal income tax	$109,434.00
Wisconsin income tax	29,432.00
Menomonee Falls, WI property tax	2,281.56
Chenequa, WI property tax	23,161.82
Alexandria, VA property tax	11,718.00

I further declare that I am trustee of a trust established under the will of my late father, Frank James Sensenbrenner, Sr., for the benefit of my sister, Margaret A. Sensenbrenner, and of my two sons, F. James Sensenbrenner, III, and Robert Alan Sensenbrenner. I am further the direct beneficiary of five trusts, but have no control over the assets of either trust. My wife, Cheryl Warren Sensenbrenner, and I are trustees of separate trusts established for the benefit of each son.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other state or foreign country.

HONORING LESLIE STEVENS ON THE COMPLETION OF HER INTERNSHIP

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GORDON. Mr. Speaker, I rise today to recognize the many contributions Leslie Stevens has made while interning in my Washington, D.C., office. Leslie, a native of Harriman, Tennessee, has been a wonderful addition to the office and a great servant to the constituents of Tennessee's Sixth Congressional District.

Last December, Leslie graduated from my alma mater, Middle Tennessee State University, with a degree in political science. Her love of the subject is evident through her eagerness to experience all aspects of government and her desire to read just about anything related to politics.

Though she is still young, Leslie already has first-hand knowledge of both the state and federal levels of government. She has learned the inner workings of the General Assembly as a legislative intern for the Tennessee Board of Regents. And during her time in Washington, she has attended briefings, addressed constituent concerns and provided visitors from Tennessee with an up-close look at the U.S. Capitol.

I hope Leslie enjoyed her internship as much as my staff and I have enjoyed her help in the office. I wish her all the best in the future.

INTRODUCING THE CLEAR ACT

HON. EMANUEL CLEAVER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. CLEAVER. Mr. Speaker, the CLEAR Act will position the U.S. House of Representatives as a body of serious advocates for a national consciousness of energy efficiency. As the House entertains a plethora of energy-related bills, the U.S. public will surely come to recognize the need to move toward purchasing automobiles that use renewable fuels and alternative sources of energy such as hydrogen and electricity.

This legislation would prohibit the use of funds from Members' Representational Allowances to provide for any vehicle which does not use alternative fuels. With the price of a gallon of gasoline skyrocketing past 3 dollars, the need to end America's dependency on foreign oil is essential to homeland security and a stable energy supply. New technologies using alternative resources like ethanol, hydrogen and electricity give us the opportunity to reach energy independence. The CLEAR Act will show Americans that their elected officials in Congress are serious about the use of alternate sources of energy and compatible vehicles.

The public would much rather see a sermon than hear one. Surely Congress cannot sell the American public on the need to abandon its gas guzzlers when they observe Members of Congress proudly driving them.

Congress has far more power and persuasion with the public than polls suggest. By approving a bill that essentially says, ''Look at us and do likewise,'' the public will certainly take notice and follow our example.

COMMENDING MOREHOUSE COLLEGE TRIO PROGRAM GRADUATES

HON. CHARLIE NORWOOD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. NORWOOD. Mr. Speaker, I am here today to commemorate the good work of the Morehouse College TRiO Programs, specifically the Student Support Services—SSS—and Robert C. McNair Scholars programs.

Morehouse is not in my district, although it was founded in my district, and I am well aware of the fine work the institution does. It is one of only three all male colleges or universities in the country, and the only one with the distinction of being historically black.

Every year, 500 men leave the familiar gates of Morehouse to enter graduate schools across the country, the board rooms of Wall Street, and even the hallowed halls of our congressional office buildings. However, much of this would not be possible if it were not for the services provided by SSS and the McNair programs.

SSS at Morehouse services 175 students each year. These are often students from low income families or first generation college students. The nurturing environment these students receive is one of the many reasons why SSS is so successful in helping with the College's retention rate.

In addition, SSS provides academic, professional, and financial counseling for students throughout their matriculation as well as financial aid assistance and help with graduate school navigation. There is even some direct

financial assistance for students who are Federal Pell Grant recipients.

The McNair Program, named in honor of engineer, scientist, and Challenger astronaut Robert E. McNair, serves a smaller student population of 23 each year. The goal of this program is to increase the number of doctoral candidates from underrepresented backgrounds. This program prepares undergraduate students for the world of vigorous research that doctorial studies require. Therefore, not only does Morehouse work closely with these students during their undergraduate years, but it also tracks the students' progress until successful completion of higher education degrees.

One of the major advantages of these programs is the mentoring the participants receive. Here they are off in college, many are the first to do so in their families, and they get the chance to receive guidance and assistance from professionals who want them to succeed. What more could a student ask for?

Therefore, Mr. Speaker, I want to commend the good work the professionals at Morehouse SSS and McNair Programs do. Among them are Dr. Ruby Bird, Malcolm Williams, and Michael Maxwell. I also want to congratulate all the Men of Morehouse that will become Morehouse Men on May 14th, 2006, with special acknowledgement of those who took advantage of the assets Morehouse TRiO Programs have to offer.

HONORING THE 2006 STATE CHAMPION BOLINGBROOK HIGH SCHOOL GIRLS VARSITY BASKETBALL TEAM

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mrs. BIGGERT. Mr. Speaker, it is with great pleasure that I rise today to congratulate the Bolingbrook High School Girls' Varsity Basketball Team on capturing the 2006 Illinois Class AA Girls' Basketball State Championship.

On March 4, 2006, the Bolingbrook Raiders beat the Althoff High School Crusaders 45–34 in the state championship game. Not only did this give the Bolingbrook Girls' Varsity Basketball team its first state championship, but it provided Bolingbrook High School with its first ever state championship in any sport.

It's not often that Congress passes a law that makes a big difference in the lives of young people—especially in the lives of young girls. But that's exactly what happened in 1972, when Title IX was enacted, allowing girls and young women to participate in sports just like the boys and young men.

When many of my colleagues and I were in high school, girls were only allowed to play half court basketball. Why did they only let us play on half of the court? Well, they thought we were too weak and delicate and that running across the full court might exhaust us or affect our health.

As they say, we've come a long way, and the Bolingbrook High School Girls' Varsity Basketball Team is a great example of that. Not only are they excellent basketball players, but I'm sure that they could teach many young men a thing or two about the sport.

Today, our hats are off to the Bolingbrook Raiders for their great athleticism, team spirit, hard work, dedication, and the example they set for girls and women everywhere.

Once again, congratulations to girls of the Bolingbrook High School Varsity Basketball Team on winning the Illinois state championship. We wish them the best of luck in their future endeavors.

KATHERINE OSENBACH

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GERLACH. Mr. Speaker, I rise today to honor Katherine Osenbach for being inducted into the Da Vinci Discovery Center of Science and Technology's Hall of Fame.

The Da Vinci Discovery Center of Science and Technology honors outstanding teachers and high school students who excel in science and technology. This year, Katherine Osenbach of Allentown Central Catholic High School will receive this honor and recognition during the May 16, 2006 awards ceremony.

A senior in high school, Katherine, has already decided to pursue a career as a scientific researcher in the fields of biology and physics. She is well on her way to achieving her goal. She has participated in such events as the Pennsylvania Junior Academy of Science and in numerous independent research projects, including one titled ''Does Mozart Motivate the Mind?'' She has also acquired hands-on experience and completed such tasks as helping a veterinarian extract a horse's tooth and collecting samples for local water sources. Additionally, Katherine has participated in the National Youth Leadership Forum on Medicine in Boston and worked on an atomic fusion research project at the Massachusetts Institute of Technology. Katherine does not only excel in science, but she is also an accomplished musician, a recipient of the Girl Scout Gold Award, a National Merit Scholarship semi-finalist, and vice president of her school's National Honor Society chapter. She will be attending the University of Scranton in the fall and will pursue a degree in biology.

