The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. Tom Davis of Virginia).

DESIGNATION OF THE SPEAKER PRO TEMPORE
The Speaker pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC. August 2, 2006.
I hereby appoint the Honorable Tom Davis to act as Speaker pro tempore on this day.
J. Dennis Hastert.
Speaker of the House of Representatives.

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

Lord God, ever present and holding all in balance, take our world today and shake it into common sense. Wring out true values from the indifferent. Calm the anger. End all retaliation. And grant us the gift of peace.

But to receive a gift, one must be ready. Are we not prepared, Lord? Is the reason for the delay?
Perhaps peace is so fragile we do not know how to handle it, even if You were to offer it to us. Help us, Lord, today and every day, to ready ourselves for that day of good news.

Today, at least we can rehearse for it by receiving any message humbly and graciously.
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. The Chair will lead the House in the Pledge of Allegiance.

The Speaker 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.

MESSAGE FROM THE SENATE
A message from the Senate by Ms. Collins, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 5683. An act to preserve the Mt. Soledad Veterans Memorial in San Diego, California, by providing for the immediate acquisition of the memorial by the United States.

The message also announced that the Senate has passed bills and a concurrent resolution of the following titles in which the concurrence of the House is requested:
S. 707. An act to reduce preterm labor and delivery and the risk of pregnancy-related deaths and complications due to pregnancy, and to reduce infant mortality caused by prematurity.
S. 2146. An act to extend relocation expenses test programs for Federal employees.
S. 3711. An act to enhance the energy independence and security of the United States by providing for exploration, development, and production activities for mineral resources in the Gulf of Mexico, and for other purposes.
S. Con. Res. 113. Concurrent resolution congratulating the Magen David Adom Society in Israel for achieving full membership in the International Red Cross and Red Crescent Movement, and for other purposes.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES
The Speaker pro tempore laid before the House the following privileged concurrent resolution (H. Con. Res. 467) providing for an adjournment or recess of the two Houses.
The Clerk read the concurrent resolution, as follows

H. CON. RES. 467
Resolved by the House of Representatives (the Senate concurring).
That when the House adjourns on any day from Wednesday, August 2, 2006, through Tuesday, August 8, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it shall warrant it.

Resolved by the Senate, when the Senate adjourns on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on any day from Thursday, August 3, 2006, through Tuesday, August 8, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

Sec. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate if, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.
A motion to reconsider was laid on the table.

CONDITIONAL ADJOURNMENT TO FRIDAY, AUGUST 4, 2006
The Speaker pro tempore. Without objection, when the House adjourns

This symbol represents the time of day during the House proceedings, e.g., 1:407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.
today, it shall adjourn to meet at 4 p.m. on Friday, August 4, 2006, unless it sooner has received a message from the Senate transmitting an adoption of House Concurrent Resolution 467, in which case the House shall stand adjourned pursuant to that concurrent resolution.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES
Washington, DC, August 1, 2006.

Hon. J. Dennis Hastert,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on August 1, 2006, at 10:30 a.m.:

That the Senate passed without amendment H.R. 5877.

That the Senate agreed to House amendment S. 3741.

With best wishes, I am,

Sincerely,

JORGE E. SORENSEN, Deputy Clerk of the House.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker’s table and, under the rule, referred as follows:

S. 707. An act to reduce preterm labor and delivery and the risk of pregnancy-related deaths and complications due to pregnancy, and to reduce infant mortality caused by prematurity; to the Committee on Energy and Commerce

S. 2146. An act to extend relocation expenses test programs for Federal employees; to the Committee on Government Reform

ENROLLED BILLS SIGNED

Ms. Haas, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore, Mr. Tom Davis of Virginia:


H.R. 5683. An act to preserve the Mt. Soledad Veterans Memorial in San Diego, California, by providing for the immediate acquisition of the memorial by the United States.

H.R. 5877. An act to amend the Iran and Libya Sanctions Act of 1996 to extend the authorities provided in such Act until September 29, 2006.

SENATE ENROLLED BILL SIGNED

The SPEAKER pro tempore, Mr. Tom Davis of Virginia, announced his signature to enrolled bills of the Senate of the following titles:


S. 3693—An act to make technical corrections to Title II of the Youth Violence Prevention and School Safety Act of 2006.

S. 3741—An act to provide funding authority to the Secretary of Defense to receive the evacuation of persons from Lebanon, and for other purposes.

ADJOURNMENT

The SPEAKER pro tempore, Without objection, pursuant to the previous order of the House of today, the House stands adjourned until 4 p.m. on Friday, August 4, 2006, unless it sooner has received a message from the Senate transmitting its adoption of House Concurrent Resolution 467, in which case the House shall stand adjourned pursuant to that concurrent resolution.

There was no objection.

Thereupon, (at 11 o’clock and 8 minutes a.m.,) pursuant to the previous order of the House of today, the House adjourned until 4 p.m. on Friday, August 4, 2006, unless it sooner has received a message from the Senate transmitting its adoption of House Concurrent Resolution 467, in which case the House shall stand adjourned pursuant to that concurrent resolution.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows:

9051. A letter from the Administrator, AMS, Department of Agriculture, transmitting the Department’s final rule — Irish Potatoes Grown in Colorado; Suspension of Continuing Assessment Rate [Docket No. FV06-948-1 F1R] received July 31, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9052. A letter from the Administrator, AMS, Department of Agriculture, transmitting the Department’s final rule — Necrotic and Peaches Grown in California; Order Amending Marketing Order Nos. 915 and 917 [Docket No. AO-90-A7; FV05-916-1] received July 31, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9053. A letter from the Administrator, AMS, Department of Agriculture, transmitting the Department’s final rule — Updating Administrative Requirements for Voluntary Shell Egg, Poultry, and Rabbit Grading [Docket No. PY-62-003] (RIN: 0581-A229) received July 31, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9054. A letter from the Administrator, AMS, Department of Agriculture, transmitting the Department’s final rule — Amendment to Egg Research and Promotion Rules and Regulations [Docket No. PY-06-001] received July 31, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9055. A letter from the Congressional Relations Coordinator, APHIS, Department of Agriculture, transmitting the Department’s final rule — Citrus Canker: Quarantine of the State of Florida [Docket No. APHIS-2006-0114] (RIN: 0581-AB12) received August 2, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9056. A letter from the Congressional Relations Coordinator, APHIS, Department of Agriculture, transmitting the Department’s final rule — Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Department; Transitional Assistance Management Program; Early Eligibility for TRICARE for Certain Reserve Component Members (RIN: 0720-0010); to the Committee on Armed Services.

9057. A letter from the Liaison Officer, Office of the Secretary, Department of Defense, transmitting the Department’s final rule — Personal Commercial Solicitation on DoD Installations (RIN: 0700-AB67) received July 26, 2006, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

9058. A letter from the Comptroller, Department of Defense, transmitting the Department’s quarterly report as of June 30, 2006, entitled, “Acceptance of contributions for defense programs, projects and activities; Defense Cooperation Account,” pursuant to 10 U.S.C. 3608; to the Committee on Armed Services.


9060. A letter from the Secretary, Department of Energy, transmitting the Department’s report entitled, “Department of Energy Strategic Research Portfolio Analysis and Coordination Plan,” pursuant to Public Law 109-58, section 994; to the Committee on Energy and Commerce.


9063. A communication from the President of the United States, transmitting notification that the export to the People’s Republic of China of the specified items is not detrimental to the United States space launch industry and that the equip- ment, including any indirect technical benefit that could be derived from such exports, will not necessarily improve the missile or space launch capabilities of the People’s Republic of China, pursuant to Public Law 105-261, section 1512; (H. Doc. No. 109-129); to the Committee on International Relations and ordered to be printed.

9064. A letter from the Director, Broad- casting Board of Governors, transmitting the Board’s FY 2006 report pursuant the require- ments of section 203(b) of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No Fear Act); to the Committee on Government Reform.

9065. A letter from the Chairman, Chris- topher Columbus Fellowship Foundation,
transmitting pursuant to the Accountability of Tax Dollars Act, the Foundation’s Form and Content Reports for the third quarter of FY 2006 as prepared by the U.S. General Services Administration; to the Committee on Government Reform.


9068. A letter from the Deputy Director for Management of Budget, transmitting the Office’s report on competitive sourcing activities for FY 2005, in accordance with Section 647(b) of Division F of the Consolidated Appropriations Act, Fiscal Year 2004; Pub. L. 108-199; to the Committee on Government Reform.

9069. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration’s final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels Using Trawl Gear in the Bering Sea and Aleutian Islands Management Area [Docket No. 060216045-6045-01; I.D. 071096C] received July 28, 2006, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Resources.

9070. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration’s final rule — Fishery of the Exclusive Economic Zone Off Alaska; Squid in the Bering Sea and Aleutian Islands Management Area [Docket No. 060216045-6045-01; I.D. 071096C] received July 28, 2006, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Resources.

9076. A letter from the Secretary, Department of Health and Human Services, transmitting a copy of the Annual Report to Congress on the Refugee Resettlement Program for the period October 1, 2003 through September 30, 2004 as required by section 513(a) of the Immigration and Nationality Act, pursuant to 8 U.S.C. 1523(a); to the Committee on the Judiciary.

9077. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of proposed legislation to implement aspects of the Protocol Additional to the Geneva Convention of 12 August 1949 and relating to the Adoption of an Additional Distinctive Emblem ("Protocol III"); to the Committee on the Judiciary.

9078. A letter from the Regulations Coordinator, CMS, Department of Agriculture, transmitting the Department’s final rule Medicare Program: Changes to the Hospital Inpatient Prospective Payment Systems and FY 2007 Rates; FY 2007 Occupational Mix Adjustment to Wage Index; Health Care Infrastructure Improvement Program; Selection Criteria of Loan Programs for Qualifying Hospitals Engaged in Cancer-Related Health Care andForgiveness of Indebtedness; and Exclusion of Vendor Purchases Made Under the Competitive Acquisition Program (CAP) for Outpatient Drugs and Biologicals Under Part B for the Purpose of Calculating the Average Sales Price (ASP) [CMS-1486-F; CMS-1267-F; CMS-1250-F; and CMS-1253-IFC4] (RIN: 0938-A016) received August 2, 2006, pursuant to 5 U.S.C. 801(a)(1); to the Committees on Energy and Commerce and Ways and Means.

9079. A letter from the Regulations Coordinator, CMS, Department of Agriculture, transmitting the Department’s “Major” final rule — Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Fiscal Year 2007; Certain Provisions Concerning Competitive Acquisition for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS); Accreditation of DMEPOS Suppliers [CMS-1540-F] (RIN: 0938-A016) received August 2, 2006, pursuant to 5 U.S.C. 801(a)(1); jointly to the Committees on Energy and Commerce and Ways and Means.


9081. A letter from the Regulations Coordinator, CMS, Department of Agriculture, transmitting the Department’s final rule — Medicare Program; Physicians’ Referrals to Health Care Entities with Which They Have Financial Relationships; Exceptions with Certain Electronic Prescribing and Electronic Health Records Arrangements [CMS-1303-F] (RIN: 0938-AN59) received August 2, 2006, pursuant to 5 U.S.C. 801(a)(1); jointly to the Committees on Ways and Means and Energy and Commerce.

9082. A letter from the Regulations Coordinator, CMS, Department of Health and Human Services, transmitting the Department’s “Major” final rule — Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities — Update — Notice [CMS-1530-N] (RIN: 0938-AM46) received July 31, 2006, pursuant to 5 U.S.C. 801(a)(1); jointly to the Committees on Ways and Means and Energy and Commerce.

9083. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department’s final rule Medicare Program; Fraud and Abuse; Safe Harbors for Certain Electronic Prescribing and Electronic Health Records Arrangements Under the Anti-Kickback Statute (RIN: 0938-AB39) received August 2, 2006, pursuant to 5 U.S.C. 801(a)(1); jointly to the Committees on Ways and Means and Energy and Commerce.

9084. A letter from the Under Secretary of Commerce for Oceans and Atmosphere, National Oceanographic Partnership Program, transmitting an annual report from the National Oceanographic Partnership Program (NOPP) for 2006, pursuant to Publio Law 104-201; jointly to the Committee on Armed Services, Resources, and Science.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker:

[Omitted from the Record of July 28, 2006]

H.R. 5983. Referral to the Committee on Transportation and Infrastructure extended for a period ending not later than September 29, 2006.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. KING of New York:

H.R. 6027. A bill to amend the Internal Revenue Code of 1986 to provide recruitment and retention incentives for volunteer emergency service workers; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOM DAVIS of Virginia:

H. Con. Res. 467. Concurrent resolution providing for an adjournment or recess of the two Houses; considered and agreed to.
MEMORIALS
Under clause 3 of rule XII,

434. The SPEAKER presented a memorial
of the Legislature of the State of Louisiana,
relative to Senate Concurrent Resolution
No. 65 memorializing the Congress of the
United States to approve an amendment to
the Constitution of the United States that
would define marriage as the union between
one man and one woman; to the Committee
on the Judiciary.

ADDITIONAL SPONSORS TO PUBLIC
BILLS AND RESOLUTIONS
Under clause 7 of rule XII, sponsors
were added to public bills and resolutions as follows:
H.R. 1376: Mr. Brown of Ohio.
H.R. 1518: Mr. Smith of Washington.
H.R. 3352: Mr. Smith of New Jersey.
H.R. 4452: Mr. Watt.
H.R. 5138: Mr. Reyes.
H.R. 5444: Mr. Barrow.
H.R. 5902: Mrs. Capps.
H. Res. 903: Mr. Green of Wisconsin and
Mr. Pearce.
H. Res. 945: Mr. Grijalva.
H. Res. 977: Mr. Pomeroy, Mr. Baca, and
Ms. Corrine Brown of Florida.
The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Shepherd of our souls, we bring You our burdens and depend on Your strength. Thank You for supplying our needs. When we feel guilt, You supply forgiveness. When we are lonely, You provide companionship. When we are perplexed, You provide guidance. When we feel threatened, You provide protection. When we feel grief, You provide comfort. Thank You for never forgetting us and for loving us throughout life’s seasons.

Bless our Senators. Help them to put first things first, ever seeking Your kingdom and righteousness. Strengthen them to stand for something, lest they fall for anything.

We pray it in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:


To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS, President pro tempore.

Mr. BROWNBACK thereupon assumed the Chair as acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, today we are returning to the Department of Defense appropriations bill. Our two managers opened the debate last night and are ready this morning to continue that debate and consider amendments that may be offered. If Senators have amendments to the bill, they should be contacting Senator STEVENS or Senator INOUYE at this time. If we have a full day today and into the evening, there is no reason we can’t complete this bill by Thursday night.

It is also my intention to move today to proceed to the death tax, minimum wage, and extenders package. There is an objection to moving forward on that bill, and therefore I will be filing a cloture motion on the motion to proceed to that bill. We will still be able to continue our work on the Defense bill, as the vote on invoking cloture on the motion to proceed will not likely occur until Friday morning; therefore, there will be votes today as Chairman STEVENS makes progress on the Defense appropriations bill.

I hope we can finish our work this week or this weekend, and if we work together over the next couple of days, we can complete a number of important legislative matters before we leave.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 5631, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5631) making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes.

Mr. STEVENS. Mr. President, the subcommittee has been presented with some requests pertaining to the use of treatment to deal with the effects of acute radiation syndrome. We believe we do not have sufficient information available to respond to the request for funding for this concept.

I will send to the desk an amendment that will require the Secretary of Defense to submit along with the President’s budget for 2008 a plan to deal with countermeasures for treating members of the Armed Forces against the lethal effects of acute radiation syndrome and identify countermeasures required to protect the members of the Armed Forces in the event of a nuclear or bioterrorist attack. We believe we should not move forward and dedicate funds at this time until we have such a plan.
Mr. REED. Mr. President, while I certainly appreciate the efforts last evening of Senator STEVENS and Senator INOUYE to add roughly $13 billion to this appropriations bill for the readiness of the U.S. Army and the Marine Corps, it is emergency spending, but it should come as no surprise that it is necessary.

What I find surprising is that apparently the requests by the Department of the Army, the Department of Defense, and also the OMB were turned down repeatedly—and it is publicly obvious—that the readiness condition of the Army and the Marine Corps is the worst it has been in several decades. This is the lack of repaired, rehabilitated, and in certain cases replaced equipment. We are in a difficult situation with threats across the globe, with an Army that is heavily committed and a Marine Corps that is heavily committed to both Iraq and Afghanistan, and we are in a situation now in which our readiness is the worst it has been in decades. This is a situation which requires not only the remedy of money, but it requires accountability.

How did the Department of Defense and this administration allow our military forces to become so degraded? In the judgment of many people, including former Secretary of Defense Bill Perry, myself, and others, two-thirds of the Army’s operating force, Active and Reserve is now reporting as unready. There is not a single non-deployed Army brigade combat team in the United States that is ready to deploy. Our Army currently has no ready strategic reserve. Not since the Vietnam era and its aftermath has the Army’s readiness been so degraded.

How did that happen? It is not a surprise. Months ago, in February, I came to this Chamber and proposed an amendment to the tax reconciliation bill which would provide a fund of $50 billion to provide for the reset recapitalization of Army and Marine equipment. I was offsetting that, as I think it is appropriate to do, with the upper income tax breaks that were being voted on in that bill. My measure didn’t survive conference, but the tax cuts did. I believe that is an unfortunate paradigm of what is happening here too often.

We are sending soldiers and marines in harm’s way, and we are not repairing their equipment. We don’t have time to wait until it is too late—until the emergency is upon us. But we have plenty of time to debate tax cuts and estate tax reform.

I can tell you that I served, as so many others did, and in fact, we are privileged to have the chairman and ranking member of this committee as distinguished veterans of the Army Air Corps and U.S. Army. I don’t know who qualifies for the estate tax, but every soldier needs adequate, decent equipment to do their job. Their lives depend upon it.

Yesterday Lieutenant General Blum, chief of the National Guard Bureau, stated:

I am further behind or in more dire situation than the Active Army.

This is the Reserve National Guard forces. The National Guard is charged now with missions such as Enduring Freedom and Iraqi Freedom, they are the first line of protection at home. They are the first responders in a hurricane situation. They are in worse shape than our active forces.

At the end of June—again, several weeks ago—at a hearing before the House of Representatives, Congressman Ike SKELTON asked the Chief of Staff of the Army:

Are you comfortable with the readiness level for the non-deployed units that are in the continental United States?

General Schoomaker replied: No. The Chief of Staff of the United States Army says in a public hearing he is not comfortable with the condition of our forces in the United States. That is a stunning admission.

Senator DODD and I were ready to propose an amendment to this Defense bill, along with Senators LAUTENBERG, BORENSTEIN, LIBERMAN and others, to try to rectify this. We would offer $10.2 billion in emergency spending. I not only support but commend the leadership of this committee, Senator STEVENS and Senator INOUYE, proposed $13.1 billion. The money is necessary. I concur in their judgment and their action.

This is not a situation where suddenly yesterday someone jumped up and said, we need some money. This is a situation that has been recognized for months. Not only was nothing done, but the budget sent here by the White House was inadequate and they knew it. At a time of war when soldiers are committed, at a time of contest and conflict around the globe when we have to respond to threats, they lowballed money for the Army and the Marine Corps. We can give them all the money we want, but we need a little accountability, also. We didn’t reach this position overnight. This was not a midnight discovery. This is years in the making.

The Army told those who would listen that for every year of intense operations in Afghanistan and Iraq, they need another $12 billion for reset. Last year we only provided a fraction of that, so this year the bill was $17 billion. Some of those funds cannot be used in this year so it will be pushed forward a bit, but basically we know what is happening. It will continue to happen every year. Twelve billion baseline for reset. If we do not make that number, it is rolled over to next year. This is not going to be a one-time affair. It is an emergency, but it is a chronic emergency. We have to understand that Army will need another $12 billion for the Marine Corps will need another $12 billion next year and the next year, as long as we are committed. It is the real course of
Iraq, the course that seldom is found in speeches about “staying the course,” or “when they stand up, we will stand down.” We have to pay those costs.

Last October, GAO released a report on military readiness. It assessed the state of 30 pieces of equipment, predominantly tanks, vehicles, helicopters, and aircraft. They made several disturbing operation observations last October:

GAO’s analysis showed reported readiness rates declined between fiscal years 1999 and 2004 for most of these items. The decline in readiness, which occurred more markedly in fiscal year 2004, generally resulted from, 1, the continued high use of equipment to support current operations and 2, maintenance issues caused by the advancing ages and complexity of the systems. Key equipment items such as Army and Marine Corps trucks, combat vehicles, and rotary wing aircraft—have been used well beyond normal peacetime use during deployments in support of operations in Iraq and Afghanistan.

Let me relate a story. I was in Fallujah about 3 weeks ago with the 1st Marine Expeditionary Force. They are doing a superb job, as all our forces are. We asked questions about the state of the helicopters. They told us their helicopters are flying 200 percent more than in peacetime. They told us this before we got on the helicopters. We got on anyway because the helicopters are being maintained. But it costs money to maintain those helicopters. It costs money to repair those helicopters. If you fly any helicopter, fixed-wing aircraft, or you drive any military vehicle 200 percent more than its normal allocation, they wear out very quickly. That is what is happening.

A report of the GAO went on to say: Until the DOD ensures that condition items and complexity of the systems. Key equipment items can meet defense requirements.

Our military leaders were told what they would get by the budget experts and that was the end of the discussion until it became so painfully obvious and publicly we are not ready to deploy significant forces that are here in the United States.

In February, the President’s budget request was submitted to Congress. The shortfall for reset was obvious. Again, I recognized this, as others did. That is why in February I submitted my amendment to the reconciliation bill to provide a fund of $50 billion over the next several years so we could deal with this readiness problem, not through an offset where we would use proposed tax cuts for the very wealthiest Americans to buy equipment for our soldiers and marines in the field. This amendment was rejected and the tax cuts went through. The equipment remained un repaired.

As early as 2005, information on the state of Army and Marine Corps readiness was readily available for all who were willing to pay attention. Billions of dollars would be needed to solve this problem. As early as 2005. We are debating the fiscal year 2007 Defense appropriations bill and until last night there was only $2.5 billion in this bill for the Army for their reset needs.

Again, we all must commend and thank the Chairman and ranking member for taking the action they did last night. But we have to ask serious questions about an administration that would allow this situation to develop, that would tell commanders that they were not going to get the money they needed to provide for the equipment and troops in the field. And this administration has tried to run a secretive war on the cheap. They have tried gimmicks. They have hidden costs. They have failed to admit staggering costs that are involved already. It goes not only to the equipment, but having just returned from Iraq, having observed reconstruction that has produced very little after $30 billion, having listened to Prime Minister Maliki in his speech ask for further reconstruction aid, if we are ever going to make a difference there, we would have to give them what they need to implement our military effort with renewed reconstruction. That is a trillion dollar proposition. Where are we going to get the money?

I am pleased the Army and Marine Corps will receive this $13.1 billion, but that is just an installment payment. As long as we are committed, we will continue to see this type of expenditure go on and on and on. We have to provide for it, not on an emergency basis, not suddenly with the expression of some urgency. We have to understand this will happen again and again and again. Anyone who goes to Iraq or Afghanistan, anyone who has the privilege of being with soldiers, marines, sailors, and airmen, knows the extraordinary sacrifices they make. Anyone who has ever been around a military unit knows one of the quickest ways to undermine morale, undermine the spirit of these troops, is to give them lousy equipment and not repair their equipment. They know their life depends upon the equipment. They also know that it is one of the quickest ways to undermine courage, indeed, perilous.

Again, I recognize this, as others did. That is why I further ask my colleague, just to understand how we can have both an administration and a Secretary of Defense who would see the readiness numbers that are presented today and deny money, forcing Congress to put it in. There is a gross lack of accountability bordering on dereliction.