Mr. Speaker, I ask that my colleagues join me today in honoring Katherine Osenbach of Allentown Central Catholic High School as she is inducted into the Da Vinci Discovery Center of Science and Technology's Hall of Fame.

H.R. 4681, THE PALESTINIAN ANTI-TERRORISM ACT OF 2006

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. MCDERMOTT. Mr. Speaker, it is not very often that JIM MCDERMOTT rises to support this President, but that is precisely what I am doing now. The President does not want his hands tied by H.R. 4681. I completely agree. It was taken off the calendar today, and it ought to stay off the calendar.

H.R. 4681, the Palestinian Anti-Terrorism Act of 2006, will not make Israel safer, will not meet the urgent humanitarian needs of the Palestinian people, and will not give our diplomats the tools they need to help find a path to peace in the Mideast.

For all of these reasons, I oppose it, and I urge my colleagues to reconsider. I believe in diplomacy as a means to correct injustice around the world. I believe gifted diplomats can accomplish as much with words and deeds as the military can with guns and soldiers.

There is no question that the United States must take all appropriate steps to ensure that terrorists like Hamas are denied access to our financial aid. Hamas is responsible for the deaths of hundreds of innocent Israelis before coming to power.

Since then, they have neither renounced violence nor recognized Israel. This is unacceptable.

By all means, we must deny Hamas dollars that would buy hatred, but we must remember that Hamas and the Palestinian people are not one and the same.

Even as we deny any and all assistance to Hamas, we must not hurt those Palestinians who are working for peace. If we fail to support them, I have no doubt that Israel will pay the ultimate price: more instability in the West Bank and Gaza, more desperation, and more terrorism.

America's leadership is on the line in the Middle East, and more instability is something we need to avoid. We still have 130,000 American soldiers in harm's way in Iraq; we can't afford to make any more poor choices related to that region. But, that's what we will do if we pass this bill.

It doesn't make sense for the United States to limit political and economic aid to moderates, like Palestinian Authority President Mahmoud Abbas.

He and others have met our requirements by recognizing Israel, renouncing violence and terrorism against Israel, and accepting all previously signed Israeli-Palestinian agreements. What happens if we turn our back on leaders trying to heal a millennium of hate?

And what can we expect if we turn our backs on the real and growing humanitarian needs of the Palestinian people? It doesn't make sense to put restrictions on funding the NGOs that provide the Palestinian people with hospitals and schools.

As a medical doctor, I am gravely concerned about the fate of millions of innocent Palestinians who rely on international aid for food, health care, and for developing their economy and businesses.

Recent news reports say that international sanctions are preventing hospitals in Gaza from providing dialysis machines for patients, and they may not be able to supply immunizations to children.

The World Health Organization sees a ''rapid decline of the public health system . . . towards a possible collapse.'' This bill will only make the already dire situation even worse. As a doctor I took an oath to heal. As a nation, we took an oath to lead.

Allowing innocent Palestinians to go hungry, while denying them medical treatment cannot possibly correct injustice, or lead to peace.

Passing this bill will be seen as anti-Palestinian, and the resulting chaos and animosity can only threaten the relative calm that Israel has seen in recent months.

Many of the Israeli leaders I've spoken to, think this bill goes too far by punishing all Palestinians, not just Hamas. They understand that a radicalized population will show more support for Hamas, not less.

During a recent trip to Israel and the Palestinian territories, I saw how both sides deeply yearn for peace. And I saw firsthand how they need the United States to do all it can to help them make peace.

The Palestinian Anti-Terrorism Act will make this task enormously difficult.

The harsh restrictions, and cutting off contacts with moderate Palestinians, will severely complicate our ability to assume an active role in helping both sides resolve the conflict.

If we cannot engage with moderates, and those trying to develop the Palestinian economy and build civil society, we forfeit our ability to nurture and strengthen the positive elements in Palestine.

The President and State Department must have the utmost flexibility to help moderate Palestinians, to quickly get economic and humanitarian aid to places that need it, like hospitals and health clinics, and helps prevent the resumption of terrorism.

We need to isolate and weaken Hamas, and hopefully their tenure at the head of the PA will be a short one. But if we cannot distinguish between Hamas and the majority of the Palestinian people, we cannot possibly expect to have a role in creating what comes next.

Israelis and Palestinians realize that in the end, their fates are tied. It's time to help the majorities on both sides reach their mutual goal—a peaceful two-state solution—rather than standing in the way by punishing one side.

While the bill has been pulled from the calendar, that's only temporary. I urge the majority to leave it off the table indefinitely.

Give our State Department an opportunity to nurture peace, or we will surely have to ask our military to counter more terrorism.

CONGRATULATING DENVER HARBOR SENIOR CITIZENS, INC. ON 25 YEARS OF SERVICE

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. GENE GREEN of Texas. Mr. Speaker, I rise today to congratulate Denver Harbor Senior Citizens, Inc. on twenty-five years of service to the senior citizens of Denver Harbor, Texas. Since its founding in June of 1980, Denver Harbor Senior Citizens has provided an outlet for seniors in our area to get together on a regular basis, socialize, and maintain meaningful friendships.

On any given weekday, the Denver Harbor Recreation Complex is visited by a large group of active senior citizens. Many gather in groups to play dominoes, bingo, or Loteria, a traditional Mexican game. While the games often bring out some good-natured competition among the players, everyone enjoys the camaraderie and laughter that the group activities provide.

Without doubt, Denver Harbor Senior Citizens, Inc. is one of the most active senior centers in Harris County. In addition to the programs provided in the new and beautiful Denver Harbor Recreation Complex, the group sponsors numerous senior outings and trips to Austin and other areas within the State of Texas, where the members can recall the Texas history lessons we all learned as schoolchildren.

Denver Harbor Senior Citizens also provides hot meals for its members, an invaluable service ensuring that senior citizens have well-balanced meals. As we age, the importance of nutrition cannot be underestimated and is critical to our good health. This group has taken that principle to heart and has put in place the benefits and services that keep our senior citizens active and healthy—in body, mind and spirit.

On May 19, 2006, Denver Harbor Senior Citizens will officially celebrate its twenty-fifth anniversary with a dinner reception and dance at the Denver Harbor Recreation Complex.

I would like to extend to this group my heartfelt congratulations and thanks for twenty-five years of dedication to Denver Harbor's senior citizens and wish them all the best in the future.

HONORING HARRY ''BUS'' YOURELL

HON. DANIEL LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. LIPINSKI. Mr. Speaker, I rise today to honor Harry "Bus" Yourell of Oak Lawn, Illinois, Commissioner of the Metropolitan Water Reclamation District who is retiring after a long and distinguished career in the private and public sector.

Mr. Yourell served admirably in the United States Marine Corps during World War II earning the Bronze Star, the Purple Heart, the Asiatic Pacific Medal with three stars, and the Presidential Unit Citation Award.

Born on February 19, 1919, in Hammond, Indiana, Yourell moved to Oak Lawn in 1956. He raised three children with his wife and established a popular Oak Lawn restaurant named "Bus' Drive-in" and was engaged in the insurance brokerage business.

Harry "Bus" Yourell served with excellence in community and civic affairs by participating in the Heart Fund, the Boy Scouts, the Lions Club, the Elks Club, the Holy Name Society, Rotary, American Legion Post 757, VFW Post 5220, and Catholic War Veterans.

He is a loyal and active Democrat who served his party as President of the Worth Township Regular Democrats for three years, was elected delegate to the 1964 State Nomination Convention, was six times elected Democratic Committeeman of Worth Township, was a member of the Cook County Democratic Central Committee, and was elected delegate to the Democratic National Convention in 1968.

Yourell served nine terms as an elected member of the Illinois House of Representatives, where he served as Chairman of the Counties and Townships Committee, Chairman of the Joint Committee on Administrative Procedures, Chairman of the Election Laws Commission, Chairman of the County Problems Commission, and was a member of the Executive Committee, the Cities and Villages Committee, the Financing of Education Commission, and the C-Selm Pollution Control Commission.

As an Illinois State Representative was chief sponsor of bills to raise the drinking age to 21 and to create the Joint Committee on Administrative Procedures; he also sponsored legislation creating one of the toughest narcotic bails in the nation, banning look-alike drugs, and the consolidated election law.

Citizens of our state who serve with distinction deserve to be recognized and honored for their accomplishments; therefore, it is my honor to recognize Harry "Bus" Yourell for his dedication and service to his family, friends, community, and country. I wish him all the best in his retirement and future endeavors.

CELEBRATING THE 135TH ANNIVERSARY OF THE PHOENIX ELEMENTARY SCHOOL DISTRICT #1

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 2006

Mr. PASTOR. Mr. Speaker, I rise before you today to bring attention to the 135th Anniversary of the Phoenix Elementary School District #1, which is in the heart of my district and celebrates its 135th birthday on May 15. Steeped in heritage and tradition, the district is in the heart of Phoenix and dedicated to the total development of every kindergarten through eighth grade student enrolled by setting high expectations for each child and fostering academic leadership. The district has demonstrated its ability to adapt to the times while keeping students needs' at the forefront.

The history of Phoenix Elementary School District #1 began in 1871, when it was created by the Arizona Legislative Assembly, acting upon a school bill presented by Arizona's third governor, Anson P. K. Safford. At the time, this free public school system had neither a schoolhouse, books or teachers. Twenty students attended class in the county courthouse.

By 1873, a one room adobe structure, named "Little Adobe," had been built with public funds, and Mr. W.A. Glover was hired to teach for $100 per month. The school was 600-square feet and located in what is now downtown Phoenix. The District was formed 10 years before the city of Phoenix was even incorporated.

Just after it began operations, schools were closed from 1883 until 1885 due to a smallpox epidemic. Student enrollment was 374. By 1913, the district had expanded to nine schools and 4,860 students. In 1920, Kenilworth School opened, offering great relief to the overcrowded district. Sens. Barry Goldwater and Paul Fannin enrolled in Kenilworth that year. In 1957, a new school was named after the only living Arizonan to be awarded the Congressional Medal of Honor: Silvestre Herrera. Early in the 1960s the exodus from city to suburbs began in earnest. Inner-city dwellers were on a modest socio-economic level, thus qualifying the district for federal funding including support for both Title I and Title II. The decade began with 25 schools and burgeoning classes. A Spanish language program also was added at Heard and Grand Avenue schools. The late 1960s brought on concerns about the lack of Mexican-Americans working in the district. Soon, Mr. Louis P. Rodriguez was named principal of Grant School and Mr. Adam Diaz was declared the elected Trustee of the Board.

From 1970 on, the District's enrollment began to show a steady decline due to commercial rezoning of property. Despite parent

protests, other schools closed for safety reasons. Peak attendance of almost 12,000 pupils in 1953 was a thing of the past. By the 1970s, attendance dropped to about 7,000. Phoenix Elementary used this period as a time of innovation to improve programs for pupils. A student pilot breakfast program, Extended Day Kindergarten and a Parent Involvement Aide Program were implemented. Some were cited as national models.

By 2002, 15 schools were operating in the district. Under the current leadership of Superintendent Dr. Georgina Takemoto, all the district's schools are rated Performing or above by Arizona Standards. Four schools—Kenilworth, Magnet Traditional, Herrera and Lowell—have been dubbed A+ Schools of Excellence, an award given by non-profit Arizona Educational Foundation. Signature schools that specialize in dual language, performing arts, environmental science, electronic journalism, biotech and visual arts enhance the curriculums. Other newer programs include Academic Enrichment from 7 a.m. to 6 p.m. for students of working parents; health, dental and asthma clinics; registered nursing staffs; parent classes; and social and community workers.

As the district grew, then declined in enrollment, and now expects to see some growth on the horizon, it has experienced many changes and adapted to meet the needs of its students. I applaud the Phoenix Elementary School District #1 for its leadership and innovation in serving our children. For these reasons, I ask my colleagues to join me on congratulating the district on the occasion of its 135th Anniversary.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 11, 2006 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 12

10 a.m.
Foreign Relations
To hold hearings to examine the nominations of Anne E. Derse, of Maryland, to be Ambassador to the Republic of Azerbaijan, and William B. Taylor, Jr., of Virginia, to be Ambassador to Ukraine.
SD–419

MAY 15

2:30 p.m.
Energy and Natural Resources
To hold hearings to examine the implementation of the Energy Policy Act of 2005's electricity reliability provisions.
SD–366

MAY 16

9:30 a.m.
Judiciary
To hold hearings to examine the continuing need for Section 5 pre-clearance requirements of the Voting Rights Act.
SD–226

10 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine the nominations of James Lambright, of Missouri, to be President of the Export-Import Bank of the United States, Armando J. Bucelo, Jr., and Todd S. Farha, both of Florida, each to be a Director of the Securities Investor Protection Corporation, Jon T. Rymer, of Tennessee, to be Inspector General, Federal Deposit Insurance Corporation, John W. Cox, of Texas, to be Chief Financial Officer, Department of Housing and Urban Development, and William Hardiman, of Michigan, to be a Member of the Board of Directors of the National Institute of Building Sciences.
SD–538
Commerce, Science, and Transportation
To hold hearings to examine Transportation Worker Identification Credential.
SD–562
Energy and Natural Resources
To hold hearings to examine the status of Yucca Mountain Repository Project within the Office of Civilian Radioactive Waste Management at the Department of Energy.
SD–366
Health, Education, Labor, and Pensions
Retirement Security and Aging Subcommittee
To hold hearings to examine naturally occurring retirement communities.
SD–430

2 p.m.
Banking, Housing, and Urban Affairs
Securities and Investment Subcommittee
To hold hearings to examine the role of hedge funds in U.S. capital markets.
SD–538

2:30 p.m.
Energy and Natural Resources
National Parks Subcommittee
To hold hearings to examine S. 1686, to amend the Constitution Heritage Act of 1988 to provide for the operation of the National Constitution Center, S. 2417 and H.R. 4192, bills to authorize the Secretary of the Interior to designate the President William Jefferson Clinton Birthplace home in Hope, Arkansas, as a National Historic Site and unit of the National Park System, S. 2419 and H.R. 4882, bills to ensure the proper remembrance of Vietnam veterans and the Vietnam War by providing a deadline for the designation of a visitor center for the Vietnam Veterans Memorial, S. 2568, to amend the National Trails System Act to designate the Captain John Smith Chesapeake National Historic Trail, S. 2627, to amend the Act of August 21, 1935, to extend the authorization for the National Park System Advisory Board, and S. Res. 468, supporting the continued administration of Channel Islands National Park, including Santa Rosa Island, in accordance with the laws (including regulations) and policies of the National Park Service.
SD–366

3 p.m.
Judiciary
To hold hearings to examine the continuing need for Section 203 provisions of the Voting Rights Act, for limited English proficient voters.
SD–226

MAY 17

9:30 a.m.
Environment and Public Works
To hold hearings to examine the nominations of Dale Klein, of Texas, to be Member of the Nuclear Regulatory Commission, and Molly A. O'Neill, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.
SD–628
Indian Affairs
To hold an oversight hearing to examine Indian youth suicide.
SR–485
Judiciary
To hold hearings to examine understanding the benefits and cost of Section 5 pre-clearance requirements of the Voting Rights Act.
SD–226