Mr. DODD. Will the Senator yield?

Mr. REED. I yield.

Mr. DODD. I commend my colleague from Rhode Island for raising this issue, particularly the point he raised about how long we have known about this.

I commend to my colleagues a report dated March 28 on this subject, Army Equipment RESET Update to HAC-D.

I further ask my colleague, just to make the point, this has been known for some time. The fact that the
Commander in Chief did not send up a budget, including the necessary resources knowing exactly what my colleague from Rhode Island has described, is troublesome. I commend him in joining our colleagues who offered the amendment last evening, although I suggest we are still in excess of $6 billion short of what our uniformed services are telling us they need.

It might be appropriate here to have an amendment that would include a soft floor that would allow the military, if they are able to do it, have the resource capability to fill in the gaps that are necessary. The amount we are talking about here, based on what we presently know, would allow them to meet what they can do with the money that has been appropriated, yet there is a significant shortfall still, but to make sure the units are going to be combat ready. Lord forbid they are called upon to respond to a crisis in the Korean Peninsula or elsewhere.

I appreciate the comments of my colleague from Rhode Island. I will have some comments myself, and then discuss the possibility of an amendment that might require the soft mark that would trigger the special event to occur, but if the military could use those resources, we ought not to deprive them of the cash they need if the units are ready. I do not know if he has any additional comments to make.

Mr. REED. Mr. President, I thank my colleague. He has been extraordinarily active in ensuring us the resources are available for our military forces. I would be happy to explore with him the possibility of additional funding if it is necessary.

Again, let me thank Senator DODD. We traveled together in October of last year to Iraq and saw the great service that is being rendered by our soldiers and the need for the equipment, the honest need. But I will, at this juncture, yield the floor.

Mr. INOUYE. Mr. President, will the Senator yield?

Mr. REED. I yield the floor.

Mr. INOUYE. Mr. President, I wish to join my colleague from Connecticut in commending our leader from Rhode Island for the role he has played in bringing this to our attention. The men and women of the Army and the Marines are fortunate to have the Senator looking after their interests. I thank him very much.

Mr. REED. I thank the Senator.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from Alaska.

Mr. STEVENS. Mr. President, we join the Senator from Rhode Island. Mr. REED, with his distinguished military career, who has raised this issue. Some time ago, we had reports on this matter of the reset funding and the goal of about $17 billion for that purpose.

I personally visited with Secretary Rumsfeld and Deputy Secretary Gordan England and Admiral Giambastiani about this and asked they check how much was needed for this reset operation and urged them to deal with the Office of Management and Budget so we would not have any problem over the total amount.

If you examine the bill, as we have it now, the Senate added last night, and the money that is already in the bridge account, there is the $17 billion there that was requested by the military.

In my trips to Iraq, I visited some of the places where we are up-armoring large trucks and up-armoring some of the humvees and saw some of the activities they were pursuing in order to get better armor on some of the helicopters.

All of this is part of the process, and it is not something new. After the Persian Gulf war we had two separate requests for funds for the reset activities. And “reset” is a word of art in the military; that is, to literally reset the force and the equipment so it is usable and ready for another operation, should that be necessary.

But again, we had several sums suggested. And when we went to the OMB and to the Department, they came back with the figures we offered the Senate. You will recall, I think they are sufficient at this time to carry us through. We will have a supplemental in the spring. We all know that. The bridge is to carry us forward through the period until we look at what the requirements for the operations going on in some 120 countries. As I said yesterday, in terms of our people in uniform, they are in 120 countries as we speak. So this is an enormous problem to assure that the equipment and all of the systems are brought up to absolute the best state possible.

But again, Senator REED has put forth his comments about this necessity from his military background. We are all impressed, agree with him. We agreed with him, and, as a matter of fact, the monies we added last night were in addition to what the Senator was seeking because they cover some other activities beyond what he was talking about.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I want to take a few minutes, if I can, and speak on similar subject matter. I appreciate the comments of my distinguished Senator from Alaska and my great friend from Hawaii who brings a wealth of knowledge and information, including his personal experiences, of the importance of adequate equipment.

America’s soldiers, sailors, airmen, and marines are courageously waging wars on two fronts against terrorism and militant insurgents, with 19,000 U.S. servicemembers still engaged in combat in Afghanistan and 132,000 of our troops in uniform in Iraq, as we speak this morning on the floor of the Senate.

No other military service bears the brunt of these military operations more than the U.S. Army and Marine Corps. And no other Americans are sacrificing more in these wars than the soldiers, marines, and their families involved in these conflicts.

It is therefore critically important, as Senator RUST from Rhode Island has pointed out, and my colleagues on the floor—Senator INOUYE and Senator STEVENS—that we pay particular attention to their uniformed leadership when these leaders speak out about equipment shortfalls, should we not jeopardize our missions and our military’s overall combat readiness. When the U.S. Army’s Chief of Staff repeatedly sounded the alarm in testimony before Congress—especially—that the budgets drawn up by the civilian leaders at the Pentagon and the White House have left them with a $17 billion shortfall in vehicles and equipment they need, then we should take heed and listen to what they are saying.

And when our Army and Marine Corps’ top leaders are telling us such shortages are so severe that major portions of their forces are unprepared for combat duty, then I think we need to take action.

I am deeply concerned, as I think others are, that we are not meeting our obligations to these men and women in uniform. Amendments may serve as a first step toward addressing the needs of our soldiers and marines. Out of the $17 billion identified by the Army Chief of Staff that is needed to address equipment shortfalls, the amendment that passed last evening, a supplemental in the amount of $7.3 billion on top of the $2.5 billion that is also included in the underlying bill, and another $5.3 billion for the Marine Corps.

Nonetheless, I remain concerned, as I hope my colleagues are as well, that there remains almost a $7 billion shortfall of what we are being told by the uniformed military leaders we need to address the Army’s outstanding requirements, as expressed by GEN Pete Schoomaker, the Army Chief of Staff. As the Senator from Rhode Island has pointed out, these shortfalls have been known for months. The report that I included in the Record a moment ago is dated March of this year. They were not suddenly discovered last evening or in the last few days. I have a slide presentation that the Army provided to the House Appropriations Committee on March 28 of this year, which is specifically that these shortfalls without exception. And yet, despite that briefing in March, the administration and Congress did little or nothing about it.

Today, I do not think we can stand by in the remaining days of this Congress—and allow this Congress to proceed further without addressing our Nation’s major and most pressing needs, particularly as our men and women in uniform continue to defend America in combat operations each and every day.

We are not talking about arbitrary budget numbers that we pulled out of

I personally visited with Secretary Rumsfeld and Deputy Secretary Gordan England and Admiral Giambastiani about this and asked...
thin air. These are very specific allocations requested by our top leaders in uniform—leaders such as General Schoomaker and his deputies: LTG James Lovelace and LTG David McElcher. They have testified repeatedly—repeatedly—to the Senate Armed Services Committee that the Bush administration has once again proposed a Defense budget that falls far short of what our troops need.

As far as this Senator is concerned, the days of sort of nickel and dimming our national defense needs should be over. It is time to give these soldiers in uniform. We can no longer afford to continue down the path the Bush administration has brought us.

Regrettably, this is not the first time we have had to address the administration's poor budget planning for this war. But I hope it might be the last. I have come to the floor to try to address, in the past, some lacking resources for our military's essential equipment needs from the very first year of this conflict.

In 2003, the Army identified $322 million in shortfalls in critical health and safety gear—ranging from body armor, cellphone hydration systems, and combat helmets, to equipment for deactivating high explosives and high explosives—all of them are listed as priorities that the Rumsfeld Pentagon and Bush administration failed to provide in their initial budgets.

I offered an amendment, in 2003, to the emergency appropriations bill to resolve those problems. Unfortunately, the administration opposed this legislation, and the amendment was defeated, despite the fact that our top uniformed military leaders were asking otherwise.

In 2004, we tried a different approach. In an amendment I offered requiring the Department of Defense to reimburse military personnel who bought equipment for their military service in Iraq out of their own pockets, and the amendment being offered on the floor of Congress to try to provide for these needs rather than coming from the leaders at the Pentagon, the civilian leadership or out of the White House.

We are not talking today about a shortage of flak jackets or gun scopes. Today, the challenge is that our Army's entire fleet of tanks, aircraft, and vehicles are wearing out. And we are spending enough about it.

Recent media accounts have indicated that the administration's failure to fund the replacement and repair of this critical hardware is greatly affecting America's overall military readiness. The Associated Press reported on July 26 that up to two-thirds of the Army's combat brigades are not ready for wartime missions, largely because they are hampered by equipment shortfalls.

In other words, if America does not finally heed the warnings of the U.S. military's top generals, and fully fund our equipment needs, the Armed Force's ability to respond to future challenges to America's national security—whether on the Korean Peninsula, the Middle East or elsewhere in the world—could be harmed, to put it mildly.

Maintaining a wartime military is very different from business as usual—something I am afraid that the Rumsfeld Pentagon does not seem to entirely understand, after 5 years of combat in Iraq and Afghanistan. Having 16 to 18 combat brigades deployed in combat at one time last year, 3 years in addition to other U.S. forces, has placed tremendous stress on the military's equipment.

In Iraq, U.S. tanks are being driven over 4,000 miles per year—five times the expected annual usage of 800 miles. Army helicopters are experiencing usage rates up to two to three times their planned usage. The Army's truck fleet is experiencing some of the most pronounced excessive wear, with usage rates of five to six times the normal rates, further exacerbated by the addition of heavy armor.

'lhsed increase, obviously, shortens the life of equipment and demands much more investment in life-cycle maintenance and procurement. On top of that, our equipment is being further degraded by the sand and extreme heat in that part of the world, which harm the mechanical and electronic systems.

Not to mention rocket-propelled grenade and explosive attacks that are causing grave harm and loss of equipment at an alarming rate.

As this chart I put up shows, just a few years in combat will age military equipment dramatically. These statistics are coming from the U.S. Army. They are not ones I made up. My colleagues can appreciate what we are talking about here.

For example, the Abrams tank, listed up here—it may be hard to read on the TV screen—but the first item here, the Abrams tank, usually has a lifespan of 20 years before it needs to be overhauled. It is seeing its lifespan being cut short to just over 5 years because of where they are.

The Humvee here, which we have listed here as well—this item here—normal has an expected lifespan of 20 years. It is getting 3.3 years today, substantially less than what would normally be expected to be the case.

The Humvee has a 15-year normal, expected lifespan. And 2.5 years is what we are getting here—several semitrailers and trailers—20 to 15 years—but the actual numbers they are getting is in the range of 2.5 to 3.3 years.

This is what we are being told and have been told repeatedly. These numbers didn't pop up yesterday or the day before. We have been told repeatedly by top military leaders that this problem has persisted and is growing.

Recently, Army officials testified before Congress that it will cost $36 billion to fully reset to this situation. But this estimate assumed that the United States would fully draw down its forces by the end of 2007. Army Chief of Staff Peter Schoomaker conceded that if the Army continues to operate in Iraq at its current pace, the reset cost will total over $72 billion and will eventually require steady reset expenditures for a full 2 years after the U.S. military withdraws from Iraq. These estimates do not even take into account the Marine Corps' reset requirements. In the meantime, the Army intends to leave over 280,000 major items in theater and will not redeploy this equipment to be reset until forces draw down in Iraq.

The situation in the Army National Guard, which my colleague from Rhode Island who is knowledgeable on these matters has pointed out, is particularly alarming. In late 2003, the Army began to direct redeploying Guard units to leave their equipment in the theater by deploying forces. Under current regulation, the Pentagon requires the Army to replace equipment transferred to it from the Guard. But under Secretary Rumsfeld's leadership, the Army has not tracked much of the Guard equipment left in theater nor prepared to replace it.

The National Guard and Reserves comprise 40 percent of the forces now fighting in Iraq. If you consider that the National Guard began the Iraq war with less capable equipment than the Active Force to begin with, it only seems reasonable to assume that they have lost ground as the occupation has continued. The Army claims that the
National Guard has been directed to transfer more than 75,000 pieces of equipment, valued at $1.7 billion, to the Army. But the Army does not have a complete accounting of these items. An independent analyst at the Government Accountability Office put the cost of resetting the Guard at $20 billion. Since much of the stay-behind equipment is relatively old, I presume it will never return to the United States.

The drawdown of the National Guard equipment in the United States to support the war effort is so extensive that it raises doubts about preparedness for homeland defense. As the Senator from Rhode Island pointed out, we are now going into the hurricane season and the problems that can ensue there. I don’t think the National Guard is going to be ready to respond to those situations because of the situation we are in today.

For that reason, I am joining my colleague from Vermont, Senator Leahy, in supporting an amendment he will be offering to provide necessary funding for the National Guard that for too long has been neglected by this administration. On Tuesday of this week, the Chief of National Guard Bureau, LTG H. Steven Blum, admitted that more than two-thirds of the Army National Guard’s 34 brigades are now not combat ready due largely to the vast equipment shortfalls that will take as much as 18 months to correct. General Blum addressed the situation this way:

I am further behind or in an even more dire situation than the active Army, but we both have the same symptoms, I just have a higher fever.

In spite of all the administration’s rhetoric that we have turned a corner. I think many of us believe that the insurgents are not in their last throes, as the Vice President said only a few months ago, or that the mission is accomplished, as others have suggested. Our military commitments in Afghanistan and Iraq have only grown, as we are hearing now additional requests for troops to protect the Baghdad area, to the point that our forces are now larger in number in these countries than they were when we started the wars in 2001 and 2003. And there is some indication that our forces in Iraq may increase even more. Now it seems that the effect on our own forces has been devastating. Our forces are stretched thin. Our aircraft, tanks, and trucks are wearing out. But the administration’s only answer for Iraq and Afghanistan is to stay the course.

I can tell you, with today’s situation, that is not an option. If we are going to maintain America’s edge in the war on terrorism, retain the ability to respond to other future threats, then we need to provide some relief to our Armed Forces and start putting critical investments into rebuilding these forces.

During two Presidential election campaigns, the Bush-Cheney team sold its candidacy to the American people as a solution to all of our Nation’s security needs. A vote for that ticket, we were told, would shore up our Nation’s vulnerabilities at home and keep us on the offensive overseas. Sadly, I submit, the policies of this administration have only left our Nation weaker, as the administration fails to meet the needs of our Armed Forces and falters America’s National Guard personnel.

The 2000 campaign disparaged President Clinton’s stewardship of the Armed Forces. We learned that two of the Army divisions were rated C-3 and C-4, the lowest levels of preparedness and readiness, the lowest category, according to the Army’s own scale, decrying that “two Army divisions could not report for duty.” The then-Governor of Texas pointed out that he promised help was on the way. Instead today, as a result of the administration’s strain on our forces, the situation is dramatically worse.

According to the Army’s own accounts, our forces are being drained of critical resources to meet our homeland security needs in the United States and to stay prepared to address our military threats in the future. While the scope of U.S. Army readiness remains classified, one thing is for certain, our military hardware is stretched thin. Our fleets of aircraft, tanks and trucks are wearing out. These are the facts. The military leaders are telling us that in clear, uncomplicated voices. U.S. military experts and media reports have long been sounding the alarm about the Iraq and Afghanistan wars and their impact on military readiness.

The Washington Post recently said the following:

The unexpected heavy demands of sustained ground combat are depleting military manpower and gear faster than they can be fully replenished. Shortfalls in recruiting and backlogs in needed equipment are taking a toll, and growing numbers of units have been broken apart or taxed by repeated deployments, particularly in the Army National Guard and Army Reserve.

That was from a year and a half ago. Things have gotten worse since then. The administration’s failures are literally breaking the back of the U.S. Armed Forces. I am worried about it. I know my colleagues are. In addition to the amendment we have adopted, and while the Senator from Alaska is correct, the amount of money they can receive and actually spend is constrained. But I am hopeful our military leaders will be able to do a better job. I ask them to consider the possibility of what we might call a soft mark that would provide the resources now, not wait until next spring, and that if our military leaders can find the way to expand the dollars to increase the readiness of our Armed Forces, we ought not wait another almost year to do so. If they can’t spend the money, then it doesn’t get spent. It comes back to the Treasury. But I wouldn’t want them saying we could have used the money, but you didn’t appropriate it on an emergency basis for us.

So while I appreciate the amendment that was adopted last night, as I pointed out, we are still $7 billion short, according to the military leaders testifying before Congress in the last number of months. I think it is not only appropriate but required of us here to provide those resources, put them in place. And if they can be spent, they ought to be spent, then. Of this equipment we are falling so short on is going to be replenished and repaired so that our units can be combat ready, not only for the present crises but also for future ones we may face. Again, my complements to the Senator from Alaska and the Senator from Hawaii, who historically have placed the needs of our military very high on their agenda. My criticism is not focused on them. It is focused on the fact that the Secretary of Defense and the Commander in Chief should have been having these numbers in the budget coming up here, not requiring us to ask them to do a better job. That is what the two Senators did last night. They should have been telling us how the leadership of the Pentagon and the White House put the numbers in and that we were supporting them, not requiring an amendment to be adopted out here to fill the needs.

I urge my colleagues to take a look at some additional funding we may need in order to meet these requirements.

Mr. INOUYE. Will the Senator yield?

Mr. DODD. I am happy to yield.

Mr. INOUYE. I commend my colleagues. I commend my colleagues from Connecticut. I concur fully with my friend that when we are prepared to send men and women into combat and in harm’s way, the least we can do is provide them with appropriate equipment to carry out the mission and to return home safely.

Mr. DODD. I thank my colleague.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I ask unanimous consent that the morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BOND and Mr. SESSIONS pertaining to the introduction of S. 3774 are located in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, what is the pending matter?

The PRESIDING OFFICER. The Stevens amendment.

AMENDMENT NO. 475

Mr. SESSIONS. Mr. President, I will not speak on an amendment at this time, but if others do not object, I would like to call up amendment No. 475 and ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection to laying aside the present amendment?

Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The remarks of Mr. BOND and Mr. SESSIONS are printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, what is the pending matter?

The PRESIDING OFFICER. The Stevens amendment.
The Senator from Alabama [Mr. SESSIONS] proposes an amendment numbered 4775.

Mr. SESSIONS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide $1,829,000,000 for the Army National Guard for the construction of 370 miles of triple-layered fencing, and 461 miles of vehicle barriers along the southwest border.

On page 221, line 9, strike "$204,000,000", and insert "$2,033,000,000", which shall be designated as an emergency pursuant to Section 901 of this Act."

Mr. SESSIONS. I yield the floor.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SESSIONS. 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. SESSIONS. Mr. President, I had previously offered and called up amendment No. 4775, and I ask that Senator KYL of Arizona be made an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, a few weeks ago, on May 17, by a vote of 83 to 16, we approved my amendment to mandate the construction of at least 370 miles of fencing and 500 miles of vehicle barriers along the southwest border of the United States. That was a very strong vote. It represented the request of Secretary Chertoff of the Department of Homeland Security. It was the amount of barriers and construction necessary to help him create a secure border. I believe this Senate meant it when we voted to do that.

When the vehicle came forward on Homeland Security, we failed to fund this project. I think it left this body in an embarrassing position, telling the American people we are for barriers at the border, we are for meeting the request of the Secretary of Homeland Security, but, by the way, we are not going to put up any money to fund it. I know very well the reasons that some felt it couldn’t be afforded under the amendment process, which gave the appropriators a requirement to find it within the $30-billion-plus Homeland Security bill, but we are now in a position where we feel there are funds available that we can utilize to make this step.

We believe this is a germane amendment to the Defense bill. The National Guard is going to be a part of our border security, and the National Guard does have the authority to enter into construction and other engineering projects as part of their directive to assist in securing the border.

That is where we are today. I think this is an appropriate amendment. I see my colleague, Senator KYL from Arizona, is here. I would say it has been my honor to work with him quite a number of years—ever since I have been in the Senate. There is not a single amendment I have spent anything like the number of hours he has spent in advocating for a legitimate, sound method of border security, nor has anyone voted more consistently than he to establish that. I am glad he is a sponsor of this amendment.

Senator KYL understands this process. He is one of the leaders in the Senate. I am glad he feels this is an appropriate way we can go forward.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 4775 TO AMENDMENT NO. 4775

Mr. KYL. Mr. President, I call for the regular order with respect to amendment 4775 and send a second-degree amendment to the designations.

The PRESIDING OFFICER. The amendment is pending. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 4776 to amendment No. 4775.

Mr. KYL. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide $1,829,000,000 for the Army National Guard for the construction of 370 miles of triple-layered fencing, and 500 miles of vehicle barriers along the southwest border.

On line 2, strike "2,033,000,000" and insert "2,033,100,000."

Mr. KYL. Mr. President, this amendment simply adds $100,000 to the sum that would otherwise be appropriate to the National Guard for the purpose of constructing the fence. There is some question about whether the appropriations for vehicle barriers we have in the Department of Homeland Security appropriations bill will be added to construct the full number of barriers that are required. This is a very slight addition to the funding called for in the underlying amendment to help ensure we have that funding as well.

What the amendment from Senator Sessions does is ensure the National Guard will have the funds necessary to put the landing mat fencing up that they are currently constructing in those areas where that is appropriate but also that there will be adequate funding to convert to the other kind of fencing we are familiar with in the form of a very heavy gauge chain link kind of fencing with barbed wire, and so forth to prevent entry.

The vehicle barriers we speak of are a real necessity now because the Border Patrol is gradually gaining control of the border, and their control is being contested by the cartels and the coyotes who in the past have had significant control of that territory. They are responding with violence, and they are using pretty high-caliber weapons.

What the Border Patrol says is that every time they see a vehicle coming across the border, they know they have a significant problem. They have to carry weapons. It is also big enough to carry contraband, usually drugs, which is protected by weapons. So unlike the
situation with illegal immigrants crossing the border, they know that the coyotes and the cartels, the gangs that are in control, are going to use weapons to protect their turf, protect their territory, and enable that contraband to go across the border. So vehicles present a special threat to the Border Patrol.

The vehicle barriers they will construct and they are constructing will prevent, in the flat areas, beyond the urban areas, these vehicles from coming across. They are constructed in such a way that animals or people could get through them, but vehicles cannot. In some of the more mountainous areas, obviously it is not possible to put up either fencing or vehicle barriers. But the combination of those two items, plus cameras that can view large areas of the border at a time, plus lights that enable the Border Patrol to see at night and sensors in the more remote areas, in addition to the unmanned drones, fixed-wing and manned aerial vehicles, fixed-wing and manned aerial vehicles, in addition to the un-manned drones, fixed-wing and manned aerial vehicles, landing mats, and sensors in the more remote areas, lights that enable the Border Patrol to see at night and sensors in the more remote areas, in addition to the unmanned drones, fixed-wing and manned aerial vehicles, landing mats, and sensors in the more remote areas, lights that enable the Border Patrol to see at night and sensors in the more remote areas, in addition to the unmanned drones, fixed-wing and manned aerial vehicles, landing mats, and sensors in the more remote areas.

All of that fencing is a part of the Border Patrol’s recommendations—the Department of Homeland Security recommendations—and is authorized by legislation we have adopted. But the funding is not adequate to complete all of that work. That is what the amendment Senator SESSIONS has offered would do. It would in effect put our money where our mouth is. It would provide the funding that is needed to achieve the goals we have all agreed we need to achieve.

Just a final point. When the previous appropriations bill was before us, and Senator SESSIONS referred to this, we had amendments—for example, one that I offered that was accepted which applied more money toward achieving the authorization we had previously passed to fund more detention spaces to end the catch-and-release program. Right after that or very shortly after that amendment was adopted, the amendment of Senator SESSIONS was laid down. Through no fault of his, there was a problem in funding—that is, it would have provided a potential across-the-board funding reduction of everything else—so some of us were caught in a Catch-22. We very much wanted to support what Senator SESSIONS was doing—he is absolutely right, we needed to secure more money for the construction of fencing—yet in my case it could have been taken out of funding I had just succeeded in adding to the bill. So it was an impossible vote for us.