10 a.m.
Finance
To hold hearings to examine physician-owned specialty hospitals.
SD–215
Health, Education, Labor, and Pensions
To hold hearings to examine the proposed Ryan White Modernization Act of 2006, proposed Mine Safety and Health Act of 2006, proposed Older Americans Act Amendments of 2006, S. 860, to amend the National Assessment of Educational Progress Authorization Act to require State academic assessments of student achievement in United States history and civics, and the nominations of Jerry Gayle Bridges, of Virginia, to be Chief Financial Officer, and Vince J. Juaristi, of Virginia, to be a Member of the Board of Directors, both of the Corporation for National and Community Service, Harry R. Hoglander, of Massachusetts, and Peter W. Tredick, of California, each to be a Member of the National Mediation Board, J. C. A. Stagg, of Virginia, to be a Member of the Board of Trustees of the James Madison Memorial Fellowship Foundation, Kent D. Talbert, of Virginia, to be General Counsel, Department of Education, and Horace A. Thompson, of Mississippi, to be a Member of the Occupational Safety and Health Review Commission.
SD–430
Homeland Security and Governmental Affairs
To hold hearings to examine the nomination of Robert J. Portman, of Ohio, to be Director of the Office of Management and Budget.
SD–342
Commerce, Science, and Transportation
Technology, Innovation, and Competitiveness Subcommittee
To hold hearings to examine accelerating the adoption of health information technology.
Room to be announced

10:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine the United States Department of Agriculture

Rural Utilities Service Broadband Program.
SR–328A

2 p.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine the role of the Office for Democratic Institutions and Human Rights relating to advancing the human dimension in the OSCE, focusing on the Office for Democratic Institutions and Human Rights and its role in monitoring elections in OSCE countries.
SD–226

2:30 p.m.
Homeland Security and Governmental Affairs
Oversight of Government Management, the Federal Workforce, and the District of Columbia Subcommittee
To resume hearings to examine the Federal government's security clearance process, focusing on the progress of the Office of Personnel Management in implementing a plan to address the longstanding backlog of security clearance investigations, including the next steps by the Office of Management and Budget, and the recent halt by the Defense Security Service in processing government contractor security clearances.
SD–342

MAY 18

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to examine the report to Congress on International Economic and Exchange Rate Policies.
SD–538

10 a.m.
Commerce, Science, and Transportation
To hold hearings to examine S. 2686, to amend the Communications Act of 1934 and for other purposes.
SH–216

2:30 p.m.
Commerce, Science, and Transportation
Business meeting to markup the proposed innovation bill.
SD–562

MAY 23

10 a.m.
Commerce, Science, and Transportation
To hold hearings to examine price gouging related to gas prices.
SD–562

MAY 24

10:30 a.m.
Appropriations
Legislative Branch Subcommittee
To resume hearings to examine the progress of construction on the Capitol Visitor Center.
SD–138

2:30 p.m.
Commerce, Science, and Transportation
Disaster Prevention and Prediction Subcommittee
To hold hearings to examine 2006 hurricane forecast and at-risk cities.
SD–562

MAY 25

9:30 a.m.
Indian Affairs
To hold an oversight hearing to examine Indian education.
SR–485

10 a.m.
Commerce, Science, and Transportation
To resume hearings to examine S. 2686, to amend the Communications Act of 1934 and for other purposes.
SD–106

Veterans' Affairs
To hold hearings to examine pending benefits related legislation.
SR–418

2:30 p.m.
Commerce, Science, and Transportation
To hold hearings to examine Pacific Salmon Treaty.
SD–562

JUNE 8

10 a.m.
Commerce, Science, and Transportation
Business meeting to markup S. 2686, to amend the Communications Act of 1934 and for other purposes.
SH–216

JUNE 14

10 a.m.
Commerce, Science, and Transportation
Technology, Innovation, and Competitiveness Subcommittee
To hold hearings to examine alternative energy technologies.
Room to be announced

JUNE 15

10:30 a.m.
Commerce, Science, and Transportation
Fisheries and Coast Guard Subcommittee
To hold hearings to examine the Coast Guard budget.
SD–562

Daily Digest

HIGHLIGHTS

The House agreed to the Conference Report to accompany H.R. 4297, Tax Relief Act of 2005.

Senate

Chamber Action

Routine Proceedings, pages S4241–S4383

Measures Introduced: Nine bills and two resolutions were introduced, as follows: S. 2774–2782, and S. Res. 472–473. **Page S4339**

Measures Passed:

Commemorating Law Enforcement Officers: Senate agreed to S. Res. 472, commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers. **Pages S4379–80**

National Police Survivors Day: Senate agreed to S. Res. 473, designating May 14, 2006, as National Police Survivors Day. **Pages S4380–81**

Honoring NAACP: Committee on the Judiciary was discharged from further consideration of H. Con. Res. 335, honoring and praising the National Association for the Advancement of Colored People on the occasion of its 97th anniversary, and the resolution was then agreed to. **Page S4381**

Health Insurance Marketplace Modernization and Affordability Act: Pursuant to the order of May 9, 2006, Senate agreed to the motion to proceed and then began consideration of S. 1955, to amend title I of the Employee Retirement Security Act of 1974 and the Public Health Service Act to expand health care access and reduce costs through the creation of small business health plans and through modernization of the health insurance marketplace, modifying the committee amendment in the nature of a substitute, and taking action on the following amendments proposed thereto:

Pages S4262–S4327

Pending:

Frist Amendment No. 3886 (to S. 1955 (committee substitute) as modified), to establish the enactment date. **Pages S4285–86**

Frist Amendment No. 3887 (to Amendment No. 3886), to change the enactment date. **Page S4286**

Motion to recommit the bill to the Committee on Health, Education, Labor and Pensions, with instructions to report back forthwith, with Frist Amendment No. 3888, in the nature of a substitute.

Pages S4286–94

Frist Amendment No. 3889 (to the instructions of the motion to recommit), to change the enactment date. **Page S4294**

Frist Amendment No. 3890 (to Amendment No. 3889), to provide for the enactment date.

Pages S4294–95

A motion was entered to close further debate on the pending modified committee amendment in the nature of a substitute and, in accordance with the provisions of rule XXII and, pursuant to the order of May 10, 2006, the cloture vote will occur on Thursday, May 11, 2006. **Pages S4326–27**

A unanimous-consent agreement was reached providing for further consideration of the bill on Thursday, May 11, 2006, with a vote on the motion to invoke cloture on the pending modified committee substitute, to occur following the vote on the conference report to accompany H.R. 4297 (listed below). **Page S4382**

Tax Relief Extension Reconciliation Act—Agreement: A unanimous-consent agreement was reached providing that on Thursday, May 11, 2006, Senate begin consideration of the conference report to accompany H.R. 4297, to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006; provided further, that 8 hours remain out of the statutory time limit and that it be equally divided; followed by a vote on the adoption of the conference report; provided further, that following the vote and notwithstanding rule XXII, there be 60 minutes of debate equally divided between the Chairman and

Ranking Member of the Committee on Health, Education, Labor, and Pensions or their designees, prior to a vote on the motion to invoke cloture on the modified committee substitute to S. 1955 (listed above). Page S4382

National Defense Authorizations—Agreement: A unanimous-consent agreement was reached providing that the order of November 15, 2005 with respect to S. 1042, National Defense Authorization Act for Fiscal Year 2006, S. 1043, Department of Defense Authorization Act for Fiscal Year 2006, S. 1044, Military Construction Authorization Act for Fiscal Year 2006, and S. 1045, Department of Energy National Security Act for Fiscal Year 2006, be vitiated. Page S4379

Nominations Received: Senate received the following nominations:

Neil M. Gorsuch, of Colorado, to be United States Circuit Judge for the Tenth Circuit.

1 Army nomination in the rank of general.

Routine lists in the Navy. Pages S4383–84

Nominations Discharged: The following nomination was discharged from further committee consideration and placed on the Executive Calendar:

George McDade Staples, of Kentucky, to be Director General of the Foreign Service, which was sent to the Senate on March 2, 2006, from the Senate Committee on Foreign Relations. Page S4384

Messages From the House: Page S4331

Measures Referred: Page S4331

Petitions and Memorials: Pages S4331–39

Executive Reports of Committees: Page S4339

Additional Cosponsors: Pages S4339–40

Statements on Introduced Bills/Resolutions: Pages S4340–42

Additional Statements: Page S4330

Amendments Submitted: Pages S4342–78

Authorities for Committees to Meet: Pages S4379–80

Privileges of the Floor: Page S4380

Adjournment: Senate convened at 9:30 a.m., and adjourned at 8:30 p.m., until 9:30 a.m., on Thursday, May 11, 2006. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S4382.)

Committee Meetings

(Committees not listed did not meet)

FARM BILL: SUGAR PROVISIONS

Committee on Agriculture, Nutrition, and Forestry: Committee concluded a hearing to examine the implementation of the sugar provisions of the Farm Security and Rural Investment Act of 2002, after receiving testimony from J.B. Penn, Under Secretary of Agriculture for Farm and Foreign Agricultural Services; John C. Roney, American Sugar Alliance, Arlington, Virginia; Wallace Ellender, III, American Sugar Cane League, Bourg, Louisiana; Steve Williams, Red River Valley Sugarbeet Growers Association, Fisher, Minnesota, on behalf of American Sugarbeet Growers Association; Margaret Blamberg, American Cane Sugar Refiners' Association, Brooklyn, New York; Robert A. Peiser, Imperial Sugar Company, Sugar Land, Texas; Joe Goehring, The Hershey Company, Hershey, Pennsylvania, on behalf of the Sweetener Users Association; and Mrinal Roy, Mauritius Sugar Syndicate and Mauritius Chamber of Agriculture, London, United Kingdom.

APPROPRIATIONS: MISSILE DEFENSE PROGRAM

Committee on Appropriations: Subcommittee on Defense concluded a hearing to examine proposed budget estimates for fiscal year 2007 for the missile defense program, after receiving testimony from Lieutenant General Henry A. Obering, III, USAF, Director, Missile Defense Agency; and Lieutenant General Larry J. Dodgen, USA, Commanding General, U.S. Army Space and Missile Defense Command, and U.S. Army Forces Strategic Command.

WAR IN AFGHANISTAN

Committee on Armed Services: Committee met in closed session to discuss the current situation in Afghanistan with Lieutenant General Karl W. Eikenberry, USA, Commanding General, Combined Forces Command-Afghanistan.

BUSINESS MEETING

Committee on Energy and Natural Resources: Committee ordered favorably reported the nomination of Dirk Kempthorne, of Idaho, to be Secretary of the Interior.

LAND BILLS

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests concluded a hearing to examine S. 906, to promote wildland firefighter safety, S. 2003, to make permanent the authorization for watershed restoration and enhancement agreements, H.R. 585, 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 H.R. 3981, to authorize the Secretary of Agriculture to carry out certain land exchanges involving small parcels of National Forest System land in the Tahoe National Forest in the State of California, after receiving testimony from Representative Radanovich; Joel Holtrop, Deputy Chief, National Forest System, U.S. Forest Service, Department of Agriculture; Christopher Kearney, Deputy Assistant Secretary of the Interior for Policy, Management and Budget; Steve Duerr, Jackson Hole Chamber of Commerce, Jackson Hole, Wyoming; and Bob Warren, City of Redding, California, on behalf of the National Alliance of Gateway Communities.

CHILD WELFARE SYSTEM

Committee on Finance: Committee concluded a hearing to examine the progress achieved and challenges ahead for America's child welfare system, focusing on foster care, mentoring the children of prisoners, and the Promoting Safe and Stable Families program, after receiving testimony from Joan E. Ohl, Commissioner, Administration for Children, Youth and Families, Administration for Children and Families, Department of Health and Human Services; Gary Stangler, Jim Casey Youth Opportunities Initiative, St. Louis, Missouri; Arlene Templer, Confederated Salish and Kootenai Tribes of the Flathead Nation Department of Human Resources Development, Pablo, Montana; Joe Kroll, North American Council on Adoptable Children, St. Paul, Minnesota; and Jackie Hammers-Crowell, Iowa City, Iowa.

NOMINATIONS:

Committee on Foreign Relations: Committee concluded a hearing to examine the nominations of Earl Anthony Wayne, of Maryland, to be Ambassador to Argentina, David M. Robinson, of Connecticut, to be Ambassador to the Co-operative Republic of Guyana, and Lisa Bobbie Schreiber Hughes, of Pennsylvania, to be Ambassador to the Republic of Suriname, after the nominees testified and answered questions in their own behalf.

ECONOMIC DEVELOPMENT

Committee on Indian Affairs: Committee concluded an oversight hearing to examine Indian economic development, focusing on the recent Bureau of Indian Affairs Indian labor force report and unemployment in Indian population, after receiving testimony from Robert W. Middleton, Director, Office of Indian Energy and Economic Development, Office of the Assistant Secretary of the Interior for Indian Affairs; Joe Garcia, National Congress of American Indians, Washington, D.C.; Tex G. Hall, InterTribal Economic Alliance, Sisseton, South Dakota; Lance Morgan, Ho-Chunk, Inc., Winnebago, Nebraska; Elsie M. Meeks, First Nations Oweesta Corporation, Rapid City, South Dakota; and Miriam Jorgensen, Harvard University Project on American Indian Economic Development, Cambridge, Massachusetts, and University of Arizona Native Nations Institute.

VOTING RIGHTS ACT REAUTHORIZATION

Committee on the Judiciary: Committee concluded a hearing to examine modern enforcement and reauthorization of the Voting Rights Act, including S. 2703, to amend the Voting Rights Act of 1965, after receiving testimony from Wan J. Kim, Assistant Attorney General, Civil Rights Division, Department of Justice; Robert B. McDuff, Law Offices of Robert McDuff, Jackson, Mississippi; Gregory S. Coleman, Weil Gotshall and Manges, Austin, Texas; Natalie A. Landreth, Native American Rights Fund, Anchorage, Alaska; Frank B. Strickland, Strickland Brockington Lewis, LLP, Atlanta, Georgia; and Juan Cartagena, Community Service Society of New York, New York, New York.

BUSINESS MEETING

Select Committee on Intelligence: Committee met in closed session to consider pending intelligence matters.

Committee recessed subject to the call.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 15 public bills, H.R. 5336–5350; and 1 resolution, H. Res. 812, were introduced. **Pages H2501–02**

Additional Cosponsors: **Pages H2502–03**

Reports Filed: Reports were filed today as follows:

H. Res. 810, providing for further consideration of H.R. 5122, to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007 (H. Rept. 109–460); and

H. Res. 811, 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 (H. Rept. 109–491). **Page H2499**

Speaker: Read a letter from the Speaker wherein he appointed Representative Campbell to act as Speaker pro tempore for today. **Page H2341**

Chaplain: The prayer was offered by the guest Chaplain, Ross Thomson, Bammel Church of Christ, Houston, Texas. **Page H2341**

Suspensions: The House agreed to suspend the rules and pass the following measure:

H-Prize Act of 2006: H.R. 5143, amended, to authorize the Secretary of Energy to establish monetary prizes for achievements in overcoming scientific and technical barriers associated with hydrogen energy, by a yea-and-nay vote of 416 yeas to 6 nays with 1 voting "present", Roll No. 131. **Pages H2346–54, H2366–67**

Agreed by unanimous consent that during consideration of H.R. 5122, pursuant to H. Res. 806, general debate shall not exceed two hours equally divided and controlled by the chairman and ranking minority Member of the Committee on Armed Services. **Pages H2360–66**