One of the reasons this amendment is before us is to correct that and ensure that all of the things we need to fund will be funded: the detention spaces that I was able to add, more border patrol that we have added, as well as the fencing that has to be added. So in effect this is the last block in the foundation for the effort we have of securing the border. We need to put it in place.

We have authorized the work. Everybody agrees it needs to go forward. There has simply been a difference between what Senator Sessions and the funding required. This amendment will provide that funding and will do so in a way that will do harm to no other account and will help us to achieve the goal of securing the border.

I am very happy to support the amendment. The second-degree amendment that I laid down, as I said, is technical; it simply adds $100,000 to ensure there is enough money to provide for the vehicular barrier construction as well.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. KYL. Mr. President, I appreciate that. We had testimony before the Terrorism Subcommittee of the Judiciary Committee, which I chair and on which Senator FEINSTEIN is the ranking member, about what the results of that fencing had meant for that area. Crime had gone down. Economic growth had occurred on both sides of the border—it was so positive. I know there is fencing in Arizona, and it is not the best kind, not the most attractive. As was said, it is not something you can see through—landing mats.

But based on the Senator’s experience and many years of examining what has happened at the border, is he convinced and share his thoughts about how this could be helpful in the overall view of creating a border in which the law is followed and we have security?

Mr. SESSIONS. I had a call several months ago, before I offered the amendment, from Congressman DUNCAN HUNTER of San Diego, who chairs the House Armed Services Committee, and he shared with me his positive view of that fencing had meant for that area. Crime had gone down. Economic growth had occurred on both sides of the border—it was so positive. I know there is fencing in Arizona, and it is not the best kind, not the most attractive. As was said, it is not something you can see through—landing mats.

But based on the Senator’s experience and many years of examining what has happened at the border, is he convinced and share his thoughts about how this could be helpful in the overall view of creating a border in which the law is followed and we have security?

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But based on the Senator’s experience and many years of examining what has happened at the border, is he convinced and share his thoughts about how this could be helpful in the overall view of creating a border in which the law is followed and we have security?

Mr. KYL. Let me illustrate with a couple of examples. There are so many things that could be talked about. For example, the violence at the border has increased 108 percent, according to the U.S. attorney in Arizona, Paul Charlton, in testimony before our subcommittee. The number of crimes and number of criminals crossing is up dramatically. Over 10 percent of all of the people apprehended now at the border have criminal records—and these are serious crimes. This is murder and rape, and kidnapping and drug crimes and terrorism. So it is not coming across the border to find work here. There is a substantial number of criminals, and they are not just from our neighbor to the south, Mexico; they are from countries all over the world.

When you see the apprehensions of people from Russia and Vietnam or China or Iran or Iraq or other countries, you also wonder how many people we are not apprehending who are criminals or who can be terrorists. So this is an element that we need to talk about.

I spoke to the matter of vehicle barriers. One of the areas they are adding barriers right now and want to add more is in the area of the Barry Goldwater Gunnery Range. This is known to the people in the military as the finest area of training for our pilots in the world. There are wide-open spaces. There is nothing to prevent the kind of activity that occurs, which includes dropping bombs. From all over the country, our pilots come to train there. Now, with respect to the Border Patrol, the Marine Corps now has to go out on patrol to make sure there are not any illegal immigrants in the
area where the bombing or strafing will occur. Obviously, you don’t want to hurt anyone.

They do that at great cost. They come back and report the area is clear, our planes are gassed, ready, loaded with bombs. Maybe they take off, and then they get a report that more immigrants are streaming into the area.

They have had to call off their missions. Over the past couple of years there have been hundreds of missions that had to be canceled. Thousands of flying hours have been lost as a result.

My point is this: There are costs for not having secured the border that I think many in America aren’t even aware of. There are huge environmental costs. Tons of garbage are left behind rotting, a danger that leads to the people as well as to the livestock, the way the ranchers’ operations are disrupted when the fences are torn down, the water lines are broken, and all the damage that occurs.

The bottom line is that we have to secure the border, and adding fencing helps to do that.

That is why the amendment is so important. We have to make up the difference between what we have authorized and what the Border Patrol says they need, with what we have already provided in funding in the amendment to make up the difference to ensure that we have full funding for what we have to do at the border.

Mr. SESSIONS. I thank Senator KYL. I yield the floor.

The PRESIDING OFFICER (Mr. COLEMAN). The minority leader is recognized.

Mr. REID. Mr. President, first of all, let me say this. We are in a procedural quagmire in the Senate as happens once in a while. Of course, it would have been the right of the minority to stop this Defense appropriations bill from coming to the floor. For a good number of reasons I felt that was inappropriate.

First of all, the defense of this country is extremely important, and we should try to get a few things done dealing with our fighting men and women around the world as quickly as we can. But one of the factors in my agreement to go forward with this legislation is the two managers of this bill are history itself. Two of the most senior Members of the Senate, two of the most experienced Members of the Senate, the two Members who manage a bill as partners, as a couple of friends should, are experienced. I felt that with their management of this bill we would have a fair opportunity to do what was appropriate. My feeling has been underscored, that while we have been on this bill, we will give a fair shake in the process to the men and women who are defending our country.

I come to the floor today with a simple amendment. I must confess that the amendment that I brought to the floor is certainly not new and unique with me. The amendment that I am offering has been taken directly word for word from a bill that was passed by the Republican-controlled House last week by a broad bipartisan margin.

This amendment consists of tax provisions—so-called extenders—excluding the abandoned mine land fund in the House-passed bill.

Again, every single provision in my amendment enjoys broad bipartisan support. But I am forced to offer this amendment for a couple of reasons.

First, our friends in the majority have allowed many of these provisions to expire.

Second, the statements made by the majority leader yesterday—which I don’t think are hard to understand—I have to confess that the statements by my friend, the majority leader, were wrong in a number of different ways. What he basically said yesterday was we have a vote on the motion to proceed to a big bill on Friday; take it or leave it take that bill which includes these extending tax provisions which are so important to the country, some of which have expired.

It also has in it a minimum wage provision which is so flawed. It takes 3 years to kick in. But, more importantly, for seven States it would be a wage cut for these people. The threats—for lack of a better way to describe it—are simply an attempt to coerce, blackmail Members of the Senate to vote for a bill that is bad just because there are certain provisions that people like, thinking, well, this allows a chance; whatever, we are going to have to vote on the extenders and the pension bill simply is not true.

We have to pass these extenders. We always do, and we will this year. I certainly hope we pass the pensions legislation. We have worked on that in conference for almost a year.

Last Friday, it was all agreed on, and on a bipartisan basis it was done. They were ready to sign the conference report. In that agreement, we would have long been done with this.

For the majority leader to say it is now or never, you vote for this Friday morning on the motion to proceed, that it is a very faulty, wrong-headed piece of legislation, not the least of which is to create an $800 billion further deficit and debt for this country with the estate tax—$800 billion. It affects 8,100 people in our country. We are a country of 300 million people. This would be an equalizing driven for 8,100 people—$800 billion.

If we are talking about priorities, what is more important? The pension provisions affect 45 million people, and these extenders which affect virtually everybody in the country—businesses and of course, directly our citizens.

We do not need to go through each of these extenders, and I am not going to do that. For example, take the one that allows taxpayers to deduct up to $1,000 in their college tuition expenses. Senator FRIST says, no, 8,100 people are more important to the R&D tax credit.

My amendment contains a provision that will extend the State and local sales tax deduction, led by a number of Members but certainly the senior Senator from the State of Texas. That State’s residents will benefit so significantly because there are so many people there. But Nevada, which doesn’t have as many people, has a sales tax, and we want this benefit.

Senator FRIST says, no, you are not going to have a chance to do that unless we support my estate tax repeal—$800 billion to extend the State and local sales tax.

This amendment includes a provision to allow teachers to deduct out-of-pocket expenses when they incur classroom expenses. In Nevada, we are struggling to find ways to have affordable housing for our teachers. This means a lot to them—deduct out-of-pocket expenses for classroom activities. Senator FRIST says, No, 8,100 of the richest of the rich take precedence.

As I have said, I am not going to go through each of these provisions. But why don’t we just go ahead and pass this?

People say the House is out of session. The House is still in session. I think it would give true impetus to this defense bill, and we could perhaps finish this bill within a day or two. There will be some stimulus for doing that. On the House side, just like we do over here, leadership can bring the House back into session. They have to come every 3 days. That is the rule. They cannot adjourn unless we give them permission.

They can do this by unanimous consent. We could do the Defense appropriations bill, and we could do these extensions.

This amendment is important. It provides an opportunity for every Member of this body to show the American people that we are prepared to respond to their needs.

These extenders should have been extended a long time ago.

I am speaking for my friend, the ranking member on the Finance Committee, Senator BAUCUS, who, as you know, is not here as a result of his nephew being killed while serving us in Iraq. He feels very strongly about this.

I don’t believe we can be coerced into providing budget-busting tax breaks for the wealthiest of the wealthy in our country. We should not leave here
without giving our colleagues every opportunity to provide working Americans some tax relief, which they deserve.

Mr. DURBIN. Mr. President, I rise in support of amendment that is being offered by the Senator from Nevada.

Yesterday, the Republican leader, Senator FISHER, told us that the only chance the Senate would have to pass serious legislation to help countless deserving Americans will be if we are willing to reduce and virtually repeal the estate tax in America.

My question and the question of the Senator from Nevada and this side of the aisle is, why? Why not just pass this tax-extender package that is ready right now on the Senate floor? Those of us who have been in Congress for a few years know that this package of extenders is a spoonful of sugar. It helps the medicine go down. It is saved until the end of the session. It is offered as a sweetener to pass a package that is otherwise not palatable for indigestion.

We all know the merits of these proposals. They are very positive, and they help a lot of people across America. Why wouldn’t we get that part right?

Why wouldn’t this Congress, which has done so little to help people across America, make sure that this package of extenders passes?

Why wouldn’t we pass this legislation and make it easier for veterans to own their own homes?

Why wouldn’t we pass this to make it easier for families to pay for their kids’ college education expenses?

Why wouldn’t we pass this and help high school teachers pay for the expenses that they incur out-of-pocket to help students in the classroom?

Why wouldn’t we pass it to encourage investment in low-income communities, to encourage employers to hire workers in low-income families, or Indian tribes, and encourage employers to high-risk youth and veterans?

Why wouldn’t we pass this to encourage our businesses to conduct critical research on new products and ideas?

Why wouldn’t we pass it to support coal mining cleanup and bolster coal miners’ health care when they retire?

It appears that the answer, as Senator RIEH has stated, is very simple. The position of the Republican leader is you will get all these good things for America unless you do something that is terrible for America. Unless we repeal the estate tax creating an additional debt on future generations of at least $750 billion to $800 billion, you can’t help Americans across the-board unless you provide a special tax break for those who are the most well-off in America, the most comfortable, the people who have benefited the most from being part of this great Nation.

Unless you give them an additional tax break the position of the Republican leader yesterday was, We will not help anyone else in America. We will not help 6.6 million minimum-wage workers who desperately need an increase in the minimum wage after 9 years of being stuck at $5.15 an hour.

We will not pass these tax extenders which help some Americans in so many different ways unless at the same time we are told they will not get a new degree to better meet the demands of the new global economy. Why in the world would we not want to rush to extend that $1,000 tax deduction for individuals who are just trying to support it or trying to pursue an American dream for themselves or their children?

Extending the research and development tax-credit, again, is absolutely critical. Our State has gone through and continues to go through major transformations in manufacturing. This is not your father’s factory anymore. This is high tech. The R&D tax credit is critical to be extended.

It is about jobs. There are many provisions that are unjustly and unjustly objected to that directly relate to jobs, directly relate to our way of life in this country, creating opportunity, as well as supporting our troops. One of the provisions that has concerned income under the earned income tax credit for our brave men and women in uniform. Who would not support doing that as quickly as possible? I regret this amendment was not supported.

Let me go on to say, as our leader Senator RIEH indicated, there is another bill that affects middle-class Americans that is being held up, essentially is being used for political maneuver right now, that affects upwards of 45 million people in this country. That is the pension bill. We are talking about people who have paid into a defined benefit plan all their lives. They assumed it would be there. They assume in the United States of America that is happening for too many people that is happening for too many people I represent and too many people around the country.

We have a bill that has been worked on very hard. People on both sides of the aisle in the Senate have worked together in a bipartisan effort, a good-faith effort—the Committee on Finance, with Senator GRASSLEY and Senator BAUCUS, and the HELP Committee, with Senator KENNEDY and Senator ENZI, working very hard along with Senator MIKULSKI on our side playing such a critical role to make sure we get it right. The process for this bill has been a disaster despite the best efforts of people on both sides of the aisle in the Senate.

Unfortunately, the price is being paid by families who find their economic interests, their future, their retirement security, put on the back burner. Three failed deadlines have occurred on this bill, 7 months of lost time in conference. Now the same families are being told they have to wait some more so we can take a tax bill with provisions that do not even expire until 2010. People have pensions in jeopardy because of the possibility we will not act

Let me give an example. Our amendment that was just objected to included a provision to extend the $4,000 deduction for higher education expenses for families to send their children to college or for people going back to school themselves or get a new degree to better meet the demands of the new global economy. Why in the world would we not want to rush to extend that $1,000 tax deduction for individuals who are just trying to support it or trying to pursue an American dream for themselves or their children?
in 2 days, and we are not acting. Hopefully we will get this done. We ought to get this done now before we focus on legislation that affects only 2 percent of the wealthiest in this country, people who are not even impacted for 4 years. There is something wrong with this picture.

There is no way to justify this. In my opinion, it is immoral to watch working Americans lose pensions they have earned over the last 30 or 40 years, and not sort of something about it as quickly as possible. People have waited too long. In Michigan alone we have over 1.5 million families counting on their pension plan. They are counting on Congress to make sure it will be there. They are counting on Congress to make sure what they have worked for all their lives will be there.

There is a fundamental principle: You work all your life, you pay into a pension, you ought to get it, period. We shouldn’t be spending the time to take up any bills that should have been done months ago. I don’t understand this.

The families I represent are betting on us to help them. They are counting on us to make sure they have their pensions. Today, the leadership on the other side of the aisle has decided to prioritize a bill that impacts 2 percent of the wealthiest taxpayers while a bill that affects upwards of 45 million people is waiting to come to the Senate. We have no guarantee it will be passed this week. We cannot count on the fact when all of this is done on Friday that they will even proceed with this critical pension bill.

On the pension bill itself, I commend, as I said before, my colleagues, our leaders, who have worked so hard. I commend the conference for considering the unique aspects of manufacturing and the auto industry. These are tough times in Michigan. The bill as it passed the Senate did not fully represent what we need for manufacturing. In the conference committee, people of good will worked together. We fixed those things. I am very pleased about that. Our automakers are trying to do the right thing, trying to fund their pension plans. The pension bill addresses those things that will allow them to continue to do the right thing.

We also have folks in the construction industry and building trades, the multimeployers, who are asking for flexibility to fix their pension plans. That is in this bill. We have companies such as Northwest Airlines, which has gone into bankruptcy but has chosen up to this point not to dump their pensions in the Pension Guaranty Fund. We have to make sure we do everything possible to help. Thousands of people, their livelihoods, their future, their retirement security, are at stake.

I think too many people in America are feeling squeezed on all sides. They see decisions being made, issues being brought up, that have nothing to do with their lives. They see policies being proposed that have nothing to do with helping them do better, hoping they will able to keep the American dream, be able to protect their way of life.

It is time we had a new direction in this country. It is time we had a new direction and focus on that which will directly affect people every day so they will trust in their Government again that we will have the right values and priorities that allow every middle-class American, every working American, everyone who is working hard and playing by the rules, to have a chance to know they will not only make it but we will keep our promises, as well.

In conclusion, I urge my colleagues, urge the leadership in the Senate, to bring before the Senate a bill that can have universal support, overwhelming support in the pension bill.

As we complete this very important Defense bill, this funding bill critical to our men and women, our troops, a bill we all want passed, I urge us then bring up the pension bill and let us pass it so 45 million people will have the assurance by the end of this week that their pensions will remain intact, or at least we will have given it our very best effort.

The PRESIDING OFFICER, The Senator from Alaska.

Mr. STEVENS. Mr. President, I have a chart that shows the reset requirements of the Army and Marine Corps. Again, I say to the Senate, the Defense Department identified a $23.7 billion requirement for resetting the force, bringing it back up to operational capability. The amount included was $17.1 billion for the Army and $6.6 billion for the Marine Corps. The fiscal year 2007 Defense appropriations bill which we have presented to the Senate included $10.6 billion that would directly address these needs. The remaining need was $13.3 billion. That was addressed in the amendment Senator INOUYE and I presented last evening.

I ask unanimous consent that the chart be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

| AMENDMENTS NOS. 4758, AS MODIFIED, 4770, 4770, AND 4772, EN BLOC |
|------------------------|-----------------|-----------------|
|                        | FY 2007 bill as proposed | Remaining needs (Senate-General amendment) |
| Army                   | Total need identified by DOD | 8.6 | 3.6 | 5.0 |
| Equipment              | Maintenance       | 1.2 | 1.5 |
|                        | Total, Army       | 17.1 | 9.3 |
| Marine Corps           | Equipment         | 5.3 | 1.1 |
|                        | Maintenance       | 1.3 | 0.2 |
|                        | Total, Marine Corps | 6.6 | 1.3 |
|                        | Total in the bill | 23.7 | 10.6 | 13.1 |
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provide an intelligence assessment by October 1–2 months from now. If he is unable to do so, he must provide a report outlining the reasons.

The intelligence estimate required in our amendment would require an update on each of the eight key issues.

The first is sectarianism. We need an assessment from the intelligence community on whether Iraq is in a civil war now or is descending into civil war, and what will prevent or reverse a deterioration of conditions promoting civil war.

The growing sectarian violence, the ruthless death squads, the increasingly powerful privately armed militias, and the administration’s decision to send thousands more U.S. troops to Baghdad are alarming and are of concern to the American people. We need an assessment from the intelligence community so we know how to adjust our policy.

The second issue the new intelligence estimate should address is security. One of the key elements of that assessment should be the militias. Militias are the engines of civil war. All one needs to do is look at Bosnia or Lebanon.

As the violence in Lebanon demonstrates, political parties cannot govern with one hand and use militias to terrorize civilians with the other. It did not work with Hezbollah in Lebanon, it will not work with Hamas, and it will not work in Iraq.

President Prime Minister Maliki has acknowledged the militia problem, but he has not articulated a clear vision for how to tackle this critical issue. It is time for the new Government to move beyond vague statements and develop a viable strategy to deal with the militias and prevent Iraq from descending into full-scale civil war.

On this critical issue, we need to know the intelligence community’s assessment of the likelihood that the Government has developed and implemented a credible plan to disarm, demobilize, and re-integrate militias into Government security forces.

More broadly, we need an assessment from the intelligence community about whether Iraq is succeeding in rebuilding its economy and creating economic prosperity for the American people. We need an assessment from the intelligence community about whether Iraq is succeeding in creating a stable and effective unity government that is succeeding in Iraq’s defense and international aid to meet its domestic economic needs, and the actions the intelligence community believes are needed to increase the likelihood of that occurring.

Mr. President, at the appropriate time I will urge our colleagues to accept the amendment. And I will be glad to work with the floor managers to see if this might be an acceptable amendment.

Mr. President, the amendment I send to the floor would require the Director of National Intelligence to task the intelligence community to prepare an updated National Intelligence Estimate on Iraq. The amendment is co-sponsored by our Democratic leader, Senator Reid, Senator Biden, Senator Levin, and Senator Reed of Rhode Island.

The last time the NIE was updated was in July 2004. According to press reports, it outlined three possibilities for Iraq through the end of 2005. The worst case was Iraq driven by foreign terrorists, the best case was civil war. The best case was the Iraqi Prime Minister Maliki told Congress last week that in addition to the challenge of sectarian violence, his country is “the front line” against terrorism. Is a majority of the violence in Iraq driven by the insurgency rather than foreign terrorists? Is it still the case that less than 1 percent of the prison population in Iraq are foreign fighters? We need to know the current nature and extent of the terrorism threat. Just as important, we need the intelligence community’s assessment of what we can do to the Iraqis can do to counter the threat.

Fourth, we need an assessment from the intelligence community about whether Iraq is succeeding in creating a stable and effective unity government that is succeeding in Iraq’s defense and international aid to meet its domestic economic needs, and the actions the intelligence community believes are needed to increase the likelihood of that occurring.

Eighth, and finally, we need an assessment of the international presence in Iraq, including whether and in what ways the large-scale presence of multinational forces is helping or hindering Iraq’s chances for success.

Seventh, is an assessment of the international presence in Iraq, including whether and in what ways the large-scale presence of multinational forces is helping or hindering Iraq’s chances for success.

Sixth, is the future of Iraq. Without objection, it is so ordered.

AMENDMENT NO. 4775

Mr. President, at the appropriate time I will urge our colleagues to accept the amendment. And I will be glad to work with the floor managers if they have ideas about how it can be addressed and further effected.

Mr. President, I yield the floor.

Mr. INOUYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Sixth, is the future of Iraq. Without objection, it is so ordered.

AMENDMENT NO. 4775

Mr. SESSIONS. Mr. President, I would like to share a few remarks
about the amendment I have offered. No. 4775. It is to actually fund the border barriers and fencing that we authorized by an 83-to-16 vote just a few weeks ago, on May 17. This Senate said that is what we wanted to do. Unfortunately, when the more appropriate time came to fund it, we failed to have the money to do it.

I think there is a great deal of cynicism among the American people about Congress’s commitment to actually creating a lawful system of immigration and enforcement. They are not only cynical, but they are determined to see to it that Congress does. We are the vehicles for the American people to accomplish national goals of importance. As a person who had been a law enforcement officer for many years involving Federal law, it is just heartbreaking to see, with regard to immigration, law made a mockery. People have every right to be upset with us, upset with the President—this President and previous Presidents, previous Congresses.

Twenty years ago, in 1986, we developed a system that was supposed to work to deal with immigration. We gave a one-time amnesty to several million people. We promised we were going to make the system work in the future. And we never funded anything that would work. That is indisputable. It just cannot be denied by any person, I do not think, who would look at the situation as it has developed since 1986. There was a promise to do something. That promise was not fulfilled. So we do not want to head down that road again.

I think the House of Representatives is correct. Let’s make sure we follow through this time. We have a credibility gap. We have a problem. People are not confident we are going to do it. Indeed, money gets tight around here. We spent $30-something billion on homeland security, but we could not find $1.8 billion to fund the fencing we voted to authorize and that DHS wants—fencing is a one-time expenditure that would reduce the number of Border Patrol agents, reduce the number of people who attempt to come in, and reduce the overall cost in the long run of making the border secure. But we did not do it. Why not? Well, those are the kinds of questions we are dealing with.

Now, the President has done some things that indicate he is committed to border enforcement. On July 25, Border Patrol Chief David Aguilar and National Guard Bureau General Steven Blum held a press conference on Operation Jump Start. That is where the National Guard is helping us at the border, as the President requested that they do. Chief Aguilar and General Blum explained: The National Guard is assisting them—the Border Patrol—with their “tactical infrastructure so they can be effective; better roads so they can move along the border laterally . . . .” You have to be able to move along the border. You cannot have people elbow to elbow trying to stop people coming here illegally. When you see people come, you have to be able to move laterally along the border. And quote: “fences and lighting and sensors.”

So that is what the National Guard is doing.