National Defense Authorization Act for Fiscal Year 2007: The House completed general debate and began considering amendments to H.R. 5122, to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2007. **Pages H2360–H2453 H2466–72**

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Armed Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. **Page H2381**

Agreed to:

Hunter Manager's amendment (No. 1 printed in H. Rept. 109–459) adds a section requiring the Secretary of Defense to submit a report on means to improve retention of members of the special operations forces. Strikes and replaces Section 662 requiring the Secretary of Defense to conduct a pilot project for disabled persons accessible golf carts at military golf courses. It also adds section conveying Army Reserve Center land in Allison Park, PA, to the local school district and incorporates a technical correction to the TRICARE effective dates in section 704 and 709 of the bill; **Pages H2446–47**

Andrews amendment (No. 2 printed in H. Rept. 109–459) requires the Secretary of Defense to perform an epidemiological study to determine whether any human populations have been affected by these dumps; **Pages H2447–48**

Tanner amendment (No. 5 printed in H. Rept. 109–459) expresses a Sense of Congress that the Army should continue to evaluate and consider the potential benefits of converting to six-month deployments for members of the Army, Army National Guard, and Army Reserves in connection with service in Iraq and Afghanistan, including potential impacts on the reduced deployment periods on soldier morale, recruiting and retention, readiness, and military operations. It also requires the Secretary of the Army to submit a report to Congress containing: (1) The results of any studies conducted on soldiers and families regarding reduced deployment periods in Iraq and Afghanistan; (2) The Army's potential plans for the implementation of such reduced deployment periods; and (3) A discussion of the potential benefits and drawbacks associated with implementation of such reduced deployment times; **Page H2453**

Franks of Arizona amendment (No. 6 printed in H. Rept. 109–459) as modified, makes certain findings concerning humanitarian support for Iraqi children in urgent need of medical care. It also authorizes, within the amount provided in section 301 for Operation and Maintenance, $1 million for DoD support of the Peace Through Health Care Initiative, and reduces by $1 million the amount provided for Budget Activity 4; **Pages H2467–68**

Simmons amendment (No. 7 printed in H. Rept. 109–459) prevents DoD from revoking expired security clearances from defense contractors until an investigation moratorium and backlog is eliminated. Does not change the security clearance investigation process or prevent the department from revoking security clearances for national security purposes; and **Pages H2468–70**

Gutknecht amendment (No. 8 printed in H. Rept. 109–459) expresses the sense of Congress that the Secretary of the Army should promptly correct the pay inequity in its assignment incentive pay system. Depending on method of call to active duty, some Guardsmen and Reservists serving in the same unit in Iraq and Afghanistan will be eligible for assignment incentive pay ($1,000 extra per month) after reaching 730 days on active duty, while others

will not. The Army must submit to Congress within 30 days after enactment a report specifying how many soldiers, both active and reserve, were affected by this pay disparity and proposed remedies or courses of action to correct the inequity.

Pages H2470–72

Rejected:

Andrews amendment (No. 3 printed in H. Rept. 109–459) which sought to lift the current ban on privately funded abortions at U.S. military facilities overseas (by a recorded vote of 191 ayes to 237 noes, Roll No. 136). **Pages H2448–51, H2466–67**

Postponed proceedings:

Jackson-Lee of Texas amendment (No. 4 printed in H. Rept. 109–459) that clarifies the factors that must be taken into consideration when recalling a reservist to service to include the frequency of assignment over the duration of a reservist's career was offered and debated. The Chair postponed further proceedings on the amendment. **Pages H2451–52**

H. Res. 806, the rule providing for consideration of the bill was agreed to by a yea-and-nay vote of 351 yeas to 70 nays, Roll No. 133, after agreeing to order the previous question without objection.

Pages H2360–66, H2368

Tax Relief Act of 2005—Conference Report: The House agreed to the conference report on H.R. 4297, to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006, by a recorded vote 244 ayes to 185 noes, Roll No. 135, after ordering the previous question. **Pages H2453–66**

Rejected the Rangel motion to recommit the conference report to the committee of conference with instructions to the managers on the part of the House, by a yea-and-nay vote of 190 yeas to 239 nays, Roll No. 134. **Pages H2464–65**

H. Res. 805, the rule providing for consideration of the conference report was agreed to by a yea-and-nay vote of 228 yeas to 194 nays, Roll No. 132, after agreeing to order the previous question without objection. **Pages H2354–60, H2367–68**

Suspensions—Proceedings Postponed: The House completed debate on the following measure under suspension of the rules. Further consideration of the measure will resume tomorrow, May 11th:

Encouraging all eligible Medicare beneficiaries who have not yet elected enroll in the new Medicare Part D benefit to review the available options and to determine whether enrollment in a Medicare prescription drug plan best meets their current and future needs for prescription drug coverage: H.R. 802, Encouraging all eligible Medicare beneficiaries who have not yet elected enroll in the new Medicare Part D benefit to review the available options and to determine whether enrollment in a Medicare prescription drug plan best meets their current and future needs for prescription drug coverage. **Pages H2472–79**

Quorum Calls—Votes: Four yea and nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H2366–67, H2367–68, H2368, H2465, H2465–66 and H2466–67. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 11:15 p.m.

Committee Meetings

APPROPRIATIONS FY 2007—MILITARY QUALITY OF LIFE, AND VETERANS AFFAIRS; AND INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

Committee on Appropriations: Ordered reported, as amended, the following appropriations for Fiscal Year 2007: the Military Quality of Life, and Veterans Affairs, and Related Agencies; and the Interior, Environment, and Related Agencies.

SENIOR INDEPENDENCE ACT OF 2006

Committee on Education and the Workforce: Subcommittee on Select Education approved for full Committee action, as amended, H.R. 5293, Senior Independence Act of 2006.

FUEL ECONOMY STANDARDS

Committee on Energy and Commerce: Ordered reported, as amend, a measure to amend the automobile fuel economy provisions of title 49, United States Code, to authorize the Secretary of Transportation to set fuel economy standards for passenger automobiles based on one or more vehicle attributes.

GASOLINE SUPPLY AND PRICE

Committee on Energy and Commerce: Held a hearing entitled "Gasoline Supply, Price and Specifications." Testimony was heard from Howard K. Gruenspecht, Deputy Administrator, Energy Information Administration, Department of Energy; William Wehrum, Acting-Assistant Administrator, Air and Radiation, EPA; and public witnesses.

Hearings continue tomorrow.

PUBLIC HOUSING MANAGEMENT

Committee on Government Reform: Subcommittee on Federalism and the Census held a hearing entitled "Public Housing Management: Do the Public Housing Authorities Have the Flexibility They Need to Meet the Changing Demands of the 21st Century?" Testimony was heard from public witnesses.

PREVENTING KATRINA FRAUD

Committee on Government Reform: Subcommittee on Government Management, Finance and Accountability held a hearing entitled "After Katrina: The Role of the Department of Justice Katrina Fraud Task Force and Agency Inspectors General in Preventing Waste, Fraud, and Abuse." Testimony was heard from Alice Fisher, Assistant Attorney General, Criminal Division, Department of Justice, and Chair, Hurricane Katrina Fraud Task Force; Matt Jadacki,

Special Inspector General, Gulf Hurricane Recovery, Department of Homeland Security; Ken Donohue, Inspector General, Department of Housing and Urban Development; Eric Thorson, Inspector General, SBA; and Thomas Gimble, Principal Deputy Inspector General, Department of Defense.

INTELLIGENCE INFORMATION SHARING

Committee on Homeland Security: Subcommittee on Intelligence, Information Sharing, and Risk Assessment held a hearing entitled "Building the Information Sharing Environment: Addressing the Challenges of Implementation." Testimony was heard from Ambassador Ted McNamara, Information Sharing Program Manager, Office of the Director of National Intelligence.

DHS INTELLIGENCE ENTERPRISE—PROTECTION OF PRIVACY

Committee on Homeland Security: Subcommittee on Intelligence, Information Sharing, and Terrorism Risk Assessment continued hearings entitled "Protection of Privacy in the DHS Intelligence Enterprise." Testimony was heard from a public witness.

CHINA'S RESURGENCE

Committee on International Relations: Held a hearing on A Resurgent China: Responsible Stakeholder or Robust Rival? Testimony was heard from Robert B. Zoellick, Deputy Secretary, Department of State.

U.S. REFUGEE PROTECTION AND RESETTLEMENT

Committee on International Relations: Subcommittee on Africa, Human Rights and International Operations held a hearing on Current Issues in U.S. Refugee Protection and Resettlement. Testimony was heard from Ellen R. Sauerbrey, Assistant Secretary, Bureau of Population, Refugees and Migration, Department of State; Rachel Brand, Assistant Attorney General, Office of Legal Policy, Department of Justice; Paul; Rosenzweig, Acting Assistant Secretary, Policy Development, Department of Homeland Security; and public witnesses.

VOTING RIGHTS ACT REAUTHORIZATION; PALESTINIAN ANTI-TERRORISM ACT

Committee on the Judiciary: Ordered reported, as amended, the following bills: H.R. 9, Fannie Lou Hamer, Rosa Parks, and Correta Scott King Voting Rights Act Reauthorization and Amendments Act of 2006; and H.R. 4681, Palestinian Anti-Terrorism Act of 2006.

WILD REFUGE MEASURES

Committee on Resources: Subcommittee on Fisheries and Oceans held a hearing on the following bills: H.R. 4947, Cahaba River National Wildlife Refuge Expansion Act; H.R. 5094, Lake Mattamuskeet Lodge Preservation Act; and H.R. 5232, Cherry Valley National Wildlife Refuge Study Act. Testimony was heard from Representative Bachus; William Hartwig, Chief, National Wildlife Refuge System, U.S. Fish and Wildlife Service, Department of the Interior; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Water and Power held a hearing on the following bills: H.R. 4588, Water Resources Research Act Amendments of 2005; H.R. 5079, North Unit Irrigation District Act of 2006; and S. 214 / H.R. 469, United States-Mexico Transboundary Aquifer Assessment Act. Testimony was heard from the following officials of the Department of the Interior: William E. Rinne, Acting Commissioner, Bureau of Reclamation; and P. Patrick Leahy, Acting Director, U.S. Geological Survey; and public witnesses.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

Committee on Rules: Granted, by a vote of 9 to 4, a structured rule providing for further consideration of H.R. 5122, National Defense Authorization Act for Fiscal Year 2007. The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution and amendments en bloc described in section 3 of the resolution. The rule provides that amendments printed in the report shall be considered only in the order printed in the report (except as specified in section 4 of the resolution), may be offered only by a Member designated in the report, and shall be considered as may be offered only by a Member designated in the report, and shall be considered as read. The rule provides that each amendment printed in the report 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 (except that the chairman and ranking minority member of the Committee on Armed Services each may offer one pro forma amendment for the purpose of further debate on any pending amendment), and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule waives all points of order against amendments printed in the report and those amendments en bloc as described in Section 3 of the resolution. The rule authorizes the Chairman of the Committee on Armed Services, or his designee, to offer amendments en bloc consisting of amendments printed in the Rules Committee report not earlier disposed of, which shall be considered as read, shall be debatable for 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services or their designees, and shall not be subject to amendment or demand for a division of the question in the House or in the Committee of the Whole. The rule provides that the original proponent of an amendment included in such amendments en bloc may insert a statement in the *Congressional Record* immediately before the disposition of the amendments en bloc. The rule allows the Chairman of the Committee of the Whole to

recognize for consideration of any amendment printed in the report, out of the order printed, but not sooner than 30 minutes after the chairman of the Armed Services Committee or his designee announces from the floor a request to that effect. Finally, the rule provides one motion to recommit with or without instructions.

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

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 May 11, 2006, providing for consideration of the concurrent resolution (H. Con. Res. 376) establishing the congressional budget for the United States Government for fiscal year 2007 and setting forth appropriate budgetary levels for fiscal years 2008 through 2011.

ENTREPRENEURS CAPITAL ACCESS

Committee on Small Business: Held a hearing entitled "Bridging the Equity Gap: Examining the Access to Capital for Entrepreneurs Act of 2006." Testimony was heard from Lorrie Keating-Heinemann, Secretary, Department of Financial Institutions, State of Wisconsin; and public witnesses.

OVERSIGHT—HIGHWAY CAPACITY AND FREIGHT MOBILITY

Committee on Transportation and Infrastructure: Subcommittee on Highways, Transit and Pipelines held an oversight hearing on Highway Capacity and Freight Mobility: The Current Status and Future Challenges. Testimony was heard from Jeffrey Shane, Under Secretary, Transportation Policy, Department of Transportation; and Tim Martin, Secretary of Transportation, State of Illinois; and public witnesses.

OVERSIGHT—RAILROAD RETIREMENT REFORM

Committee on Transportation and Infrastructure: Subcommittee on Railroads held an oversight hearing on Operational Experience Under the 2001 Railroad Retirement Reform Law. Testimony was heard from Michael S. Schwartz, Chairman, Railroad Retirement Board; and public witnesses.

VETERANS MEASURES

Committee on Veterans' Affairs: Subcommittee on Economic Opportunity approved for full Committee action, as amended, the following bills: H.R. 3082, Veteran-Owned Small Business Promotion Act of 2005; and H.R. 5220, Veterans Certification and Licensure Act of 2006.

DRAFT IMPLEMENTING PROPOSAL—U.S.-OMAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

Committee on Ways and Means: Approved the draft implementing proposal on the United States-Oman Free Trade Agreement Implementation Act.

Joint Meetings

HEALTH INFORMATION TOOLS

Joint Economic Committee: Committee concluded a hearing to examine the next generation of health information tools for consumers, focusing on healthcare delivery system reform, medical treatment decisions, and the affordability and quality of medicare care, after receiving testimony from Carolyn M. Clancy, Director, Agency for Healthcare Research and Quality, Department of Health and Human Services; Arnold Milstein, Pacific Business Group on Health, San Francisco, California; Michael D. Parkinson, Lumenos, Inc., Alexandria, Virginia; Paul B. Ginsburg, Center for Studying Health System Change, Washington, D.C.; Douglas G. Cave, Cave Consulting Group, Foster City, California; Donald W. Kemper, Healthwise, Inc., Boise, Idaho; and Walton Francis, Fairfax, Virginia.

COMMITTEE MEETINGS FOR THURSDAY, MAY 11, 2006

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: to hold hearings to examine Department of Agriculture's national response plan to detect and control the potential spread of Avian Influenza into the United States, 10:30 a.m., SD–106.

Committee on the Budget: to hold hearings to examine the nomination of Robert J. Portman, of Ohio, to be Director of the Office of Management and Budget, 10 a.m., SD–608.

Committee on Foreign Relations: to hold a closed briefing on Iran's nuclear program and the impact of potential sanctions, 9:30 a.m., S–407, Capitol.

Full Committee, to hold hearings to examine the nomination of Daniel S. Sullivan, of Alaska, to be an Assistant Secretary of State for Economic and Business Affairs, 2:30 p.m., SD–106.