Now, yesterday, on August 1, we received a letter from Ralph Basham, the Border Patrol Commissioner, and Paul McNulty, Assistant Secretary of Defense, announcing the fulfillment of President Bush’s promise to deploy 6,000 National Guardsmen to the border by August 1. He met that goal. This is a good step. It is not the solution. They are not allowed to patrol the law enforcement agency. They have a lot of restrictions on them. But it is an assistance, and it is also part of a signal to the world that a wide-open border no longer exists, that we are taking steps to maintain security at our borders, like most nations of the world strive to do.

The letter describes how 6,199 soldiers and airmen are now working in four border States. One of the capacities they are working in is “forward deployment,” which includes “engineering and other efforts.” This refers to the National Guard’s role in building tactical infrastructures—roads and fencing.

So the National Guard is already charged with helping build the tactical infrastructure needed on the southern border. But they just do not have enough money to build what the Senate authorized it to build. So now the National Guard has 500 miles of vehicle barriers that are less expensive but at least keep people from driving across the border in their vehicles.

So the amendment we have before us now, and the vote we will have, will finally appropriate the funds that will build fencing on the border. This is a real vote. What we often do in this Chamber is authorize expenditures. We authorize programs to be undertaken by the Secretary of Homeland Security, but if the appropriating committees and the Senate do not get around to actually funding those authorized activities, they never occur.

This is an appropriations bill, and it is a bill that has real power to fund a fence, in this case. So it is a real vote.

The language of the amendment is simple. We take the amount of money already in the bill to fund emergency Homeland Security and increase that money by the amount needed to construct the 370 miles of fencing and 461 miles of vehicle barriers on the southern border. Because 39 new miles of vehicle barriers were already funded in the Senate-passed Homeland Security bill we moved some weeks ago, we only fund 461 miles of vehicle barriers with this amendment.

Of course, the number of miles of barriers and fencing is what was requested by the Secretary of Homeland Security, Mike Chertoff, to the Congress. It is what he stated he needed to be effective on the border.

It is also important that we send that signal to the world that there has been a change in policy. We can deny we had a policy of open borders, but in reality we basically did. We have had an open borders mentality, so people around the world have received a message; and if they come to our border, they can figure out a way to get across. That has been happening. We do not need to send that signal. We need to send a signal that the open borders time is over by passing this amendment. It is not a bottomless pit of costs. In fact, these barriers are one-time costs, but they will help us have good enforcement with fewer agents for decades to come. The net result will be that we will be able to save money. It will also save money in its signal capacity in that I believe we are going to have fewer people attempting to violate the law, as a result of a clear commitment to use the National Guard, fencing, increased Border Patrol, and also detention beds and deportation activities.

We are not playing games. The American people have every right to be dubious and concerned about the commitment of this Congress to follow through. However, I believe we can follow through. This is a test for us. I believe we will be ready to pass the test.

The cost to construct these miles of fencing and barriers will run between $1 and $3 million per mile for fencing, based on whether the military constructs the fencing or they use private contractors, and they are authorized to use contractors that they supervise, and $1.4 million per mile of vehicle barriers. The total construction cost for these miles will be less than $2 billion. That is not a small amount of money, but it is a manageable amount.

If a budget that is in the neighborhood of $800 billion a year, we ought to be able to find a couple of billion dollars to follow through on a commitment we made and the commitment the American people expect us to fulfill.

Fencing is a proven approach. With the establishment of the San Diego border fence, crime rates in San Diego have fallen off dramatically. According to the FBI crime index, crime in San Diego County dropped 56 percent between 1989 and 2000, after the fence was built. This is a whole county. It was a huge lawless area. Congressmen Duncan Hunter, chairman of the House Armed Services Committee, lives in San Diego. He called me several months ago to give me some personal insight into the economic growth, the security, and safety on both sides of the border, after this lawless area was brought under control by a fence. It is a proven success.

Vehicle drive-throughs, where people drive across the border and run right past anybody who may be watching them, are down to less than 1 per day before the construction of the border infrastructure to only four drive-throughs in the whole year of 2004.
Those occurred only where the secondary fence was incomplete. It is undeniable that fencing has reduced illegal entries into San Diego.

According to the numbers provided by the San Diego sector Border Patrol in February of 2004, apprehensions decreased from 531,689 in 1993—they apprehended 531,689 people on the San Diego sector in 1993. As a result of the fencing at the most busiest crossed area in 2003, there were 111,515. Isn’t that great? That is about one-fifth as many, indicating that one-fifth as many people were trying to cross the border overall. They apprehended in the San Diego area last year—in 2003—111,000 people attempting to enter this country illegally, and there are hundreds of thousands now crossing in Texas and Arizona, far more than are crossing where the San Diego fence was built.

So the scope of this problem is huge. I can’t understand the concern that people have that barriers would be somehow impractical when we are dealing with these kind of numbers. Fencing has also reduced drug trafficking in San Diego. In 1995, before the fence, authorities apprehended over 58,000 pounds of marijuana coming across the border. In 2003, after the fence helped stem the tide, only 36,000 pounds of marijuana were apprehended. In addition, cocaine smuggling decreased from 1,200 pounds to approximately 150 pounds. We have made a lot of progress there. We need to replicate that. We have learned from it, and we need to follow our own example. It is a one-time expense that this bill would meet and will allow us to meet those challenges.

I am convinced that physical barriers at the border are an essential part of a cost-effective solution to our current border security crisis. Virtual fences are intriguing and may be good in remote areas, but they don’t impress me with the traffic areas that we are talking about. I am talking about half a million or a million people crossing per year. There are only two alternative routes that we can take to secure the border: manpower alone or manpower plus infrastructure. We can take either: just personnel alone or we can do personnel plus infrastructure. The latter is much more cost effective. It will save us money.

Attempts to secure the entire 2,000-mile border line with manpower alone would require as much as 150,000 agents, if you put 15 per mile over the 2,000 miles of the border. Then you have 7 days a week, 24 hours a day. How serious is this? It is a huge cost, were we not to have barriers at the most troubled areas.

If we only build a virtual fence and not a real one, we will be spending millions on technology to detect illegal crossings, and then we will be spending millions on manpower to chase down, apprehend, arrest, process, and deport the illegal crossers. That is not what we want to do. We don’t want to play an expensive game where we catch and release and chase and catch and apprehend and pay to deport and pay to house while they are being deported. Apprehension is manpower intensive, slow, and legally complex. It requires additional related activities and costs such as incarceration and deportation, courts, opera, transport, lawyers. We don’t want to do that. We want to get away from that.

We want to send a message to the world that this border is no longer open. Only if you attempt to cross our border illegally, you are not going to succeed. You need to apply and wait in line to come legally. We are generous about how many people we allow now and how many people we will allow in the future. We are a very generous nation with regard to immigration. We will remain so. But we want people to make their application and wait in line, not to pour across the border. Many of the illegal crossers are coming from areas of the world that have ter- ritory. Once they are inside the border, they are that much harder to catch. Preventing people from coming here illegally is the right approach. Prevention is the right approach. We need to get to that place. I talk frequently about how about this issue recently. He agreed that we need to get to what you might call a tipping point. Once we are serious and get border enforcement up and going in a real way, we get more Border Patrol agents, we end the catch-and-release policy, we put up fences and vehicle barriers, and we have sufficient detention beds so people don’t have to be released on bail after they have been apprehended, never to show up again when they are asked to come back to court, if we end all of that, all of a sudden we will see a dramatic reduction in the number of people attempting to come. Couple that with a really workable biometric identifier card for people who come here as an easy and right job, and they have to present that card or they can’t get work, people will wait in line to get that card. If we crack down on businesses who are hiring people without the proper identification, they will quit hiring people. Most businesses will do what you tell them to do.

We can get to that point very easily, far easier than a lot of people believe, where we can go back to a lawful system. That is what the American people want. They have every right to insist on it. They have been insisting on it for 40 years. We were supposed to have fixed it in 1986, 20 years ago. We did not do so. I am telling you, this Senator is not going to support and release law that will not work to serve the interests of the United States and will not create a system that is lawful and not lawless. No Member of this Senate should.

I urge colleagues to take this step and vote for this amendment because it is narrow. It simply adds money to the emergency National Guard account already in this bill to provide funds for the construction of physical barriers on the most vulnerable miles along the southern border, the area that Secretary Chertoff and the Department of Homeland Security favor. If we don’t use the emergency fund but instead provide for this purpose, they will get used for something else. The Senate has already voted overwhelmingly to approve construction of physical barriers along the border. We missed a chance to fund the barrier in the Department of Homeland Security appropriations bill. With this vote, there are no difficult choices to make. We can actually say to our constituents that we followed through and we walked the walk as well as talked the talk. I am confident that we will be successful.

I thank Chairman Stevens for his consideration. I understand we may have a vote later this afternoon, which would be pleasing to me.
The assistant legislative clerk read as follows:

The Senator from Texas [Mr. CORNYN] proposes an amendment numbered 4788.

Mr. CORNYN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. Without objection, it is so ordered.

The amendment is as follows: (Purpose: To provide emergency supplemental appropriations for border security and immigration reform.)

At the appropriate place, insert the following:

TITLE
BORDER SECURITY AND IMMIGRATION REFORM
CHAPTER 1—DEPARTMENT OF HOMELAND SECURITY
UNITED STATES VISITOR AND IMMIGRATION STATUS INDICATOR TECHNOLOGY
For an additional amount for “United States Visitor and Immigration Status Indicator Technology” to accelerate biometric database integration and conversion to 10-print prints, $60,000,000, to remain available until expended: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

CUSTOMS AND BORDER PROTECTION
IMMIGRATION AND CUSTOMS ENFORCEMENT
SALARIES AND EXPENSES
For an additional amount for “Salaries and Expenses”, $196,500,000, to remain available under Section 502 of which not less than $38,000,000 shall be for the hiring of 200 investigators and associated support for alien smuggling investigations; of which $173,000,000 shall be for the hiring of 600 investigators and associated support for worksite enforcement; of which $45,500,000 shall be for 1,300 detention beds, personnel, and associated support; Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT
For an additional amount for “Air and Marine Interdiction, Operations, Maintenance, and Procurement” to replace air assets and upgrade air operations facilities, $560,000,000, to remain available until expended: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

CONSTRUCTION
For an additional amount for “Construction”, $2,155,100,000, to remain available until expended; of which not less than $1,628,000,000 shall be for the construction of 370 miles of double-layered fencing along the international border between the United States and Mexico; Provided, That $507,100,000 shall be for the construction of 461 miles of vehicle barriers along the international border between the United States and Mexico; Provided, That the amount not less than $20,000,000 shall be for construction associated with the hiring of 500 border patrol agents: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

UNITED STATES COAST GUARD
ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS
For an additional amount for “Acquisition, Construction, and Improvements” for acquisition, construction, renovation, and improvement of vessels, aircraft, and equipment, $45,500,000, to remain available until expended: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

UNITED STATES CITIZENSHIP AND IMMIGRATION ACTIVITIES
For an additional amount for “United States Citizenship and Immigration Services” for the development and the implementation of the Electronic Employment Verification System, $400,000,000: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

LEGAL ACTIVITIES
SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES
For an additional amount for “Salaries and Expenses, General Legal Activities”, $2,600,000, to remain available until September 30, 2007: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

For an additional amount for “Salaries and Expenses, United States Attorneys,” $2,600,000, to remain available until September 30, 2007: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made available in the Senate by section 7035 of Public Law 109-234.

Mr. CORNYN. Madam President, I also ask unanimous consent that Senators KYL and BURNS be added as co-sponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORNYN. Madam President, I thank and commend Senator STEVENS and Senator INOUE for their hard work on the Defense appropriations bill. They have done a tremendous job of putting together a bill that funds programs critical to the global war on terror.

I come to the floor today to talk about another aspect of our national security, and that is our border security. This amendment is a border security emergency supplemental appropriations amendment that I filed to the Defense appropriations bill.

At the outset, I made clear to the chairman of the Defense Appropriations Subcommittee, Senator STEVENS, and anyone else who was interested, this amendment would be by one penny any funding for the Defense Department or our troops, nor would this amendment add to the budget deficit...
because it is emergency spending necessary to control our borders and improve our national security.

It has now been about 2 months since the Senate passed a comprehensive immigration reform bill and over 7 months since the House of Representatives passed its bill. We are now in stalemate, I think it is fair to say, with no apparent way out.

While there has been no progress over the past few months on comprehensive immigration reform and border security measures, I remain optimistic and certainly committed to sending the President a comprehensive immigration reform bill before the end of the year.

The enforcement titles in the House and Senate bills are, upon inspection, very similar. And there are several different proposals for addressing the 12 million people who are currently living here out of status, including one Senator Kyl and I introduced. I truly believe that bills are offered productive and constructive ideas and concepts, and I welcome all those who share my goal of moving this process forward and addressing this subject this year.

The main hurdle to a conference with the House and ultimately a bill approved by both Chambers is not a lack of common ground between the two bills. Instead, I submit it is a deep-seated public skepticism that the Federal Government will enforce the immigration laws and fund enforcement programs that are necessary to maintain any level of integrity in our immigration system.

Unfortunately, Madam President, their skepticism is warranted. In 1986, Congress promised the American people that there would be a one-time amnesty and that increased enforcement would then prevent a buildup of illegal immigration in the country.

As we know, that amnesty came, but the enforcement did not. Unless and until Americans are confident that the Federal Government will control the border and enforce the law, they are unlikely to support an immigration bill that includes any temporary worker program.

One way to build that confidence is for Congress and this administration to fully fund border security and immigration enforcement programs starting with the money Congress has already authorized and that the President has indicated are necessary to control our broken immigration system.

What are Americans to think when Congress authorizes additional Border Patrol agents and detention beds and claims then to have dealt with our broken borders, but when Congress turns around, it fails to fund the positions and the infrastructure that we just got through authorizing. Unfortunately, that has been the pattern too often over the last years.

Last week, Senators Kyl, Isakson, Chambliss, and I sent a letter to President Bush asking him to send Congress an emergency supplemental request to fully fund those programs; again, not new programs, by and large, but programs that have already been authorized by an act of Congress, signed into law. The House has funded, but not fully funded, in addition to two counter additional programs the President himself has said we need in order to deal with this problem. A request by the President would send a clear message that the time is now. It is no longer acceptable, and that the Federal Government will fund and, yes, will enforce the immigration laws of the United States.

But I am also prepared to proceed with an amendment to this Defense appropriations bill, the amendment that is before the Senate. It is my hope and desire that by funding enforcement programs that we will increase the credibility of the Federal Government in when it is correctly creating a system that will work and will facilitate a successful conference on comprehensive immigration reform between the House and the Senate.

This amendment in many ways eliminates the need for comprehensive immigration reform. It is not a substitute for it, and I believe that comprehensive immigration reform should and can be done in a single piece of legislation. In fact, the legislation, rather than being a substitute for that comprehensive immigration reform, is just the opposite. This amendment will allow us to find common ground on visa reform and ways to address the 12 million individuals who are currently living in the shadows and outside our laws.

Absent action on this sort of credibility-restoring measure, I am afraid that we will find ourselves at a continued stalemate and do nothing.

My amendment would fund an additional 500 Border Patrol agents, along with the necessary support staff, training, and education to help make our borders safe. The President called for this additional funding, and this appropriations amendment would allow him and us to meet that goal.

This amendment would also fund 1,300 additional detention beds which would allow the Department of Homeland Security to end its policy of catch and release more quickly.

The Intelligence Reform Act of 2004 authorized 8,000 additional beds, but Congress and the President have only funded 6,500. This amendment would provide $60 million to fund the US-VISIT entry-exit system. But the GAO report released today that revealed that undercover agents routinely were able to enter the country with false documents, demonstrates, in as current fashion as today’s news, the need to move forward with a biometric entry-exit system, and this amendment would provide the funds to do exactly that, something we have already passed and has been authorized but which we have not funded.

The President has also called for an expansion of the electronic verification system that would allow employers to quickly and more reliably determine whether new hires are authorized to work legally in the United States.

Unfortunately, the basic pilot program, which is a voluntary program, which is only utilized by a handful of employers, has not been funded because it is not mandatory and it is not nationwide, and the Government today, even under this voluntary program, struggles to service the 10,000 employers who do voluntarily participate.

If we were serious about expanding the verification system to all employers around the country—which means approximately 6 million companies—on the timeframes proposed by the House and Senate, Congress needs to fully fund that program. This amendment would do that.

Anyone who has visited the border region knows that the infrastructure of our Coast Guard and our Border Patrol is in a shambles. At the point, all of the P-3 surveillance aircraft along the border were grounded due to structural failures. This amendment therefore funds $973 million for Coast Guard improvements in vessels, aircraft, and equipment and to replace air assets and engage in air fleet modernization—something that is long overdue. This funding was previously passed by the Senate in H.R. 4939, only to be stripped during the conference report.

Of course, this amendment alone will not fix our broken immigration system. We need comprehensive reform. But until Congress regains the credibility it so sorely needs to be able to move forward on comprehensive immigration reform, we will remain stuck as we are now with the Senate, which has passed a bill and the House which has passed a bill failing to convene a conference and work out our differences and actually provide a solution to the problem.

We do need comprehensive immigration reform. We need to create a temporary worker program for those who come to our country and want to work legally and then return to their country of origin. We need to address the 12 million individuals who are currently living in the shadows who are already present, living among us.

I remain committed to comprehensive immigration reform and I will continue to advocate for a bill that provides economic and national security. But I believe that funding for our border security is a necessary and essential step in that direction and I urge my colleagues to support this amendment.

Madam President, I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second?

At this time there is not a sufficient second.

The Senator from Arizona. Mr. KYL. Madam President, I wish to compliment our colleague. I know the
Senator from Georgia wishes to speak so I will simply say this: Senator CORNYN and I proposed something rather radical here and that is that we actually put our money where our mouth is. That is to say, all the things we authorized, all the things the President requested, we can secure the border, we actually fund so we can get the job done. That is what this amendment does. It basically takes the difference between what we said we want to do and what we fund and closes the gap to make sure we can secure the border, the way and the legal way.

We have to first securing the border so people can bring about a return meaningful guest worker program. None of those laws can we bring about a return way and the legal way.

The American people know that the border is truly an emergency. There is no greater trouble.

Our country has always had a path to citizenship and it is known as legal immigration. There is no greater domestic issue in this country than the problems on our southern border with Mexico. There is no greater challenge than working capital in industry, and agriculture than to have a functioning and a working and a meaningful guest worker program. None of those can be accomplished without first securing the border so people can come to the United States the right way and the legal way.

Our country has always had a pathway to citizenship and it is known as legal immigration. Only with the enforcement of our laws and respect for those laws can we bring about a return to legal immigration into the United States of America.

We have commented often in speeches I have made around my State that this is a great nation in which we live. You don't find anybody trying to break out of the United States of America. They are all trying to break in because we are a nation of hope and promise. But with an absence of respect for our own security on our own border, we ask for help and we end up getting significant trouble.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. I ask unanimous consent I be included as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ISAKSON. Madam President, the heart and soul of comprehensive immigration reform is first and foremost the foundation of a secure border. When we debated in the Senate the comprehensive immigration bill that was finally passed, Senator SESSIONS, Senator CORNYN, Senator Kyl, myself, Senator SANTORUM, and others were sponsors of the amendment called on the border security being the trigger for any program granting legal status to someone who is here illegally. That still is the case and is still the foundation on which we must build comprehensive immigration reform.

The American people know that in 1986, the last time Congress reformed immigration laws, we granted amnesty and promised border security. We gave amnesty, but we did not secure the borders. It is why we had a 3-million illegal alien problem in 1986 and we have a 12-million illegal alien problem today.

It is absolutely essential, too, as the Senator from Arizona said, to put our money where our mouth is. The amount of money proposed by the Senator is truly an emergency. There is no greater domestic issue in this country than the problems on our southern border with Mexico. There is no greater challenge than working capital in industry, and agriculture than to have a functioning and a working and a meaningful guest worker program. None of those can be accomplished without first securing the border so people can come to the United States the right way and the legal way.

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I have commented often in speeches I have made around my State that this is a great nation in which we live. You don't find anybody trying to break out of the United States of America. They are all trying to break in because we are a nation of hope and promise. But with an absence of respect for our own security on our own border, we ask for help and we end up getting significant trouble.

Senator CORNYN has brought to the floor a perfect idea: an emergency supplement as a part of the Department of Defense authorization to ensure that border enforcement becomes meaningful and becomes real. It is absolutely true, it is a national security issue. And, it is absolutely true that it is a matter of the defense of our Nation. It is fundamentally true that it is the foundation for whatever comprehensive reform this Senate and the House will ever agree to.

I urge my colleagues to vote in support of the Cornyn amendment.

I yield the floor.

The PRESIDING OFFICER. Mr. CORNYN.

Mr. CORNYN. Madam 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.

The PRESIDING OFFICER. The Clerk will call the roll.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 378, AS MODIFIED

Mr. CORNYN. Madam President, I send a notification of amendment 4768 to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 4768), as modified, is as follows:

At the appropriate place, insert the following:

TITLE
BORDER SECURITY AND IMMIGRATION REFORM
CHAPTER 1
UNITED STATES VISITOR AND IMMIGRATION STATUS INDICATOR TECHNOLOGY

For an additional amount for “United States Visitor and Immigration Status Indicator Technology” to accelerate biometric database integration and conversion to 10-print enrollment, $60,000,000, to remain available until expended: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

For an additional amount for “Construction”, $21,165,000,000, to remain available until expended; of which not less than $1,628,000,000 shall be for the construction of 570 miles of double-layered fencing along the international border between the United States and Mexico; of which not less than $507,100,000 shall be for the construction of 461 miles of vehicle barriers along the international border between the United States and Mexico; and of which not less than $20,000,000 shall be for construction associated with the hiring of 500 border patrol agents.

For an additional amount for “Customs and Border Protection Salaries and Expenses”, $153,000,000, to remain available until September 30, 2007, of which not less than $38,000,000 shall be for the hiring of 200 investigators and associated support for drug smuggling investigations, of which not less than $13,000,000 shall be for the hiring of 600 investigators and associated support for work site enforcement; of which not less than $56,000,000 shall be for the retention of positions, as associated support: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

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VerDate Aug 31 2005 01:25 Aug 03, 2006 Jkt 049060 PO 00000 Frm 00018 Fmt 4624 Sfmt 0634 E:\CR\FM\A02AU6.007 S02AUPT1jcorcoran on PROD1PC62 with SENATE

Over the past few months, we have seen many amendments that claim that withdrawing from Iraq is the right approach. The Senate wisely defeated those amendments. We have a responsibility to ensure that the governments we fund are accountable, have the ability to govern themselves as sovereign nations, and have the infrastructure necessary to maintain the rule of law. I am proud that the bill before us today allows us to continue to fight and win the global war on terrorism and also continues to enhance our research and development projects so that we will continue to be able to defeat those who raise arms against us.

One of the key provisions in this bill is the funding for new aircraft. By appropriating $4.3 billion and approving a multiyear contract for the F-22A, the United States will maintain its position as having the superior air fighter well into the next few decades. Because my colleagues and I fought hard for multiyear procurement during the Defense authorization bill debate, we will be able to save the American taxpayer an estimated $225 million over separate 1-year contracts for the next 60 F-22s.

It is my belief that Members of Congress have a duty to support fine soldiers, and their families. It is my belief that Members of Congress have a duty to support fine soldiers, and their families.

I am also very proud of the aspects of the bill which will allow the United States to maintain its strategic lift capability. With an aging fleet, it is imperative we invest now in strategic lift aircraft to secure our future. The bill appropriates $867 million to procure C-130Js. Coupled with an additional $12 million for the C-5 AMP Program and $2.3 billion for C-17 procurement, including language directing the Department of Defense to budget for additional C-17s fiscal year 2008, we can be assured that the United States will maintain a strong lift capability able to respond to crises any place on short notice.

We must remember, however, that the best investment we can make is not equipment, but in the warfighters themselves. I am pleased that this legislation appropriates $45 million in supplemental education funding for local school districts that are heavily impacted by the presence of military personnel and families, including $30 million for critical aid for educational services to support special-needs children, and an additional $10 million for districts experiencing rapid increases in the number of students due to rebasing and the BRAC process. I have several bases in my State that will benefit from this funding and I can assure you that this funding is critical to ensuring that children of our military families receive the quality education they deserve. As a result of the 2005 Base Realignment and Closure process, Fort Benning and its systems in the surrounding area will experience an influx of approximately 10,000 students into their school systems over
the next several years. This funding ensures that communities like Fort Benning will have additional resources to help accommodate these extra students.

Continuing our focus on the families of our military personnel, this bill provides $2 million to support the Reach Out and Read Program on military installations worldwide. The Reach Out and Read organization seeks to promote literacy and language development in infants and young children to ensure that these children enter kindergarten with every advantage possible. Cited by the National Research Council as an exemplary program, I am pleased that the bill provides funding for this worthy cause. This program makes an investment in the future that I am sure will pay substantial dividends.

This bill also provides a well-deserved pay raise of 2.2 percent for all military personnel, effective January 1, 2007, and approves targeted pay raises for officer and enlisted personnel and warrant officers effective April 1, 2007. I have heard directly from troops in the field and personnel at Georgia military installations about how important these targeted pay raises are for retaining our men and women in uniform in the service and taking advantage of their hard-to-replace expertise. I commend the committee for including these pay raises in the bill.

This is a good bill that is clearly crafted with the needs of our troops and the security of our Nation foremost in mind. I hope my colleagues will join me in expeditiously approving this legislation so that our men and women in uniform can get the equipment, the benefits, and the support that they need and deserve.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. STEVENS. Will the Senator yield for a moment?

Mr. SPECTER. I yield.

AMENDMENT NO. 4775, AS MODIFIED

Mr. STEVENS. I send to the desk a modification of Senator Sessions’ amendment that reflects the amendment offered by Senator Kyl. Since it has not been ordered yet, I believe it is the Senator’s right to modify the amendment.

The PRESIDING OFFICER. A vote has been ordered on the amendment, so it does take consent.

Mr. STEVENS. I ask unanimous consent he be permitted to modify his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4775), as modified, is as follows:

On page 7, line 9, strike ‘‘$204,000,000’’, and insert ‘‘$2,053,180,000’’, which shall be designated as an emergency pursuant to section 402 of S. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2006, which is applicable in the Senate by section 7035 of Public Law 109-234.’’

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I commend the distinguished chairman of the Subcommittee on Defense Appropriations and the ranking Member for their very good work in producing this Defense appropriations bill. It has been my pleasure to serve on this committee for some time with Senators Stevens and Inouye. I have supported their action in providing substantial funding for a robust military and will be supporting this bill.

Our first line of defense is diplomacy. We cannot wait around for some very strenuous efforts at diplomacy on what is happening today in the Middle East with Israel raging a defensive war, having been attacked by Hezbollah to the north and Hamas to the south, two terrorist organizations.

I spoke at some length on this subject on June 16th. My remarks are in the CONGRESSIONAL RECORD. I made the basic point that I thought it highly advisable for the United States to engage in direct negotiations with Iran and in direct negotiations with North Korea to try to solve the problems posed by those nations on the very serious issue of nuclear proliferation, with Iran seeking to develop nuclear weapons and with North Korea having nuclear weapons and posing an enormous threat.

In the more extensive remarks, which I made back on June 16, I pointed out the experience I have had in diplomacy with Hafez al-Assad on many visits which I paid to Syria over the years and some of those contacts which I think were helpful in acquainting Hafez al-Assad with the thinking of the West, acting to some extent as an intermediary between Assad and the Israeli Prime Minister because they would not talk, and perhaps being helpful in getting Assad and the Syrians to go to the Madrid Conference in 1991.

I picked up some of the efforts of former Israeli Prime Minister Saguy in trying to convince Assad to get Assad to allow the Jews in Syria to leave. And after many years, Assad did that. Whether my exhortations had any influence or not, I cannot be sure. But my own experience has been, in talking to foreign leaders, that one-on-one negotiations is highly desirable.

I had occasion to talk to Castro, to Chavez in Venezuela, to officials in China. And all of this is set out at some greater length in the floor statement I made back on June 16.

I made some remarks on July 20, again, noted in the CONGRESSIONAL RECORD, as to what I thought ought to be done with respect to trying to work for a settlement in the Mideast, trying to eliminate Hezbollah as a threat to Israel’s north and Hamas as a threat to the south in Israel.

I want to supplement those comments today with the underlying point that a solution to the problems there requires some international pressure, if there are no other options at all that can be brought to bear on Iran and Syria to stop backing Hezbollah and to stop arming Hezbollah and to stop being an accessory before the fact and really a co-conspirator with Hezbollah in waging the war against Israel.

Earlier this week, on July 31, I wrote to Secretary of State Condoleezza Rice, with a copy to U.N. Ambassador Bolton, to say the letter to Secretary Rice applauded the efforts she is making to find a peaceful solution to the Mideast, and saying:

It is my judgment that no solution is possible, especially as to Hezbollah, until Iran and Syria cease to support Hezbollah’s military action.

I sent a copy of that letter, as noted, to our Ambassador to the U.N., John Bolton, and talked to him about the situation. And after those discussions—and I am not looking for any endorsement from anybody—I thought that I ought to pursue the matter with this floor statement.

We have had a situation where the Iranian Foreign Minister was in Beirut earlier this week, seemingly the party line from Syria and Hezbollah in making demands for a five-point program: First, Israeli withdrawal; second, an exchange of prisoners; third, an international force; fourth, that Israel should compensate Lebanon, which is not possible, to put it mildly, in light of the fact that Israel is fighting a war in self-defense, which Israel has every right to do under article 51 of the U.N. Charter; and the fifth point pursued by the Iranian Foreign Minister, in talks with French Foreign Minister in Beirut earlier this week, was the formation of an international commission to investigate Israeli war crimes, with the view to compensation—again, an idea which has no merit whatsoever in view of the underlying facts as to what is going on there.

We have seen a situation evolve in the fighting there where Hezbollah has fired some 1,500 Katyusha rockets into Israel. They started the turmoil and the conflict on July 12 of this year, kidnapping two Israeli soldiers and killing eight others. This is the same Hezbollah terrorist organization which, in April of 1983, killed 63 people in a bomb attack on the U.S. Embassy in Lebanon. On October 23, 1983 Hezbollah was responsible for the killing of 241 U.S. servicemen at the marine barracks in Beirut.

Since its establishment, Hezbollah has been tracked with the kidnapping of more than 30 people and has been charged with carrying out attacks from London to Buenos Aires. Hezbollah has killed more Americans than any terrorist group, with the exception of al-Gaitha. The State Department’s 2006 Country Reports on Terrorism noted that Hezbollah “receives training, weapons, and explosives, as well as political, diplomatic, and organizational aid, from Iran.” The report further states that Hezbollah “is closely allied with Iran and Syria to achieve its ends.” Further, the report maintains that “the Iranian Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security
were directly involved in the planning and support of terrorist acts and continued to exhort ... Lebanese Hezbollah, to use terrorism in pursuit of their goals.”

The same State Department 2006 report also defended the support provided to Hezbollah by the Government of Syria. According to the report: “Hezbollah receives diplomatic, political, and logistical support from Syria” and “Syria continued to permit Iran and Syria as an arms shipment point to resupply Hezbollah in Lebanon.” More recently, an intelligence officer said, as reported by the Washington Post on July 27 of this year, that, Iranian national security chief Ali Larijani was on an unannounced visit to Damascus on Thursday to discuss the Lebanon crisis with Syrian leaders and to urge continued support for Hezbollah.

The New York Times, on July 19, reported that 5 days earlier an Israeli naval vessel was attacked by “a sophisticated antiship cruise missile, the C-802, an Iranian-made variant of the Chinese Silkworm.” Experts cited in this article noted that “Iran would not likely deploy such a sophisticated weapon without also sending Revolutionary Guard crews with the expertise to fire the missile.” And the Times also noted that forensics conducted by the Israelis concluded that many of the Hezbollah rockets “including a 220-millimeter rocket used in a deadly attack on a railway site in Haifa ... were built in Syria.”

On February 9 of 2004, the Security Council passed Resolution 1559 by a vote of 9–0 which called for the disbanding and disarmament of Hezbollah, the removal of foreign forces from Lebanon, and the deployment of the Lebanese army to the southern border. After that adoption of that resolution, the U.N. issued a statement calling “upon all parties concerned to cooperate fully and urgently with the Council for the full implementation of all its resolutions concerning the restoration in Lebanon of territorial integrity, full sovereignty and political independence.”

An April 2006 report delivered to the Security Council on the implementation of Resolution 1559 was explicitly critical of Iran’s and Syria’s support for Hezbollah. In the report, Secretary General Kofi Annan noted: “... renewed incidents of arms transfers across the Syrian-Lebanese border into Lebanon ... [is] in contradiction of resolution 1559.

The report further stated that Hezbollah “maintains close ties, with frequent contacts and regular communications” with the Syrian Arab Republic and the Islamic Republic of Iran.”

All of this paints a conclusive picture of Iran and Syria being behind Hezbollah, having armed Hezbollah, having the rockets in a position with a knife at the throat of Israel, with Israel taking action in self-defense, once Israeli soldiers were killed, other Israeli soldiers attacked.

And in searching for a resolution to this dire situation, it is pointless to defang Hezbollah if Hezbollah is going to be resupplied by Syria and by Iran. And that is why I have urged Secretary of State Condoleezza Rice, by the letter dated July 31, to have the United Nations explicitly condemn Syria before the United Nations for the imposition of sanctions if they do not act promptly in furtherance of U.N. resolutions to stop arming Hezbollah.

My conversations with U.N. Ambassador John Bolton confirmed my view that this sort of U.N. action is urgently needed. I complimented Ambassador Bolton on the U.N. resolution—14 to 1—to set the stage for the imposition of sanctions on Iran if Iran does not move ahead to cease its development of nuclear weapons.

So I urge our State Department to move ahead vigorously to seek the imposition of sanctions on Iran and Syria to try to be helpful on this serious situation. Without the source of supply to Hezbollah, any cease-fire or any resolution would be temporary only.

Mr. President, I ask unanimous consent that the full text of my letter to Secretary Rice be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,

Hon. Condoleezza Rice,
Secretary, Department of State,
Washington, DC.

Dear Condoleezza: I applaud the efforts you are making to try to find a peaceful solution to the two-front defensive war which Israel is waging against Hezbollah to the north and Hamas to the south.

It is my judgment that no solution is possible, especially as to Hezbollah, until Iran and Syria cease to support Hezbollah’s military action.

In a speech on the Senate floor on July 20, 2006, I urged the United Nations to call Iran and Syria on the carpet to explain their conduct of supporting Hezbollah, in providing personnel to do more than train Hezbollah, more than advisers being integral parts of the military offensive of Hezbollah.

I urge you to take the leadership to bring a U.S. resolution before the UN Security Council demanding that Iran and Syria stop supporting Hezbollah and other terrorist organizations.

Sincerely,
Arlen Specter,
Mr. Specter, Mr. President, I ask unanimous consent that a fuller statement be printed in the Record at the end of these extemporaneous remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR ARLEN SPECTER ON THE UNITED NATIONS’ CALL TO CONFRONT THE IRAN-SYRIA-HEZBOLLAH CONNECTION

Mr. Specter: Mr. President, I have been following the recent developments in the Middle East and have been, not likely, but hopefully, defended itself against the attacks of Hezbollah, I believe the true source of this conflict must be confronted if there is to be an enduring peace in the region. Hezbollah is not a terrorist entity acting solely of its own accord. Rather, Hezbollah is a proxy of Iran and Syria.

Despite Israel’s withdrawal from Southern Lebanon in 2000, the territory has remained a source of supply to Hezbollah, and in just two weeks has become the launching point for more than 1,500 Kattyusha rockets into Israel. This is the same territory from which Hezbollah launched an attack on the Israeli border patrol on July 12, 2006 which resulted in the killing of eight Israeli soldiers and the kidnapping of two others. These unprovoked and heinous acts have resulted in tremendous civilian casualties in both Israel and Lebanon.

Israel, especially its citizens in the north, have had a knife at their throat for decades. Hezbollah has spent the last 25 years digging in and arming themselves poised to attack Israel. Their belligerent acts are not the first to come from Hezbollah. In April 1983, Hezbollah killed 63 people in a bomb attack on the U.S. embassy in Lebanon. In October 2006, Syrian and Iranian soldiers killed 241 U.S. servicemen at the Marine Corps barracks in Beirut. Since its establishment, Hezbollah is believed to have kidnapped almost thirty people, who have been charged with carrying out attacks from London to Buenos Aires.

I extend Secretary of State, Condoleezza Rice, for her efforts to highlight the connectivity which exists between Iran, Syria, and Hezbollah. These links have contributed to the destabilization of the region and are directly responsible for the outbreak of hostilities between the Israeli Defense Forces and Hezbollah. The UN must proclaim that Iran, and Syria, and Hezbollah will not be tolerated and must be severed. Failure to do so will allow Syria and Iran to remain the obstacle in laying a foundation upon which a lasting peace can be established.

The connection between Iran, Syria, and Hezbollah is undeniable. According to the State Department’s 2006 Country Reports on Terrorism, Hezbollah “receives training, weapons, and explosives, as well as political, diplomatic, and organizational aid, from Iran.” The report states that Hezbollah “is closely allied with Iran and often acts at its behest.” Further, the report maintains that “...Iranian Islamic Guard Corps (IRGC) and Ministry of Intelligence and Security (MOIS) were directly involved in the planning and support of terrorist acts committed by Hezbollah, to use terrorism in pursuit of their goals.”

The State Department’s 2006 Reports on Terrorism also describes the support provided to Hezbollah by the government of Syria. According to the report, “Hezbollah receives diplomatic, political, and logistical support from Syria” and “Syria continued to permit Iran to use Damascus as a transit point to resupply Hezbollah in Lebanon.”

More recently, an intelligence officer told The Washington Post on July 27, 2006, that, “Iranian national security chief Ali Larijani was on an unannounced visit to Damascus on Thursday to discuss the Lebanon crisis with Syrian leaders and to urge continued support for Hezbollah.”

So we break of view, Hezbollah has made these connections even more apparent. According to officials cited in a July 19, 2006 article in The New York Times, on July 14, 2006 an Israeli naval vessel was attacked by a sophisticated antiship cruise missile, the C-802, an Iranian-made variant of the Chinese Silkworm.” Experts cited in this article noted, “...the sophistication of this weapon without also sending Revolutionary Guard crews with the expertise to
fire the missile." The New York Times also stated that forensics conducted by the Israelis concluded that many of the rockets in Hezbollah’s arsenal "including a 220-milli-
meter rocket that landed in a railway station in Haifa . . . were built in Syria." It is evident that not only is Hezbollah supplied by Iran and Syria, but that the two nations tacitly know of their actions and are directly supporting ter-
rorist operations in Southern Lebanon.

On February 9, 2004, the Security Council attempted to plant the seeds for peace when it adopted Resolution 1559 by a vote of 9-0 which called for the disbanding and disarm-
mament of the Lebanese military, the removal of all foreign forces from Lebanon, and the deployment of the Lebanese army to the southern border. Upon adoption of Resolution 1559, the U.N. issued authority to use "all means necessary to achieve its purposes concerned to cooperate fully and urgently with the Council for the full implementation of all its resolutions concerning the restora-
tion in Lebanon of territorial integrity, full sovereignty and political independence." Al-
though Israel fully withdrew its forces from Lebanon, Hezbollah did not disarm. Further, Iran and Syria continued to be an obstacle by providing support to Hezbollah, which prevented the deployment of Lebanese forces to southern Lebanon—an area the State De-
partment has described as a "terrorist sanc-
tuary".

An April 2006 report delivered to the Secu-
rit y Council on implementation of Resolu-
tion 1559 was critical of Iran and Syria’s support for Hezbollah. In the report, Sec-
retary-General Kofi Annan noted, "renewed incidents of arms transfers across the Syr-
ian-Lebanese border into Lebanon . . . in con-
tradiction to resolution 1559". Specifi-
cally the report cited, "an incident, in which arms supplied for Hezbollah had been trans-
f erred from the Syrian Arab Republic into Lebanon. Twelve trucks carrying ammun-
tions and weapons of various kinds, includ-
ing Katyusha rockets, crossed the border from the Syrian Arab Republic." The report further stated that Hezbollah, "maintains close ties, with frequent contacts and reg-
ular communication, with the Syrian Arab Republic and the Islamic Republic of Iran" and that implementation of the resolution would require the "cooperation of all other relevant parties, including the Syrian Arab Republic and the Islamic Republic of Iran.

Secretary General Ann an stated, "with the con-
tinued support of the Security Council, the na-
tion and the unity of the Govern-
m of Lebanon, as well as the nec-
essary cooperation of all other relevant par-
ties, including the Syrian Arab Republic and the Islamic Republic of Iran, the difficul-
ties of the past can be overcome and significant headway made towards the full implementa-
tion of Resolution 1559." It is clear that Iran and Syria, have acted in a manner to subvert the implemen-
tation of 1559.

Israel and Syria, through Hezbollah, are responsible for attacking the State of Israel and should be held account-
able. Accordingly, I urge the United Nations to demand the immediate halt of Hezbollah’s attacks against Israel, declare Iran and Syria directly responsible for the actions of Hezbollah and demand that all support for the terrorist organization be immediately withdrawn under the threat of sanction.

Iran and Syria were three of the original 51 Mem-
ber States of the United Nations, agree-
ing to Charter and accepting its condi-
tions on October 24, 1945. Chapter I, Article 2, Paragraph 2 of the Charter binds "All Mem-
bers, in order to ensure to all of them the rights and liberties fundamental to their de-
velopment, shall fulfill in good faith the obliga-
tions assumed by them in accordance with the present Charter." The Charter further calls on members states "to practice toler-
ance and live together in peace with one an-
other as good neighbors" and "to maintain international peace and security." Iran and Syria have not practiced tolerance and their actions pose a threat to peace and security.

Chapter 1, Article 2, Paragraph 3 states that, "in their international disputes by peaceful means in such a manner that international peace and secu-
rity, and justice, are not endangered," Iran and Syria via Hezbollah, have chosen to sup-
pport aggression rather than peaceful means in their dispute with Israel.

Furthermore, under Chapter I, Article 2, Paragraph 4, "All Members shall refrain in their international relations from the threat or use of force against the territorial integ-
rency, or territorial inviolability of any state, or in any other manner inconsistent with the Purposes of the United Nations." Iran and Syria, who have tacit knowledge of and di-
rectly support Hezbollah’s actions, have or-
chestrated and enabled the attacks against the territory of a sovereign nation.

The Security Council is bound under Chap-
ter VII, Articles 41 and 42, to maintain or restore international peace and security. Accord-
ingly, the UN must recognize that Hezbollah is a threat to the peace and that Iran and Syria have enabled Hezbollah to breach the peace and that this connectivity represents a direct threat to the peace. The Security Council should, under Article 41, call on Syria and Iran to cease and desist. Should either nation fail to comply, the UN should move to consider ac-
cions, such as sanctions, available under Arti-
cle 41.

In conclusion, Syria and Iran have acted contrary to Security Council Resolution 1559, to the detriment of peace and stability in the region. Iran and Syria enable, arm, support and, to a significant degree, dictate the actions of Hezbollah. It is the duty of the United Nations to directly confront Iran and Syria and take swift and harsh action to rightfully lay the blame of Hezbollah’s ag-
gression at the doorstep of Damascus and Tehran.

I yield the floor.

Mr. SPECTER. I yield the floor.

The PRESIDING OFFICER. The Sen-
ator from Alaska.

VOTE ON AMENDMENT NO. 477, AS AMENDED

Mr. STEVENS. Mr. President, at 2 p.m. there will be a vote on the Ses-
sions amendment, as modified?

The PRESIDING OFFICER. The Sen-
atior from Alaska is correct.

Mr. STEVENS, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on approving the amendment, as amended and modified.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. McCONNELL. The following Sen-
ator was necessarily absent: the Sen-
atior from Kentucky (Mr. BUNNING).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted "yea."

Mr. DURBIN. I announce that the Senator from Montana (Mr. BAucus and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER (Mr. SUNUNU). Are there any other Senators in the Chamber desiring to vote?

Only one was announced—yeas 94, nays 3, as follows:

(Rollcall Vote No. 220 Leg.)

YEAS—94

Akaka

Alexander

Allen

Barr

Byrd

Cantwell

Casper

Chambliss

Clinton

Cochran

Coleman

Conrad

Corzine

Craig

Crapo

Dayton

DeMint

DeWine

Dodd

Dole

Feingold

Baucus

LIEBERMAN

The amendment (No. 477), as amended and modified was agreed to.

Mr. STEVENS, Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I have an amendment at the desk and I ask for its immediate consideration. I talked to both managers of the bill, and they are reviewing it.

Mr. STEVENS. Will the Senator permit us to have a managers’ package first?

Mr. KENNEDY. Yes. I withhold my request.

The PRESIDING OFFICER. Under the previous order, amendment No. 480 is scheduled to be the next pending measure before the Senate.

The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, on beh-
alf of myself and Senator INOUYE, I want to present another managers’ pack-
age. This contains amendment No. 478, for Senator SMITH, regarding airships; No. 477, for Senator D AYT ON, regarding postdeployment support; No. 476, for Senator INOUYE, regarding a military history exhibit; No. 478, as modified, for Senator LOTT, regarding airdrop systems.

Mr. President, I withdraw the pack-
age.
The PRESIDING OFFICER. Under the previous order, it is now in order to consider amendment No. 4802, as offered by Senator Kennedy.

The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. Kennedy), for himself, Mr. Reid, Mr. Biden, Mr. Levin, and Mr. Reid, offers an amendment numbered 4802.

Mr. Kennedy. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To require a new National Intelligence Estimate on Iraq)

On page 150, line 24, insert before the period the following: "Provided, That Director of National Intelligence shall, utilizing amounts appropriated by this heading, prepare by not later than October 1, 2006, a new National Intelligence Estimate on Iraq with an assessment by the intelligence community of current and probable threats in the region and global, and by the extent to which terrorism in Iraq has increased the threat to United States persons and interests around the world, and (C) an assessment whether Iraq is succeeding in standing up effective security forces, and the actions that will increase the chances of that occurring, including an assessment of (a) the extent to which militias are providing security in Iraq, and (b) the extent to which the Government of Iraq has developed and implemented a credible plan to disarm and demobilize and reintegrate militias into government security forces and is working to obtain a political commitment from political parties to ban militias, (3) an assessment of (A) the extent of the threat from violent extremist-related terrorism, including al Qaeda, in and from Iraq, (B) the extent to which terrorism in Iraq has exacerbated tensions in the region and globally, and (C) the extent to which terrorism in Iraq has increased the threat to United States persons and interests around the world, and (D) an assessment whether Iraq is succeeding in creating a stable and effective unity government, the likelihood that changes to the constitution will be made to address concerns of the Sunni community, and the actions that will increase the chances of that occurring, (5) an assessment (A) whether Iraq is succeeding in rebuilding its economy and creating economic prosperity for Iraqis, and the likelihood that economic reconstruction in Iraq will significantly diminish the dependence of the region on petrodollars, (C) the extent to which Iraq is succeeding in standing up effective security forces, and the actions that will increase the chances of that occurring, (6) a description of the optimistic, most likely, and pessimistic scenarios for the stability of Iraq through 2007, (7) an assessment whether, and in what ways, the large-scale presence of multinational forces in Iraq helps or hinders the chances of success in Iraq, and (8) an assessment of the extent to which the situation in Iraq is affecting relations with Iran, Saudi Arabia, Turkey, and other countries in the region: Provided further, That, not later than October 1, 2006, the Director of National Intelligence shall submit to Congress the National Intelligence Estimate on Iraq prepared by the preceding proviso, together with an unclassified summary of the National Intelligence Estimate:

As of January of this year, the Department of Defense reported that nearly 12,000 members of the military have been directly or indirectly wounded in explosions in Iraq and Afghanistan.