Committee on the Judiciary: business meeting to consider the nominations of Brett M. Kavanaugh, of Maryland, to be United States Circuit Judge for the District of Columbia Circuit, Sean F. Cox, and Thomas L. Ludington, both to be a United States District Judge for the Eastern District of Michigan, S. 2453, to establish procedures for the review of electronic surveillance programs, S. 2455, to provide in statute for the conduct of electronic surveillance of suspected terrorists for the purposes of protecting the American people, the Nation, and its interests from terrorist attack while ensuring that the civil liberties of United States citizens are safeguarded, S. 2468, to provide standing for civil actions for declaratory and injunctive relief to persons who refrain from electronic communications through fear of being subject to warrantless

electronic surveillance for foreign intelligence purposes, S. 2039, to provide for loan repayment for prosecutors and public defenders, and S.J. Res. 1, proposing an amendment to the Constitution of the United States relating to marriage, 9:30 a.m., SD–226.

Committee on Veterans' Affairs: to hold hearings to examine pending health care related legislation, 10 a.m., SR–418.

Select Committee on Intelligence: to hold closed hearings to examine certain intelligence matters, 2:30 p.m., SH–219.

House

Committee on Appropriations, Subcommittee on Energy and Water Development, and Related Agencies, to mark up the Energy and Water Development, and Related Agencies for Fiscal Year 2007, 11 a.m., 2362B Rayburn.

Subcommittee on Homeland Security, to mark up the Homeland Security Appropriations for Fiscal Year 2007, 9:30 a.m., B–308 Rayburn.

Committee on Energy and Commerce, to continue hearings entitled ''Gasoline Supply, Price and Specifications,'' 10 a.m., 2123 Rayburn.

Subcommittee on Commerce, Trade, and Consumer Protection, hearing entitled ''Social Security Numbers in Commerce: Reconciling Beneficial Uses with Threats to Privacy,'' 2 p.m., 2123 Rayburn.

Committee on Financial Services, Subcommittee on Financial Institutions and Consumer Credit, hearing on H.R. 3206, Credit Union Charter Choice Act, 10 a.m., 2128 Rayburn.

Committee on Government Reform, hearing entitled ''Working Through an Outbreak: Pandemic Flu Planning and Continuity of Operations,'' 10 a.m., 2154 Rayburn.

Committee on Homeland Security, Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment, executive, briefing on the different governance structures of State and Local Fusion Centers, 2 p.m., H2–176 Ford.

Subcommittee on Management, Integration, and Oversight, hearing entitled ''CBP and ICE: Does the Current Organizational Structure Best Serve U.S. Homeland Security Interests? Part III,'' 2:30 p.m., 311 Cannon.

Subcommittee on Prevention of Nuclear and Biological Attack, hearing entitled ''Creating a Nation-wide, Integrated Biosurveillance Network,'' 2 p.m., 1311 Longworth.

Committee on International Relations, hearing on the U.S.-India Global Partnership: Legislative Options, 10:30 a.m., 2172 Rayburn.

Subcommittee on International Terrorism and Nonproliferation, hearing on Reviewing the State Department's Annual Report on Terrorism, 2 p.m., 2172 Rayburn.

Subcommittee on Oversight and Investigations, hearing on Visa Overstays: Can We Bar the Terrorist Door? 2 p.m., 2200 Rayburn.

Committee on the Judiciary, Subcommittee on Crime, Terrorism, and Homeland Security, hearing on H.R. 5318, Cyber-Security Enhancement and Consumer Data Protection Act of 2006; followed by a markup of the following bills: H.R. 5005, Firearms Corrections and Improvements Act; H.R. 1384, Firearm Commerce Modernization Act; and H.R. 1415, NICS Improvement Act of 2005, 9 a.m., 2141 Rayburn.

Committee on Resources, oversight hearing on Minimum Internal Control Standards (MICS) for Indian gaming, 10 a.m., 1324 Longworth.

Subcommittee on National Parks, oversight hearing on Disability access in the National Park System, 10 a.m., 1334 Longworth.

Committee on Science, hearing on the Inspector General Report on NOAA Weather Satellites, 10 a.m., 2318 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, oversight hearing on Coast Guard Mission Capabilities, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, oversight hearing on right-seizing the Department of Veterans Affairs infrastructure and the Department's pending major medical facility project and lease authorization requests, 10:30 a.m., 334 Cannon.

Committee on Ways and Means, Subcommittee on Social Security, hearing on Social Security Service Delivery Challenges, 10 a.m., B–318 Rayburn.

Permanent Select Committee on Intelligence, executive, briefing on Global Updates/Hotspots, 9 a.m., H–405 Capitol.

Next Meeting of the **SENATE**

9:30 a.m., Thursday, May 11

Senate Chamber

Program for Thursday: Senate will begin consideration of the conference report to accompany H.R. 4297, Tax Relief Extension Reconciliation Act, and following eight hours of debate, vote on its adoption; following which, Senate will continue consideration of S. 1955, Health Insurance Marketplace Modernization and Affordability Act, with a vote on the motion to invoke cloture on the committee amendment in the nature of a substitute, as modified.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

10 a.m., Thursday, May 11

House Chamber

Program for Thursday: Continue consideration of H.R. 5122—National Defense Authorization Act for Fiscal Year 2007 (Structured Rule).

Extensions of Remarks, as inserted in this issue

HOUSE

Andrews, Robert E., N.J., E768
Baca, Joe, Calif., E766
Biggert, Judy, Ill., E792
Blumenauer, Earl, Ore., E761
Bonner, Jo, Ala., E766
Burgess, Michael C., Tex., E779
Capps, Lois, Calif., E788
Cardoza, Dennis A., Calif., E789
Chocola, Chris, Ind., E765, E766
Cleaver, Emanuel, Mo., E769, E773, E773, E791
Conyers, John, Jr., Mich., E768, E769
Costello, Jerry F., Ill., E783
Cubin, Barbara, Wyo., E764
Cummings, Elijah E., Md., E766
Davis, Tom, Va., E761, E762, E763
Ehlers, Vernon J., Mich., E774, E776
Frank, Barney, Mass., E788
Frelinghuysen, Rodney P., N.J., E778
Gerlach, Jim, Pa., E792
Gibbons, Jim, Nev., E768
Gillmor, Paul E., Ohio, E773, E775, E776, E777, E778, E779, E781
Gordon, Bart, Tenn., E791
Granger, Kay, Tex., E782
Graves, Sam, Mo., E773, E775, E776, E777, E778, E779, E780, E782
Green, Gene, Tex., E782, E793
Higgins, Brian, N.Y., E762, E763
Honda, Michael M., Calif., E764
Hoyer, Steny H., Md., E768
Hunter, Duncan, Calif., E779
Kildee, Dale E., Mich., E765
Kucinich, Dennis J., Ohio, E774, E775, E776, E777
Lee, Barbara, Calif., E781
Lipinski, Daniel, Ill., E783, E793
McDermott, Jim, Wash., E781, E792
Meehan, Martin T., Mass., E774, E776
Meek, Kendrick B., Fla., E764
Miller, George, Calif., E767
Moore, Dennis, Kans., E774, E775, E777
Moran, James P., Va., E761
Norwood, Charlie, Ga., E791
Ortiz, Solomon P., Tex., E769
Owens, Major R., N.Y., E783
Pastor, Ed, Ariz., E793
Paul, Ron, Tex., E782
Pickering, Charles W. ''Chip'', Miss., E784, E785, E787
Porter, Jon C., Nev., E761, E762, E763, E764, E764, E765, E784, E784, E786, E788
Rangel, Charles B., N.Y., E783, E784, E785, E787
Rothman, Steven R., N.J., E783
Salazar, John T., Colo., E789
Sensenbrenner, F. James, Jr., Wisc., E790
Serrano, José E., N.Y., E762, E763
Smith, Adam, Wash., E789
Smith, Christopher H., N.J., E780
Stearns, Cliff, Fla., E766
Tancredo, Thomas G., Colo., E788
Udall, Tom, N.M., E788
Watson, Diane E., Calif., E769
Waxman, Henry A., Calif., E790
Woolsey, Lynn C., Calif., E778

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