Mr. President, I am going to display a picture that this morning was painful to see. I talked it over with a man who has served in Iraq who commanded troops in Iraq who saw one of his soldiers suffer a very serious injury similar to the one I am about to show. I asked whether he thought it was appropriate for me to show this picture on the floor. He said, Yes, it is important that the people of this country understand the kinds of injuries that our soldiers are experiencing and why this issue of traumatic brain injury is so important for us to discuss with this amendment.

This is an actual x-ray of an American soldier who has been the victim of a traumatic brain injury. Because of an explosion, one can see that a major portion of this soldier's skull was blown off. We are told that there are soldiers who have experienced injuries that are even more grievous, and they survived. Through the miracle of evacuation and medical treatment, they survive. They go through extensive surgeries, and some, this officer told me, end up wearing helmets for long periods of time during their recuperation until they can finally rebuild their skulls so they can start to go through rehabilitation and recuperation.

This is amazing when we see an image of an x-ray such as this and understand that many of our soldiers have been subjected to traumatic brain injury of lesser and greater extent and are now returning to the United States.

These brain injuries are often caused by bullet wounds or penetrating head injuries and can also be the result of blasts, obviously bombs, grenades, landmines, missiles, mortar, artillery shells.

In the Iraq and Afghanistan conflicts, traumatic brain injury accounts for 22 percent or more of injuries, a larger proportion of casualties than in any other recent war of the United States. It is a serious medical challenge for those who treat our soldiers, certainly for those soldiers who are victims of these injuries and their families.

With the frequency of attack by rocket-propelled grenades, improvised explosive devices in Iraq and Afghanistan, soldiers are more likely to encounter an explosion. Improvements in protective devices, such as Kevlar helmets and body armor, may make the soldiers more likely to survive these terrible explosions.

More than 1,700 of those wounded in Iraq are known to have sustained serious brain injury—1,700 soldiers. Half of these injuries are traumatic brain injuries that will permanently impair thinking, memory, mood, behavior, and their ability to work.
This information I am sharing is from official documentation of the Department of Defense.

Mr. President, you may recall, however, that back in January, ABC News co-anchor Bob Woodruff sustained a traumatic brain injury from an IED when he was embedded with the Army's 4th Infantry Division in Iraq.

In a recent survey of 115 soldiers wounded from blast injuries, 62 percent had brain injuries, according to the Defense and Veterans Injury Center at Walter Reed.

According to a recent study by researchers at Harvard and Columbia, it is estimated that the cost of medical treatment for those individuals with brain injuries from the Iraq war will be at least $14 billion over the next 20 years. In Vietnam and previous 20th century wars, brain injuries accounted for less than 20 percent of injuries.

The effect of these injuries range from short-term minor impairment to long-term disability. Of the common long-term residual effects of traumatic brain injury is the onset of epileptic seizures. These symptoms may begin months or even years after the injury occurs. The more brain tissue as a result of a brain injury, the more likely he or she is to develop seizures.

I can recall recently seeing another television show. There was a young woman, a beautiful young woman, who had volunteered to serve in the Army and was in Iraq. She was the victim of one of these blast injuries and lost a major portion of her skull. She had gone through numerous surgeries and long periods of recuperation. When you saw her on television, she looked perfect, beautiful as can be, perfectly normal, as if nothing had ever happened to her. It is a tribute to the men and women who treat our soldiers that they do return to this moment in their lives where they belong.

When she was asked what life was like, she said: It is still a battle every day, but it is one I am willing to face—double vision, pain, these are things which I am just going to work with.

Unfortunately, we know that these brain seizures are also a challenge for these victims. Recurrent late seizures are considered post-traumatic epilepsy, or PTE. Studies have estimated that over 50 percent of Vietnam veterans with penetrating head injuries acquired epilepsy as a result of their injuries.

The same statistics apply in Iraq. It means that we will have massive numbers of our soldiers in years to come who have suffered head injuries of varying degrees at least subject to the possibility of these seizures. Unfortunately, our veterans in Iraq and Afghanistan may face that future. I hope they do not, but it could happen.

Given the heavy incidence of closed head trauma in this war, which is less well understood, we may see even more cases.

The Army currently does not have a program focused on advanced traumatic brain injury diagnosis that will treat combat wounds and related ailments, such as PTE. Clearly, such a program would help the more than 1,700 soldiers with brain injuries sustained in Iraq and Afghanistan.

According to a recent estimate, there is an annual investment gap of $20 million in research, development, test, and evaluation for improved diagnostics and other long-term rehabilitative treatments of traumatic brain injuries. These are the Army's own estimates: That the Army needs another $20 million just to pay for what they need to deal with this serious problem.

Senator Obama and I are offering this amendment so that we can focus a small part of a large bill on defense funds, using them to acquire and use technology that can best diagnose, identify, and help us treat traumatic brain injury.

Currently, there is a promising technology called diffusion tensor imaging, or DTI, that could help identify traumatic brain injury that might not be apparent. DTI is similar to an MRI, but it is twice as powerful in scanning the brain. DTI identifies damage to the white matter in the brain that frequently causes traumatic brain injury.

However, today DTI is currently used primarily to identify noncombat diseases, such as multiple sclerosis and schizophrenia, not for diagnosing combat-related injuries. Before we can deploy this promising technology to help our soldiers who suffer traumatic brain injury, we need a greater understanding of how to use it more effectively. If this research isn't focused soon, we won't be able to deploy DTI technology to combat field hospitals or regional medical treatment facilities in places such as Baghdad or Landstuhl, Germany, that are very close to the scene of battle.

In order to reach the point where DTI can be used to save lives, we need to fund a program that pairs the Army with premier brain institutes in America to focus primarily on diagnosing brain injuries sustained in combat.

The amendment that Senator Obama and I offer would do just that. It would allocate $2 million—$2 million—a significant sum for the average person, but in the context of this bill involving billions of dollars a very small amount. It would allow the Army to partner with premier brain institutes and brain scientists at the University of Chicago where this research is underway and enable them to partner with the U.S. Army to test and evaluate DTI technology so that we can establish a standard of care for traumatic brain injury that would bring the advantages of DTI closer to the troops in the field.

This will allow us to immediately detect and treat the increasing number of traumatic brain injury cases caused by combat. In addition, these funds will allow the university, our allocation, we had to notify Members who brought us requests for medical research that we had established this $45 million program, and from that the Defense Department can pick these suggestions that come from Members of the Senate, the Congress, too. The House will be involved in it obviously.

In addition, we have $45 million in this bill that can be used. It is called the Peer Review Medical Research Program. This amount can come out of that $45 million if the Department of Defense needs it. It is up to them. To stress again, with our allocation, we had to notify Members who brought us requests for medical research that we had established this $45 million program, and from that the Defense Department can pick these suggestions that come from Members of the Senate, the Congress, too. The House will be involved in it obviously.

This is not a neglected area. We spent over $1 billion in research grants for studies in this area, particularly funding long-term research in traumatic brain injury, and other theaters. This amendment deals with epilepsy and its connection with brain injury.
In the past 3 years, an average of $450 million a year has been awarded for grants, contracts, and research by the National Institutes of Health clinics for epilepsy, traumatic brain injury, and injuries to the head and spine. In the last 3 years alone we spent $1.29 billion in those specific efforts in this area.

In this current fiscal year Congress encouraged and directed the National Institutes of Health to expand basic and advanced research in brain injury rehabilitation. As I said, they told them they have an extensive program there. This is where this money should be taken, in the final analysis. We have been using over three-quarters of a billion dollars for research not associated with military programs in the past.

We have at least 20 amendments of the same kind that have also been suggested to us. The Senator from Pennsylvania has one. A whole series of people have come and said they want to have the money the Department is there in that fund. We have not done that because we believe the Department should take the money and spend it on research that is related to the demands of the military today.

Further brain injury research through the Department of Defense will reduce the funds available for military readiness and will ignore the valuable contributions made by NIH and other nondefense research entities. I speak not from Illinois, as we discussed in the committee, there is no question it is a good program. There is no question the University of Chicago should compete with other universities for the money that is available. For this to be earmarked here now means they no longer have to compete. As I said, NIH said there are currently over 100 separate contracts out there right now in addition to the $45 million we have in this bill. NIH has an enormous money and the expertise of NIH and their clinical trials. The program they have for allocating money, I think, should not be obviated by an earmark here on the floor.

If it happens, if the Senate wants to adopt this amendment, then I can tell them in all fairness we are going to have to bring forth the amendments of the other Senators. Several of them, as a matter of fact, are from Senators who are up for election. We told them no. So, Senator. If we want to adopt this amendment of the Senator from Illinois to give the University of Illinois priority on this money, then that is the judgment of the Senate. I oppose it, as I did in committee. I do think we have to stop using Department of Defense money for purposes from Illinois or other universities and basic research at the suggestion of a single Senator. It is not something that should be done.

We have adequate money in this bill to cover this if the Department wants to do it. We have an overwhelming amount of money in the NIH area, if NIH wants to pursue having the University of Chicago do this epilepsy research, but this is not a military requirement.

All the Senator said about injuries that are coming from current military involvement is correct. But they are being met. Not one member of the military society came to us and said we need the money for brain research. Not one. This is not something to be handled with an amendment on the floor, to give one university priority over all others in connection with the research money that is available under this bill. The PRESIDING OFFICER. The Senator from Illinois?

Mr. DURBIN. Mr. President, it has been my honor to serve on the Appropriations Committee and on this subcommittee. It is an important subcommittee, one of the most important subcommittees in terms of our national defense.

A decision was reached, probably before I was on the Senate, that we would dedicated funds within this appropriation for medical research. Some have questioned them over the years. I have never questioned them. I believe it is important that we pursue medical research, not only at the National Institutes of Health. I am not going to argue about money going to any university if it is the right place to send it, and we believe the credentials of this institution stand up against the best in America—the best in the world. Isn’t that what we want for our troops?

As far as being an earmark, I plead guilty, it is an earmark. But it is being discussed right here on the floor of the Senate, the exact dollar amount, the exact recipient, and the exact purpose. There is nothing that is being done here under cover of night. It should not be.

Why is it so hard for us in a bill of this magnitude, with all of this spending, to find $2 million for epileptic seizure research or traumatic brain injury when we have so many of our soldiers returning with this problem? Wouldn’t we want to at least err on the side of these soldiers to get them back, as quickly as possible, recovered, as close as possible to normal lives?

I don’t understand it. I can’t understand the opposition of the chairman. I am prepared—maybe it is best now to go ahead and do it. I am prepared to say we will take the $2 million out of existing projects in the bill.

I ask unanimous consent to modify the pending amendment and send this amendment in its place to the desk.

The PRESIDING OFFICER. Is there objection to the modification? Mr. DURBIN. I do not need consent to modify my amendment under the Senate rules.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 4781), as modified, is as follows:

At the end of title VIII, add the following:

Mr. DURBIN. It is page 241 that I refer the chairman to. What we are talking about here is $2 million. The Senator from Alaska has said we can’t afford this. We cannot afford this medical research. It will be at the expense of our readiness, the ability of our soldiers to fight.

I am prepared to make the same offer I made to the Senator in committee. I am prepared to take $2 million—Senator OBAMA and I will—from existing projects we alone offered in this bill, $2 million. I will take those projects to go into this medical research for traumatic brain injury so you cannot make the argument that the $2 million is at the expense of anything else related to readiness.

These are dollars that only we requested, dollars given to us in the bill, and we believe this is a higher priority. So the argument that somehow we are taking money away from military readiness does not apply.

As far as being an earmark, I plead guilty, it is an earmark. But it is being discussed right here on the floor of the Senate, the exact dollar amount, the exact recipient, and the exact purpose. There is nothing that is being done here under cover of night. It should not be.

Why is it so hard for us in a bill of this magnitude, with all of this spending, to find $2 million for epileptic seizure research or traumatic brain injury when we have so many of our soldiers returning with this problem? Wouldn’t we want to at least err on the side of these soldiers to get them back, as quickly as possible, recovered, as close as possible to normal lives?

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The PRESIDING OFFICER. Is there objection to the modification? Mr. DURBIN. I do not need consent to modify my amendment under the Senate rules.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 4781), as modified, is as follows:

At the end of title VIII, add the following:
Mr. DURBIN. That argument is gone. This $2 million is from our projects that only we requested, that we are prepared to defend for this medical research for the soldiers. Now what is the next argument? That we don’t need it, when 1,700 of our soldiers have already suffered traumatic brain injuries? We are prepared to take it out of our own projects for soldiers who are going through this kind of an injury. Why do you still resist it?

I yield the floor.

Mr. STEVENS. Mr. President, those 1,700 who were already hurt, soldiers, aren’t going to the University of Chicago. This is simply a provision to take $2 million of the defense money for the University of Chicago for epilepsy research. As I said, we had a total of $3 billion in requests from this subcommittee, in medical research from other Senators. We turned them all down. The Senator from Illinois wouldn’t take “no.” I understand his position. His position is he now wants to say other items we added, items that have earmarks in other portions of the bill would be changed in order to have this go to the University of Chicago.

Every Senator who asks for that money is going to come wanting to do the same thing. In other words, it will be a money is going to come wanting to do the same thing. In other words, it will

Mr. DURBIN. I said I don’t want to belabor this. I think we have covered most of the ground. But I will tell the chairman, the Senator from Alabama, the Army estimates an annual investment gap of $20 million in research, development, test, and evaluation for improved diagnostics and other long-term rehabilitative treatment of traumatic brain injury. I am not making this up from whole cloth. This is the Army’s own report. To suggest that we have all the funds we need in this area, to suggest they couldn’t figure out what to do with $2 million just isn’t backed up by the Army’s own official statements about what is needed. They need $20 million. We are offering $2 million.

The Senator has argued that we are taking it from some other areas of the bill. Senator ONeama and I are offering $1 million each from projects included in the bill, which will slow down their development but will put more money into medical research in traumatic brain injury. And, yes, the University of Chicago is a leader. I don’t apologize for that. Wouldn’t you want to go to a leading institution with $2 million for 1,700 soldiers facing traumatic brain injury?

I don’t want to belabor the point other than to say to the Senator, whom I tried in the committee to reason with, that we are prepared to make sacrifices in other areas for what we consider to be a very important medical priority, and he wouldn’t allow us to go forward. I tried here on the floor; I am trying now. At some point, I would like to have my colleagues vote. I think traumatic brain injury is a serious issue. We need to put more resources into it. We need to give our soldiers the very best technology.

Senator ONeama and I will offer this amendment. I ask unanimous consent that Senator MENENDEZ and SALAZAR be added as cosponsors.

The PRESIDING OFFICER (Mr. MARTINEZ). Without objection, it is so ordered.

Mr. DURBIN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. SALAZAR. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALAZAR. Mr. President, I call up my amendment No. 4776.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. SALAZAR) proposes an amendment numbered 4776.

Mr. SALAZAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.
The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: (Purpose: To provide that, of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, AIR FORCE”, $10,000,000 shall be available to provide the United States Northern Command with a interoperable mobile wireless communications capability to effectively communicate with Federal, State, and local authorities.)

At the appropriate place, insert the following: (SEC.) Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, AIR FORCE”, $10,000,000 shall be available to provide the United States Northern Command with an interoperable mobile wireless communications capability to effectively communicate with Federal, State, and local authorities.

AMENDMENT NO. 4776, AS MODIFIED

Mr. SALAZAR. Mr. President, I ask unanimous consent to modify the amendment with a modification which I am sending to the desk.

The PRESIDING OFFICER. The Senator has the right to modify the amendment.

The amendment is so modified. The amendment (No. 4776), as modified, is as follows:

At the appropriate place, insert the following:

(AMENDMENT NO. 4776, AS MODIFIED)

Mr. SALAZAR. Mr. President, I am proud to represent a State that I very much appreciate the leadership of Senator INOUYE and Senator WARNER be added as cosponsors of this amendment. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALAZAR. Mr. President, I also understand that this amendment will be accepted as part of a managers’ package, and I say thank you to both the Senator from Hawaii and the Senator from Alaska, the floor managers, for accepting this amendment.

At the outset of my brief comments on this amendment, I also want to say that I very much appreciate the leadership of both Senator INOUYE and Senator STEVENS. I had the great honor of participating in some activities with Senator INOUYE within this past week and hearing his own story of his personal fight against discrimination, and how he has stood up for our country is something that makes me very proud to be an American. I think with Senator INOUYE’s life story one can see how far it is we have come as a country. And he is a living example of the kind of heroes that we need in America today in these difficult times which we face as a nation.

I commend both Senator STEVENS and Senator INOUYE for bringing this vitally important bill to the floor. While service members are fighting overseas, this bill is one of the most important actions that we can take this year on the Senate floor.

This bill takes care of our troops and I look forward to its passage before the August recess.

Protecting its citizens from attack is our Government’s most important responsibility. Liberty and prosperity are impossible without security here in our Nation and in our homeland. We must see to it that we are making the right investments to protect Americans from attack. In the last few years the threats facing our Nation have grown in size and complexity. Rogue nations are developing nuclear weapons as we speak. Terrorist organizations are recruiting and new members and have been plotting attacks against Americans. And American service men and women are in harm’s way in Iraq and Afghanistan as we speak.

Our way of life and our freedoms depend on our ability to confront these threats. They depend on our ability to make smart, forward-thinking investments in our national defense. I am proud to represent a State that contributes so much toward achieving these objectives. An in-depth look at this bill shows just how prominent a role Colorado plays in contributing to our national homeland security. I am happy to support those measures in this bill that focus on our national homeland security.

I want to thank the amendment cosponsors, for accepting this amendment. Furthermore, this bill contains additional emergency supplemental money for the ongoing campaign in Iraq. This money is necessary to make sure that our fighting men and women are provided with the equipment they need to be safe and to get the job done. Recently there have been a number of military commanders saying that over-all Army readiness has gone through the drain. Military equipment is wearing out in the harsh environment of the desert. I am very troubled by these reports, and I am therefore very proud to support the measure introduced by Chairman STEVENS and Ranking Member INOUYE last night to counteract this decline in readiness by adding $13.1 billion to the bridge fund for Army and Marine Corps equipment reset requirements. This money is necessary for the continuing combat missions in Iraq and Afghanistan. I want to thank the Senator from Alaska and the Senator from Hawaii, as well as Senator REED of Rhode Island and Senator DODD of Connecticut—for their leadership on this important issue.

The amendment I offer directly impacts our homeland security, by providing the United States Northern Command, as NORTHCOM, with an emergency, mobile, fly-away interoperable communications capability. NORTHCOM serves to defend America over our entire soil. Specifically, NORTHCOM’s mission is to conduct operations to deter, prevent, and defeat threats and aggression aimed at the United States, its territories and interests within the assigned area of responsibility; and as directed by the President of the United States, to provide military assistance to civil authorities including consequence management operations.

The area of responsibility that falls under Northern Command is vast. Their responsibility encompasses the continental United States, Alaska, Canada, Mexico, and the surrounding water out to approximately 500 nautical miles. It also includes the Gulf of Mexico, Puerto Rico and the U.S. Virgin Islands.

NORTHCOM plans, organizes, and executes homeland defense and civil support missions. NORTHCOM’s civil support mission includes domestic disaster relief operations that occur during hurricanes, earthquakes, and other disasters. Support also includes counterdrug operations and managing the consequences of a terrorist event employing a weapon of mass destruction.

It is quite clear to all of us, that in the few short years that NORTHCOM has been in existence, it has quickly become integrated into the very fabric of our homeland defense. NORTHCOM exists to provide the unity of command that is absolutely necessary when responding to emergencies that immediately threaten Americans on their home soil. I know that the men and women at NORTHCOM work hard every single day to make sure that we are ready. I want to thank them for their dedication and their unwavering devotion to duty.

But thanking them is not enough. We, the Congress, have to provide them with the tools necessary to do their job. And one thing they lack right now but desperately need is an interoperable communications capability.

The amendment I am proposing will benefit the entire country, because it will provide NORTHCOM with the interoperable communications equipment they need in the Homeland Defense. It will respond effectively during an emergency.

NORThen Command’s top unfunded requirement is the purchase of these systems. Without interoperable communications, NORTHCOM, the Department of Homeland Security, and local and State authorities cannot effectively respond to natural and manmade disasters. A $10 million increase in fiscal year 2007 funds for NORTHCOM would allow the command to procure an interoperable mobile communications capability.

This amendment cosponsored by Senator WARNER and Senator LEVIN will
accomplish that. It is legislation that we have approved before in the Senate. When we spoke about this with respect to the budget resolution and the Department of Defense authorization bill, it was approved by the Senate.


On page 293 of that report, we in the Senate said the following: "The Nation cannot afford to wait for the next disaster to strike before we purchase this equipment. The Nation cannot afford to wait for the next disaster to strike before we have awareness in response to natural or man-made disasters."

The committee recommends an increase of $10 million to OMAF to address this funding shortfall and to provide the interoperable communications capability for USNORTHCOM. My amendment follows that recommendation.

The Nation cannot afford to wait for the next disaster to strike before we purchase this equipment. I urge my colleagues to support this amendment. I thank the Senator from Alaska and the Senator from Hawaii for their consideration and for their support of this amendment. I am proud to offer this amendment and again thank both Senator INOUYE and Senator STEVENS for their leadership on Department of Defense appropriations legislation. I yield the floor.

Mr. KYL. Mr. President, I ask unanimous consent that the pending amendments be set aside.

The PRESIDING OFFICER. The amendment No. 6, sec.

Mr. KYL. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. The amendment is as follows:

(Purpose: To prohibit the suspension of royaltyalties under certain circumstances, to clarify the authority to impose price thresholds for certain leases, to limit the eligibility of certain leases for new leases, and to restrict the transfer of certain leases)

At the appropriate place, insert the following:

SEC. 1. ROYALTY RELIEF FOR PRODUCTION OF OIL AND GAS.

(a) PRICES THRESHOLDS.—Notwithstanding any other provision of law, the Secretary of the Interior shall place limitations based on market price on the royalty relief granted under any lease for the production of oil or natural gas on Federal land (including sub-leased land) issued by the Secretary of the Interior on or after the date of enactment of this Act.

(b) CLARIFICATION OF AUTHORITY TO IMPOSE PRICE THRESHOLDS FOR CERTAIN LEASE SALES.—Congress reaffirms the authority of the Secretary of the Interior under section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)) to vary, based on the price of production from a lease, the suspension of royalties under any lease subject to the Outer Continental Shelf Deep Water Royalty Relief Act (Public Law 104-58; 43 U.S.C. 1337 note).

SEC. 2. ELIGIBILITY FOR NEW LEASES AND COVERED LEASES.

(a) DEFINITIONS.—In this section

(1) COVERED LEASE.—The term "covered lease" means a lease for oil or gas production in the Gulf of Mexico that is

(A) in existence on the date of enactment of this Act;

(B) issued by the Department of the Interior under the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104-58); and

(C) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(2) LESSEE.—The term "lessee" includes any person that controls, is controlled by, or is in common control with, a lease.

(3) SECRETARY.—The term "Secretary" means the Interior.

(b) ISSUANCE OF NEW LEASES.—

(1) IN GENERAL.—Beginning on the date that is 1 year after the date of enactment of this Act, the Secretary shall not issue any new lease that authorizes the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to

(A) any lessee that—

(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

(ii) was issued a covered lease before the date of enactment of this Act, the Secretary shall not issue any other lease for the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to—

(A) any lessee that—

(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

(ii) was issued a covered lease before the date of enactment of this Act, the Secretary shall not issue any other lease for the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to—

(A) any lessee that—

(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

(ii) was issued a covered lease before the date of enactment of this Act, the Secretary shall not issue any other lease for the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to—

(A) any lessee that—
have refused to pay royalties on production even though the thresholds have been exceeded. One of the companies has sued the Department of the Interior, arguing that Interior does not have the authority to establish price thresholds for leases issued between 1996 and 2000. If the lawsuit is successful, this could have significant implications for royalties already collected. The Federal Government would likely be required to refund approximately $525 million in royalties paid by the industry and be precluded from collecting between $18 billion and $28 billion over the next 5 years.

Third, we need to deal with new leases that have royalty relief in the lease terms. In the Energy Policy Act of 2005, Congress reinstitutes royalty relief on production in the deep waters but did not require the Department of Interior to put price thresholds in new leases that include royalty relief. The 1998 and 1999 leases demonstrate that the Interior Department can’t be trusted to do this on its own, and we cannot afford another $7 billion mistake.

Let me explain how the amendment fixes these three problems. Let’s take the 1998 and 1999 leases first, since they are the most controversial. In the context of the fiscal year 2007 Interior appropriations bill, there have been efforts to address this problem by Senator GREGG, Senator DOMENICI, and Senator FEINSTEIN. This amendment today builds on those efforts.

In our approach, we try to get companies to do the right thing by giving them a choice: Keep your existing leases royalty free but be barred from bidding on new leases or renegotiate in good faith with the Federal Government and retain your eligibility to bid on new leases in the future. The major difference in our amendment is that we provide time to renegotiate.

Every company that wants to come to the table has a full year from the date of our amendment to reach an agreement. One year is more than enough time to address any concerns that need to be explored and worked out. I am told many of the companies holding leases from 1998 and 1999 are already renegotiating those leases. I applaud the efforts of those companies. However, Congress cannot stand by and watch consumers pay record prices at the pump knowing that American taxpayers are not getting fairly compensated for the oil and gas extracted from public land. We need to deal with this problem.

Incidentally, I note that Senator DOMENICI has inserted in a separate appropriations bill an amendment that deals with this problem, hopefully, over the course of the next year. What Senator WYDEN and I are saying is let the process that Senator DOMENICI has begun have an opportunity to work. We hope it does work. But in the event that it does not work after a year, our amendment kicks in, in effect, force a solution.

The other two fixes are less controversial and probably in the future actually even more important. Let’s turn to the leases first issued between 1996 and 2000 and the Secretary’s authority to impose price thresholds limiting royalty relief when oil and gas prices are high. The amendment we are offering simply reaffirms that Congress intended the Secretary to have the authority to vary the suspension of royalties based on the price of production in all leases subject to the deepwater royalty relief action. The language is exactly the same as Senator DOMENICI offered on another bill. After all, the original intent was to help the Treasury provide companies that undertook high-risk investments in deep water specific volumes of royalty-free production to help cover a portion of their capital costs before starting to pay royalties. It was not to pad the pocketbooks of the oil and gas companies at the expense of the American taxpayer.

Price thresholds are the mechanism that ensures the companies do not benefit from both high market prices and royalty-free volumes.

Finally, Congress needs to require that new oil and gas deepwater leases that the Federal Government issues include price thresholds. This seems like a no-brainer, but right now there is no requirement that price thresholds be included in leases that have royalty relief. The language says “may,” not “shall.” Our amendment will say “shall.” It is a one-word change that directs the Secretary of Interior to include price thresholds in all new leases. This is an important action to ensure that the Interior Department collects royalties on the American people’s energy resources at times when oil and gas prices warrant it.

I am hoping that as we debate this important defense bill we can do the right thing and fix this problem. We are talking about a program that accounts for 30 percent of the oil and 23 percent of the natural gas produced domestically and is a major source of revenue for the Federal Government.

According to the Mineral Management Service, Federal revenues from offshore leases are estimated at $6.3 billion in fiscal year 2005. Of the $0.3 billion in revenue for fiscal year 2005,

$5.5 billion was from royalties. Securing royalty receipts is important.

I recognize this amendment may be deemed legislating on an appropriations bill, but my colleagues and I have tried to go the traditional route up to this point to no avail. This problem is too important to ignore. We are running out of time. We are willing to submit this amendment to a 60-vote threshold. I look forward to working with Senator DOMENICI to work an agreement to that effect soon.

As President Bush and the oil and gas companies have said, we don’t need these additional incentives to explore and develop oil and gas that is extracted from public lands.

I hope my colleagues will agree to our amendment. I note, in passing, that the score of this, according to CBO, is a $9 billion revenue gain to the Treasury. This is one of those few times when we are actually going to be able to help the Treasury rather than take some money from it.

I conclude by thanking my colleague from Oregon. The Senator from Oregon and I have worked in a bipartisan way now for several weeks. We have come to a good resolution of the issue that our colleagues should be able to support.

Senator WYDEN is seeking recognition, and I will let him comment at this point.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, first of all, I thank the distinguished Senator from Arizona for working with me on this issue for many months now. Colleagues know that I stood in this spot for almost 5 hours a few months ago to try to put together a bipartisan effort to save taxpayers billions of dollars. I believe we have done that.

I ask unanimous consent to have printed in the Record the official score that Senator KYL and I have now received from the Congressional Budget Office, which the Congressional Budget Office has now officially informed us that over the next 10 years, the taxpayers will save $9 billion.

There being no objection, the material was ordered to be printed in the Record, as follows:

Estimated budgetary impact of KYL-Wyden amendment to prohibit the suspension of royalties under certain circumstances, to clarify authority to impose price thresholds for certain leases, to limit the eligibility of certain lessees for new leases, and to restrict the transfer of certain leases—Amendment No. 4806.

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Source: CBO.
Mr. WYDEN. Mr. President, the reason Senator KYL and I feel so strongly about this, this is a program that is out of control. The fact is that even the sponsor of this program, our distinguished former colleague, Senator Johnston of Louisiana, said this program is no longer operating as Senator Johnston intended.

A brief bit of history is relevant. This program began in the 1990s, when the price of oil was under $20 a barrel. The point of the program, as devised by Senator Johnston, nobody could really argue with. We needed to produce energy, and with the economic situation in that part of the country, folks were hurting. They devised this program.

But no one can make a case for a program that began when oil was $19 a barrel, when the price of it is now over $70 a barrel. We have a situation where the companies are charging record prices. They are making record profits. We certainly do not need record subsidies.

This is the biggest subsidy in the energy area. This is one of the biggest boondoggles we have seen operated by the Federal Government. The fact of the matter is, there have been mistakes made under both Democratic and Republican administrations.

As I outlined for the Senate several months ago, these mistakes were made by those in the Clinton administration which did not lock in the appropriate price thresholds. When former Secretary Norton came into office, she sweetened up the subsidies administratively, and Congress went still further with respect to this program in the Energy bill.

The Government Accountability Office has estimated that at a minimum the Federal Government and the taxpayers have lost billions of dollars at the negotiating table and return to feeding at all the better. If it doesn’t work, however, Senator KYL and I believe it is finally time for the Senate, on a bipartisan basis, to lock in a permanent solution.

Similarly, the President, to his credit, Senator KYL and I believe made the statement, and I appreciate him making it. Second, this is an opportunity for the Senate to go back through these various programs, save taxpayers some money, and to do it in a bipartisan way.

Even though the President said we do not need incentives with the price of oil over $55 barrel, we did see the Secretary of the Interior and the Congress continue to sweeten this royalty relief program, even as the price of oil climbed far above the point mentioned by the President at which the oil industry no longer needs subsidies.

We are now optimistic that if we are going to get a permanent solution, now is the time for the Congress to step up.

I, also, point out, given the fact that the Senate has voted in the last few months on a program that will involve additional dollars going out to the oil industry, at a minimum, let us say we are going to fix the old program that is out of control before a new program is started. That is common sense.

For the Senate to talk about creating a new program, allowing even more taxpayer money to be given away—and in that case, for 50 years or more—common sense says the Senate should shut down for the remainder of this session and move to permanently fix the old program that is out of control.

The Senate ought to have an opportunity to debate and vote on a permanent solution to ending these oil royalty giveaways. The House has voted to do it. They voted, in a bipartisan way, for the very thing that I spoke at length about in the Senate and that Senator KYL and I have been trying to change for many months.

I also point out, given that we can get the savings by fixing the old program, you can talk about a responsible way for funding new efforts, such as the effort approved by the Senate this week.

I am sure our citizens who now face the highest gas prices ever will be interested to learn when the Senate is going to have a chance to vote on the question of, at this time of record prices and record profits, whether we should continue to give away record amounts of taxpayer subsidies that the President of the United States has indicated are not necessary.

If the Senate ducks this issue, I think it will be very difficult to explain to the American people how Congress can be proposing to allow additional billions of dollars of royalty money to go out before it fixes the current out-of-control program.

I have said for some time the Senate should not be forced into a false choice of either aiding the Gulf States or standing up for the public interest in the face of outrageous taxpayer rip-offs.

We can and should do both. Given what the Senate did earlier this week on the new program, it is, in my view, essential to protect taxpayers to accept the bipartisan amendment that Senator KYL and I offer this afternoon to reform the Oil Royalty Program.

Mr. President, I urge colleagues to support the bipartisan Kyl-Wyden amendment. I would also note—I see Senator STEVENS on the Senate floor—that we have a number of sponsors of this bipartisan proposal, including Senator DeWINE, Senator LIEBERMAN, Senator CANTWELL, Senator FEINSTEIN, and Senator SALAZAR.

Mrs. FEINSTEIN. Mr. President, I rise today as a cosponsor of the Kyl amendment dealing with royalty relief. The amendment would put an end to the Federal Government giving the oil and gas industry incentives to drill when oil and natural gas prices are high.

The amendment includes a provision that Senator GREGG and I successfully included in the Senate Interior Appropriations bill that would fix an administrative error that was made in 1998 and 1999. This provision passed the House by a vote of 252 to 165.

In 1998 and 1999, the Department of Interior inadvertently omitted price thresholds from contracts entered into with oil and gas companies.

This omission has allowed oil companies to produce in Federal waters in the Gulf of Mexico for free while consumers are paying $3 a gallon at the pump. And it will cost American taxpayers $10 billion over the next 25 years.

Essentially, the amendment provides energy companies with a choice: They can keep their existing leases royalty-free if they so choose, but be barred from bidding on a new lease, or agree to renegotiate the terms of the existing lease and be free to bid on new leases.

In my view, the oil companies do not need incentives at a time when they are making record profits. Just last quarter, the companies reported their second quarter profits, and again, they hit new records. ExxonMobil made $10.36 billion in the second quarter of 2006; that is almost $3 billion more than they made in the second quarter of 2005.

Shell reported a second quarter profit of $7.32 billion—more than $2 billion greater than their second quarter profit in 2005. And BP’s profits were $7.27 billion, or just less than $2 billion greater than their second quarter 2005 profits.

The oil companies themselves have said that they do not need royalty relief. At the Joint Energy and Natural Resources Subcommittee on Energy and Natural Resources, the majority had a full opportunity to hear from the oil companies.

They did not interrupt the approach that Chairman DOMENICI has advocated. We hope it will work. It essentially involves negiotiations on a voluntary basis. As I have indicated in the Senate before, while I hope that works, put me down as skeptical because it is fairly implausible that the oil companies will simply walk away from billions and billions of dollars at the negotiating table. If you are going to walk, all the better. If it doesn’t work, however, Senator KYL and I believe it is finally time for the Senate, on a bipartisan basis, to lock in a permanent solution.

I am going to say, colleagues, the amendment to which I am a cosponsor is not a mandate. I am going to say, colleagues, the amendment to which I am a cosponsor is not a mandate. It is an opportunity to debate and vote on a permanent solution.
Resources and Committee hearing on November 9, 2005, the oil executives were asked by Senator Wyden:

Gentlemen, the President says and I quote “With $55 oil, we don’t need incentives to oil and gas companies to explore. There are plenty of incentives.” Now today the price of oil is above $55 per barrel. Is the President wrong when he says we don’t need incentives for oil companies to explore?”

All responded that they did not need incentives.

In addition, a lawyer for Shell Oil, Michael Coney, recently told the New York Times: “Under the current environment, we don’t need royalty relief.

The amendment passed by the House and by the Senate Appropriations Committee has spurred oil companies to admit publicly that they would be willing to renegotiate their leases to include a price threshold. But without congressional pressure, there is no reason for them to actually do it. We need to hold their feet to the fire in order to make sure the leases are really renegotiated.

I just want to take a minute to focus on the issues that the oil companies have raised in opposition to this amendment: First, they raised the issue that foreign companies were going to take over production in the Gulf of Mexico.

Nothing could be farther from the truth. Regulations implementing the Outer Continental Shelf Lands Act state that “Mineral leases issued pursuant to the Act . . . may be only held by Citizens and Nationals of the United States . . . or private, public or municipal corporations organized under the laws of the United States or of any State or of the District of Columbia or territory thereof . . .”

Secondly, the oil companies have argued that the amendment will hurt oil and gas companies.

In fact, the amendment will not impact the daily production of more than 1.5 million barrels of oil and 10 billion cubic feet of natural gas from the Gulf of Mexico.

Oil companies are also free to explore and drill in the more than 4,000 untapped leases in the Gulf of Mexico that have already been leased to them. The amendment simply prohibits oil companies that fail to renegotiate existing royalty-free leases from obtaining new ones.

Finally, and most importantly, the oil companies say that the amendment attacks the sanctity of contracts.

And the oil companies couldn’t be more wrong on this point.

CRS has issued two papers now stating that the amendment is constitutional. Specifically, CRS says the amendment’s incentive to renegotiate . . . gives the government side a classic argument that there is no taking here: the decision of a . . . lessor to renegotiate is voluntary, and voluntary actions cannot be the basis of a taking claim.

In addition, CRS shows that case law supports the fact that amendment does not violate contracts.

The courts have determined that if there is no legal compulsion, the voluntary compromise of a property right in exchange for an economic benefit is not a taking.

And I would like to reiterate—the amendment offers energy companies a choice: compromise property right—exemption from payment of royalties—in exchange for a possible economic benefit—ability to bid on new OCS leases.

This amendment is not a taking, because the government is not taking any property right from the oil companies; it is merely offering an incentive to renegotiate their leases—an incentive that the oil companies are free to decline.

We should not be giving away this oil and gas for free while consumers are paying record high prices to fuel their cars and heat their homes, and oil companies are making record profits.

Unless we act to force the companies to renegotiate the leases, taxpayers are going to be left holding the bill for $10 billion.

I urge my colleagues to support this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 4796, AS MODIFIED

Mr. STEVENS. Mr. President, I ask unanimous consent that the pending amendment be set aside and that Senator SALAZAR’s amendment No. 4776 be placed before the Senate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the managers of the bill are prepared to accept this amendment and ask that it be accepted on a voice vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment, as modified.

The amendment (No. 4776), as modified, was agreed to.

Mr. STEVENS. I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NO. 4776; 4773; 4760, AS MODIFIED; 4796, AND 4771

Mr. STEVENS. Mr. President, we have managed package No. 2 back again. I wish to restate that request now. It applies to amendment No. 4778, for Senator SMITH, regarding airships; amendment No. 4773, for Senator DAYTON, regarding postdeployment support; amendment No. 4760, as modified, for Senator LOTT, regarding airship systems; amendment No. 4796, for Senator CONRAD, regarding weapons bays; and amendment No. 4771, for Senator FRIST, regarding contracts.

I ask unanimous consent that the pending amendments be set aside and that the Senate proceed to the consideration of this managers’ package en bloc, and that they be adopted en bloc, and the motion to reconsider be laid upon the table.

Mr. INOUYE. No objection. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to en bloc, as follows:

AMENDMENT NO. 4778

(Purpose: To make available from Research, Development, Test and Evaluation, Navy, up to $2,000,000 for the Advanced Airship Flying Laboratory)

At the appropriate place, insert the following:

SNC . Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY”, up to $2,000,000 may be available for the Advanced Airship Flying Laboratory.

AMENDMENT NO. 4773

(Purpose: To make available from additional appropriations for Operation and Maintenance, Army National Guard, up to $5,700,000 for the pilot program of the Army National Guard on the reintegration of members of the National Guard into civilian life after deployment)

At the end of title IX, add the following:

SEC. 9012. Of the amount appropriated or otherwise made available by chapter 2 of this title under the heading “OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD”, up to $5,700,000 may be available for the pilot program of the Army National Guard on the reintegation of members of the National Guard into civilian life after deployment.

AMENDMENT NO. 4779

(Purpose: To appropriate, with an offset, an additional $2,000,000 for Research, Development, Test and Evaluation, Army for the Parafoil Joint Precision Air Drop System)

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to $2,000,000 may be available for support of design enhancements and continued testing of the Parafoil Joint Precision Air Drop System (JPADS) design parachute system for the drop of 5-ton and 15-ton loads to precise locations from high altitude and greater offset distance.

AMENDMENT NO. 4796

(Purpose: To make available from Research, Development, Test and Evaluation, Air Force, up to $6,000,000 for Military-Standard-1760 integration for the internal weapons bays of B-52 aircraft)

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, up to $6,000,000 may be available for Military-Standard-1760 (MIL-STD-1760) integration for the internal weapons bays of B-52 aircraft.

AMENDMENT NO. 4771

(Purpose: To modify the notice and wait period applicable to modifications of certain contracts for national defense purposes)

At the end of title VIII, add the following:

SEC. 8109. Notwithstanding the first section of section 1760 of the Revised United States Code (50 U.S.C. 1313), in the event a notice on the modification of a contract described in that section is submitted to the Committees on Armed Services of the Senate and the House of Representatives by the Army Contract Adjustment Board during the period beginning on July 28, 2006, and ending on the date of the adjournment of the regular session of Congress, such modifications may be modified in accordance with such notice commencing on the earlier of—
I want to go through some things because there have been so few oversight hearings on the bulk of these issues. I think it is important to describe what we are hearing. Taxpayers in this country have been asked to provide taxpayer funding through appropriations, and here are some of the examples: contracts that are signed, sole-source, no-bid contracts that extend for some long while. And because they are sole-source, no-bid contracts, and they are cost-plus, the taxpayers pay for them. These are stories not from someone who alleges to have seen something; these stories are from people who worked for the contractors, whistleblowers. In Iraq, brand new $85,000 trucks abandoned beside the road to be torched because they had a flat tire; $85,000 trucks abandoned to be torched because they had a pumped fuel pump; a case of Coca-Cola, $45— that is the charge to the American taxpayer—29 $45 plates; feed 42,000 soldiers a day—and it turns out they were feeding only 14,000 soldiers a day; they missed it by 28,000 in the charges they made to the U.S. Government—leasing SUVs, $7,500 a month.

Hand towels, providing hand towels for our troops, the buyer was asked to buy the additional hand towels for our troops in the war theater said: Here are the hand towels I was going to purchase. And here are the hand towels I was asked to purchase. And the hand towels I was asked to purchase by my supervisor included the embroidered name of my company, which doubled the price of the hand towels. So when I complained about that, the answer was: It doesn’t matter. This is cost-plus. We are the only contractor. The taxpayer will pay the bill. Cost doesn’t matter.

The list is endless and goes on and on and on. Food service to the troops: A man named Rory, who actually worked in the food service kitchens, in Iraq, of the company, the defense contractor—said: We routinely got food that was stamped “expired,” date-stamped “expired.” He said: Our supervisors said it doesn’t matter. Feed it to the troops. It doesn’t matter. Just feed it to the troops.

He said: We were repeatedly told by our supervisors, don’t you dare speak to a Government investigator or a Government official. If you show up and talk to them, you are going to be fired. If they show up and you talk to them, and you are not fired, you are going to be sent to the most hostile area we can find to send you.

The concern named Rory, who showed up and spoke about this, who was an employee and described all of this, in fact, did speak to Government investigators about what he saw happening to the American taxpayer, and he was sent to Fallujah during the hostilities. That is what happened to him.

More recently, we have a whistleblower, or several of them, who have come forward to say: We are spending money for a contractor to provide water to our troops at all of the bases in Iraq. That is the money we are spending to provide water to our troops.

I want to show you some memoranda and some discussions back and forth about what has happened to that spending. This is an internal report written by Will Granger, who works for the company that has the contract to provide water to all the U.S. bases in Iraq, Halliburton. This employee for Halliburton on the ground in Iraq. Here is what Will Granger said in his report:

No disinfestation to non-potable water was occurring at Camp Ar-Ramadi for water designated for showering purposes.

Incidently, this is water that the troops use to brush their teeth and wash their face and shower. This caused an unknown population to be exposed to potentially harmful water for an undetermined amount of time.

The whistleblowers came forward who were also involved in the delivery of this water. And they said: By the way, the non-potable water—that is water you do not drink, but water you brush your teeth with and take showers with, and so on—the non-potable water was more degraded, more contaminated than if they would have taken raw water from the Euphrates. This is from the whistleblowers.

Now, when this became known, the internal report that we had from Mr. Will Granger—again, from the same company—said:

The deficiencies of the camp where the event occurred is not exclusive to that camp; meaning that country wide, all camps suffered to some extent from all or some of the deficiencies noted.

Now, while all this going on, the company, Halliburton, said: None of this happened. You are wrong. None of this happened.

My point is, the discussion of this came from employees of the company itself and from an internal memorandum that was leaked, an internal memorandum written by the top official on the ground in Iraq in charge of water.

Will Granger, the man I am speaking of, the man in charge, while his company in Houston was saying publicly, and said it repeatedly, that none of this happened, no facts to the contrary happened, Mr. Ganger’s report said this:

This event should be considered a “near miss” as the consequences of these actions could have been VERY SEVERE resulting in mass sickness or death.

We are spending money on these contracts. Then we have whistleblowers come forward to say there is a waste of money—tragic waste of money. Then we have whistleblowers come forward to say that the companies that are getting these contracts—in this case for water—are not treating the nonpotable water properly, which is a danger to the troops. And the company says: Not true. Just not true.
Thus we discover the internal memorandum that the company received from that company’s person on the ground in Iraq, and the guy says:

The consequence... could have been VERY SEVERE resulting in mass sickness or death.

Shortly after this, by the way, a young woman who is serving in Iraq, an Army physician, wrote me an e-mail, and she said: I have read about this sort of thing. I want you to know it has happened in my camp. And I had my assistant look up Saran Wrap. He told me to go track the water line to see what kind of water they were bringing into the base that is called nonpotable water, and it, too, was contaminated, and it, too, is of degraded quality and more contaminated than raw water, the raw water you would get from the Euphrates River.

So the question is: What are we getting? What are we getting for the money we are spending? Where is the accountability?

Now, some of these have been Halliburton. And I know the minute you talk about Halliburton, somebody says: Ah, that is a political attack on the Vice President. The Vice President is not at Halliburton. This is not about the Vice President. He used to work for that company, but this is not about him. It is about a company that received large no-bid contracts, sole-source contracts, and the allegations are almost unbelievable about what has happened.

Now, there are others. Some of them are with a RIO contract. Restore Iraq Oil contract, others with a LOGCAP contract. But let me give you some other examples: Custer-Battles—two guys show up in Iraq, one named Custer, one named Battles, and they decide: We want to get in on some of this. We want to get in on some of this activity.

Before that ended, Custer and Battles had spent over $100 million in contracts from our government. Among the contracts was one to provide security at the Baghdad Airport. There were no flights going in and out of the Baghdad Airport, so presumably they did a pretty good job of that, except they took the forklift trucks that existed at that airport, put them in a shed someplace and repainted them blue, and then sold them back to the Coalition Provisional Authority, which was us. That is an interesting way to do business.

And, by the way, here is a picture of $2 million wrapped in Saran Wrap. I know this fellow. This fellow showed up here in Washington, DC. This picture was taken in Iraq in a building.

He was the guy holding a portion of this money. He said: Our message in Iraq was, Bring a bag; we pay in cash. If you are a contractor, bring a sack; we pay in cash.

This is from million, 100-dollar bills wrapped in Saran Wrap. They used them to play football in the office, throwing bricks of 100-dollar bills around. It was like the Wild West, he said. This particular $2 million went to Custer Battles, a company that showed up with no experience, took forklift trucks from the airport, repainted them, sold them back to the American taxpayer, called the Coalition Provisional Authority. The guy is now the Coalition Provisional Authority. That was created by Donald Rumsfeld. He signed the creation of the CPA. It was us. So Custer Battles gets a contract for airport security.

Here is the Baghdad airport director of security, and he said: I want to look at Custer Battles. He wrote it to the CPA. Custer Battles have shown themselves to be unresponsive, uncooperative, incompetent, deceitful, manipulative, and war profiteers. Other than that they are swell fellows.

Something else that happened with this contract. They were supposed to provide trucks. The problem is, they supplied trucks and the trucks didn’t or printed them not to run. They didn’t run. The Custer Battles company said: We just said we would supply trucks. We didn’t guarantee they were going to run. They didn’t have to be operational.

My point is this, this goes on day after day, month after month. It is not the fault of the appropriators. It has nothing to do with the appropriators. It is about accountability. And in most cases, that would come from authorizing committees and from a Congress that would be more aggressive. When we hear about nonpotable water that is more contaminated than raw water from the Euphrates River, a Congress would say, wait a second; you can’t do that to American troops, and begin an immediate investigation. Yet you see very little activity to look into these issues.

On behalf of the taxpayers and on behalf of those of us who are appropriators, including the chairman and ranking member of the Appropriations Committee, I think all of us, the Congress, the Department of Defense, all of us need to expect more accountability and soon. We are spending an enormous amount of money.

I have mentioned previously that in the early 1940s, Harry Truman believed there was substantial waste. He put together the Truman committee, formed by Congress, a bipartisan committee. I am sure there was a great deal of teeth picked down on contract cheaters, and force real contract competition so that we finally can do what we should for the American taxpayer and bring down these costs.

I had filed it as No. 4805. I ask unanimous consent that we set aside the pending amendment in order to have 4805 considered.

The PRESIDING OFFICER. Is there objection to setting aside the pending amendment?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. Dorgan] proposes an amendment numbered 4805.

Mr. Dorgan. I ask unanimous consent that reading of the amendment be dispensed with. I ask that the reading be dispensed with. The amendment number 4805.

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The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today’s RECORD under “Text of Amendments.”)

The PRESIDING OFFICER. The Senator from Alaska.

Mr. Stevens. Mr. President, I am appalled at some of the information that the Senator from North Dakota
has brought to us. I will join him, perhaps, in some specific amendment that might have some germaneness to this bill such as an authorization to shoot such people. I can’t imagine that anyone would provide to troops in the field contaminated water. I can’t imagine that the people doing this would be charged for a sizable number of clinics and our taxpayers are paying for it and they are imaginary.

On the other hand, this is a provision that deals with Government contracting. How do we deal with it, we would have to have several subcommittees and the other body confer with us to try to write the amendment in a way that might be pertinent to the matter before us, and that is financing the Department of Defense.

I do think we should be indebted to the Senator for his research and what he is doing to try to bring honesty into Government contracting. But I am compelled to say that it is an amendment that should be taken to the Government Affairs Committee, and it should not be on this bill. It is legislation on an appropriations bill. I do make a point of order that it violates rule XV.

The PRESIDING OFFICER. The point of order is taken.

The amendment falls. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I use this opportunity when we appropriate money to make a point. It is not the responsibility or the burden of a couple people who have together a good appropriations bill to bear the responsibility for a lack of oversight that exists and the lack of oversight that exists in the entire Congress. I only raise this because I think it is critically important that all of us understand.

There is far too much waste and fraud and abuse in some of these contracts. I recognize that wartime is different. There are times during wartime when you do things you might not otherwise do. You might not be quite as efficient or effective. Some money may be wasted. But this seems like hogs in a trough when you see what is going on.

We are spending so many billions. We added $18.2 billion for reconstruction in Iraq, and the grunting and shoving and moaning of hogs in a trough when you see what is going on. We are spending so many billions. We added $18.2 billion for reconstruction in Iraq, and the grunting and shoving and moaning of hogs in a trough when you see what is going on.

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We are spending so many billions. We added $18.2 billion for reconstruction in Iraq, and the grunting and shoving and moaning of hogs in a trough trying to find some of that money. I mentioned earlier that two weeks we should show up with hardly a taxi fare, get $100 million in contracts, and now we discover the American taxpayer has been fleeced for much of that. The water isn’t going to clear up until you get the hogs out of the trough. What is to find a way to address these issues, most especially those raised with food and water to troops.

Let me say to Senators STEVENS and INOUYE, I want to work with them. I know they want the same result I want with respect to these issues. That is the only reason I raise this today. This burden also falls on some authorization committees and others that really need to do a much better job with respect to oversight.

My hope remains that at some point we will be able to pass my amendment—I expect to offer it again, and I think that will be the fourth time—to create a Truman-type committee that will investigate these issues and what it says: We will not put up with this. We won’t put up with waste, fraud, and abuse.

I will be back again. I thank my colleagues for their forbearance as I discuss things and know that they share with me an interest in trying to deal with them in an effective way on behalf of our troops and on behalf of America’s taxpayers.

I yield the floor.

Mr. STEVENS. Mr. President, before the Senator leaves, I am sure Senator INOUYE is telling him the same thing. We will instruct our staff to start the process of establishing a series of hearings to investigate this fraud that he has brought to our attention. The Senator is a member of our committee, and we will be pleased to work with him on it. If it gets to the point where we need a commission per se to be outside of the Congress to do this investigation, we can look into that, too. I think we should start the process of investigating into these repeated reports we have had about fraud and corruption in connection with Government contracting, particularly that related to our war effort.

I thank the Senator for his work.

Mr. DORGAN. Mr. President, let me then work with my colleagues, Senators STEVENS and INOUYE, and see if I can find a way to write this approach in a way that does not have a point of order lying against it and in a way that begins some kind of inquiry. I very much appreciate the cooperation and interest.

I yield the floor.

Mr. STEVENS. Mr. President, I don’t think we need an act. We have authority under our existing rules today to do that investigation. As has been pointed out, President Truman used a subcommittee of the Congress at the time he did his investigations in World War II.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COBURN). The clerk will call the roll.

The Assistant Clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. Mr. President, I wanted to speak briefly about the status of the budget relative to defense spending, really more for the purpose of information for my colleagues, because we are getting into a process where there is tremendous pressure on how much we are spending and where it is coming from and how it is being spent as a function of what has been the administration’s view that they can fund this war out of emergency supplemental ad infinitum.

Traditionally when you fund a war such as this—I guess there isn’t much tradition, and hopefully it won’t be a tradition for war. But if you look back at the wars we have fought as a nation that have gone on for a while, they have usually started out with significant commitments of emergency funds. There is no question about that. It is essential to get the troops in the field and get them where they need to go.

Over time, in both the Korean war and the Vietnam war, which are probably the best examples to look to, the operation and funding of the war has been folded into the regular order where the authorizations have gone through the Defense Department, have gone through the Defense authorization committee and on to the Appropriations Committee, and there has been some significant congressional oversight.

In the Korean war, 77 percent of the cost that war was funded through the regular budget. In the Vietnam war, about 72 percent was funded through the regular budget.

This war we are confronted with now is as big and as significant a threat as we have ever faced because of the fact that, regrettably, the people who wish to do us harm have shown their willingness to kill Americans. They have stated their purpose is to destroy our culture. They have said that if they can get their hands on a weapon that will kill thousands of people, they will use it against civilian populations, and they have shown their willingness to kill civilians, Americans on American soil.

So this is a war that must be fought aggressively. I congratulate the President for the aggressiveness with which he has gone after terrorists around the globe and the fact that he has taken the fight to them. I have supported that effort. But I also remain concerned that we, as a Congress, have a role here, which we have some degree abrogated, and that is the role of oversight as this effort goes forward—maybe not so much in the day-to-day operation of the war, which should be left to the generals and the people on the ground, the officers and men and women fighting this war, but to the issue of how the Defense Department structures its core purposes in the context of being in a war.

In fact, for the first couple of years of this effort, when supplementalals were coming up and they came up at the rate of $50 billion, $60 billion—there appeared to be an almost physical disconnect between the dollars being used on the war-fighting effort and the dollars being used for the core purposes of national defense. One could ask the question: Was the core purpose of the war the national defense. One could ask the question: Was the core purpose of the war the national defense. One could ask the question: Was the core purpose of the war the national defense. One could ask the question: Was the core purpose of the war the national defense.
was a large percentage of that being used to fight the war or was a large percentage being used to maintain traditional operations within the Defense Department? It appeared that the two were decoupled in many ways.

What we are talking about, essentially, is we have a core defense budget, on which we have overlaid an entirely separate appropriations process and budget, called emergency appropriations. We have now had 4 years of experience where we are averaging about $90 billion a year of emergency appropriations that are outside of the basic budget process and which are being spent in the war-fighting effort. For the first 2 years of this effort, the Defense Department refused to send up any number at all relative to what this would cost. That didn’t make a lot of sense because we knew we were going to have to pay something with soldiers in the field. At the urging of the Congress 2 years ago, we put into place a $50 billion hold—a holding number to try to cover and identify what that cost was going to be in the context of the entire budget.

The Defense Department still at that time took the position that it had no numbers. They would say, if you need $50 billion, you need it put in because, as it was represented by the Assistant Secretary of Defense before the Budget Committee, because he said the Congress had done it the year before, he could not estimate whether that would be the cost of the war. They put that in, because Congress had already done that, so they were trying to track what Congress did. This didn’t make a lot of budgetary sense again, so we put in the budget what had been the average for this supplemental effort to fight this was $90 billion. The new Budget Director—and I give him great credit, and I appreciate the fact that he has convinced people at the Pentagon to go along with this—stated very openly that now the fiscal 2007, that the President, he could not estimate, the Congress, because it was represented by the Assistant Secretary of Defense before the Budget Committee, because he said the Congress had done it the year before, he could not estimate whether that would be the cost of the war. They put that in, because Congress had already done that, so they were trying to track what Congress did. This didn’t make a lot of budgetary sense again, so we put in the budget what had been the average for this supplemental effort to fight this was $90 billion.

I give the point is this: Where do we stand with all these numbers floating around? Do we have any control over this? Is this a lot of operational activity that is being basically sloughed off on the emergency accounts so that we end up with the core budget of the Defense Department not being correctly reflected and authorized, and, of course, that account clearly isn’t authorized relative to war fighting and is difficult to reflect. I tried to put this together. This chart reflects the situation as I see it and the Budget Committee sees it. I put these numbers out so people can get a sense of where we are going and what we are spending because this is becoming a fairly significant item of the Federal activity and is obviously critical to our capacity to fight this war and be successful.

What has happened since then that has given us this core budget of the Defense Department which, as you can see, rose from $297 billion in 2001, where the Defense Department had been radically cut back by the Clinton administration and was suffering a performance deficit. Internally, it would call in the last year and a half of the Clinton Presidency—he acknowledged publicly that he disproportionately cut the Defense Department and was starting to retool it and refund it. The core budget has gone from $297 billion—which was a low number, below what they needed—up to $430 billion. That includes the appropriations for the Defense bill and for military construction.

The supplemental in the postwar period, that we have dealt with the Iraq situation and Afghanistan situation, are the red numbers. They have gone from $79 billion to $88 billion, to $79 billion, and last year—or the year we are presently in—it is estimated to be $125 billion. Now we are going to spend—some in the field—is not being used actually for the purpose of replacing core defense opportunities or defense needs and, thus, being a way around congressional scrutiny of core defense obligations. There are a lot of weapons systems being purchased which have outyear procurement issues. I heard the second ranking member of the Defense Committee say that of the nine major systems—I think he said seven systems were in issue as to how much they were costing and whether they would be delivered on time. If you are going to properly oversight that, you want to make sure that those dollars are not suddenly flowing through the emergency process and thus not being subject to review.

So we have a problem as a Congress, as to how we deal with the reality of having troops on the ground who have to get support from us—and no one here would not support them—but at the same time have a defense budget and an actual budget process that is fundamentally broken relative to our capacity to overseeing these dollars as they are coming up and being reviewed.

I don’t have the answer, to be very honest with you. But I am trying to outline the issue so that people are aware of it. I honestly don’t think there are probably five people in the Senate who understand this number. What we are dealing with is not a defense number of $430 billion, not a defense number of that plus the $42 billion supplemental in it or plus the $8 billion or plus the $13 billion. It is a defense number of somewhere around $555 billion and going, and probably is, money we are going to have to spend. I suspect I will vote for all of it. But I would like to have more
confidence than I have right now that we have not set up a two-track budget process, where we essentially focus on one set of numbers and allow another set of numbers to pass through here as if they are going through in the night on some other boat.

Mr. STEVENS. Will the Senator yield?

Mr. GREGG. Yes.

Mr. STEVENS. The Budget Committee Chairman raises literally the things we have been thinking about and mumbling about for months now. We have in this bill a provision that says next year all of this should be within the budget. That, of course, we realize is next to impossible because of the inability to predict in advance—really 18 months in advance—what the costs are going to be to fight a war.

I believe the Senator should look at the changes that have been made since the war I was in, World War II. We had draftees. All of the equipment that was used, the transportation equipment was operated by people in uniform. All of the bases were operated by people in uniform. We didn’t have security people; we did the guard duty. We didn’t have people running the kitchens; we did it ourselves. I distinctly remember peeling potatoes for hour after hour.

All I am saying to the Senator is, the concept of handling war materials and emergency issues has gotten out of control. The Senator from North Dakota—I don’t know if the Senator from New Hampshire saw his comments about some of the fraud and abuse that is involved in the security process.

It is fairly clear, because of the nature of the emergency, controls have been thought of after the fact. We are trying to bring it into some kind of perspective for the future.

As budget chairman, the Senator from New Hampshire is absolutely correct. I don’t know how we could fold into the budget for next year and make everything involved in the fiscal year 2006 the way we are dealing with in terms of emergency funding right now.

However, I am also convinced that because of the way this conflict has changed and the nature of the conflict, as opposed to wars of the past, even the Persian Gulf war that we fought, we have no way of telling how much it is going to cost.

I want the Senator to know that those of us who handle the appropriations part of the budget, those of us who have security, we have an extremely deep on the issue of defense policy and how we should fund our Defense Department. If the Senator from Alaska says we need something, the odds are I am going to say we need to fund it. People, such as the Senator from Alaska, who have the expertise around here and have had it for a long time—the Senator from Virginia, for example, who chairs the Armed Services Committee and members of that committee—are not getting much of a window to see how these funds are being distributed. We are just getting them presented to us and claimed they are an emergency and basically they have gone outside the budget process.

We have set up some process that allows the Senator from Alaska, as chairman of the subcommittee that appropriates, and which allows Senator WARNER as chairman of the full Armed Services Committee to intersect this activity a little earlier in the process so they can have their input in it, much as they would the core budget.

The Senator from Alaska spent a lot of time putting together this base budget of $434 billion. I know he did. That emergency money comes in here with a bang—here it is today and the Senator has to appropriate it tomorrow—a situation from the administration. Granted, it is a war and there is going to be some need for that type of activity, and not to anticipate some fairly significant percentage of that, I would think. I think a little more openness and cooperation from downtown on that might be helpful.

I don’t have the answer. I am just raising the red flag of concern. I would rely greatly on the Senator’s expertise and the expertise of others around here who have the history and knowledge of the Defense Department to figure out how we as a Congress can engage more effectively, not to put the budget moving along which is really sort of shadowing.

I thank the Senator.

Mr. STEVENS. I thank the Senator also.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, on this subject, I thank the chairman of the Budget Committee and Chairman STEVENS for their observations. Early on, I urged the administration to budget for the war, and they said: It is hard to predict what will be needed. I said: That is true, but the one thing we know for certain, the right answer is not zero. And that is what the administration was sending up in their budgets: Zero, no money. Obviously, that wasn’t right.

Budgets are about making an estimate of what the thing is going to be. Unfortunately early on, the chief spokesman for this administration dramatically understated what this war would cost. I remember very well Larry Lindsey, who was the chief economic adviser to the President, said it may cost over $100 billion. The Vice President of the United States chastised him publicly—at least that is my recollection—and suggested that this war would not cost more than $50 billion. Here we are and the war has cost over $300 billion so far, and the administration is still not budgeting appropriately for it. They are dramatically understating in their budgets what this war is really going to cost. What that does is denies the Congress the ability to really think about these issues in terms of how these budgets are evolved. We are just getting them presented to us and claiming they are an emergency and basically they have gone outside the budget process.

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I thank the Senator.

Mr. STEVENS. I thank the Senator also.

Mr. President, I now wish to speak on a different matter. It is a matter of an emergency in my State and increasingly a matter of emergency in other States as well, and that is the spreading disaster of drought that is enveloping the central part of our country.

Ironically, last year, my State had massive flooding. This year we were the headlines from a year ago: “Rain Halts Harvest”; “Heavy Rain Leads to Crop Diseases”; “Beer Crop Could Be Smallest in 10 Years”; “Crops, Hay Lost to Flooding”; “Area Farmers Battle Flooding, Drought Diseases”

These were the headlines from last year.

In North Dakota last year, every one of our counties was declared a disaster because of abnormal wet weather conditions, something we are not very used to in North Dakota, but that is what we were experiencing last year. Pictures such as this were very typical...
last year; Massive flooding in which farmsteads were surrounded by water. And in fact, in North Dakota last year, we had over 1 million acres that couldn’t even be planted; 1 million acres that could not even be planted in my State last year; and then hundreds of thousands of additional acres that were planted but then flooded out. So farmers got no production.

Fast forward to this year and what is happening now. This is the drought monster coming out on a daily basis. What this shows is the center part of the country is now in very serious drought. The color code for those watching on TV is: Yellow is abnormally dry, the light tan is moderate drought, the darker tan is severe drought, the red is extreme drought, and the dark brown is exceptional drought.

One can see all of my State is now in drought. All of Nebraska, all of Kansas, and all of the Presiding Officer’s State are in drought, and virtually all of Texas—not quite all, but virtually all. What is dramatic is how this has spread. We used to have just the central part of our State. Now the entire State is in drought, and much of it is in extreme drought. That is the red part of this chart. And one part is in exceptional drought, that is beyond extraordinary—exceptional drought.

There was an article in one of our major dailies saying that the Dakotas are now the epicenter of a drought-stricken Nation. It indicated that more than 10 percent of the United States is in drought, and it says the experts say that the dry spell is the third worst on record. Looking at the drought from 1999 to 2006, the drought ranks only behind the 1930s and the 1950s.

This is an extraordinarily serious situation in my State. We put together a chart that just shows the month of July. These are the days that were over 90 degrees in Bismarck, ND, the capital city, my hometown: 23 days over 90 degrees. This is southern Burleigh County. This is where Bismarck, my hometown, is located, the capital city of North Dakota. This is a cornfield. You know what they used to say—knee high by the 4th of July? This isn’t boot high by the 4th of July? This isn’t boot high by the 4th of July. These are really any plants that have even emerged. They will produce nothing, absolutely nothing.

During our drought tour, a man came up from South Dakota. He runs the Herreid livestock auction ring in north central South Dakota. He said: Senators, I want to alert you to something that is happening. It is a real warning signal. He said: In July we would normally be selling a couple of hundred head a day. The last 3 or 4 days we have been selling thousands, thousands of head, because there is no feed. The Senate has taken action before. We took it on the supplemental appropriations bill and we said we needed to provide disaster assistance. There is a need to take it here. Seventy-two Members of the Senate said: Don’t take it out, we ought to provide disaster assistance. The President said no. If there is any disaster assistance, he would veto it.

I hope the President is watching carefully what is happening, what is developing. I just had the independent bankers of my State in my office. They told me if there is not assistance, 10 percent of the people they lend to will go out of business by the end of this year—10 percent of the farmers and ranchers of my State. This is a catastrophe of stunning proportion. It is getting worse each and every day. We are experiencing temperatures that are unprecedented and a lack of rainfall that has only happened twice before in our history—in the 1930s, the Dust Bowl days, and the 1950s. I take the time of my colleagues to let them know what we are seeing in mine. This drought is intensifying and the prospects for a calamitous growing season are growing. I thank my colleagues for their patience.

I yield the floor and suggest the absence of a quorum.

Mr. DODD. Mr. President, I ask unanimous consent the order for the reading of the amendment be dispensed with.

I yield the floor and suggest the reading of the amendment be dispensed with. The PRESIDING OFFICER. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent the order for the reading of the amendment be dispensed with.

Mr. DODD. Mr. President, I ask unanimous consent to do that.

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The Assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. Dodd) proposes an amendment as follows:

Purpose: To make available an additional $6,700,000,000 to fund equipment reset requirements resulting from continuing combat operations, including repair, depot, and procurement activity.

At the appropriate place, insert the following:

The PRESIDING OFFICER. The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The Assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. Dodd) proposes an amendment as follows:

Purpose: To make available an additional $6,700,000,000 to fund equipment reset requirements resulting from continuing combat operations, including repair, depot, and procurement activity.

At the appropriate place, insert the following:
Mr. DODD. I offer this amendment on behalf of myself, Senator REED of Rhode Island, Senator INOUYE, Senator LEARY, Senator BINGAMAN, and Senator KENNEDY.

I thank Senator INOUYE and his staff for helping us craft this amendment. As I understand it, this amendment has been cleared on both sides for consideration. I will be asking for a vote on this amendment at the appropriate time, but I am not going to take a long time here because the substance of this amendment was discussed last evening when it was offered—part of this was offered by Senator STEVENS, along with Senator INOUYE—and then earlier today Senator REED of Rhode Island and I had a discussion here on the floor about this issue, of what is occurring in terms of the equipment our military needs to operate effectively, the gap that exists, that we worry about here, in terms of the failure to provide the necessary support for our men and women in uniform, in the Marine Corps, the Army particularly, but also in the National Guard.

The Senator from Alaska offered an amendment last evening, as I mentioned a moment ago, to address critical capital equipment shortfalls long identified by the Army and Marine Corps.

As my colleagues know, Army Chief of Staff General Schoomaker has said that $17 billion would be needed to begin repairing and replacing our fleets of trucks, tanks, and aircraft. Last night’s amendment contained an additional $7.8 billion for the Army to add to the $2.5 billion in the underlying bill. Proposed $5.3 billion for the Marine Corps. But the amendment still leaves a $6.7 billion shortfall within the $17 billion figure identified by the military’s top uniformed officers.

I am offering this amendment, along with Senator REED and others, to make this remaining $6.7 billion available to our military if it needs it. This is what we call a “soft mark.” If the money is not needed, the resource would come back to the Treasury. But rather than waiting until next spring sometime when supplemental might be asked for, we don’t want to deprive our military leadership of the resources necessary if they can use them to replace and repair the deteriorated equipment being used in Iraq and Afghanistan and elsewhere.

This amendment is a soft amendment, if you will, in that regard. It will not detract from other defense priorities, and it will not contribute further to the deficit. It is part of our budget-neutral, if you will, proposal. All my amendments that we have offered is allowed at its discretion to use this appropriation for any available unobligated funds.

Up until now, the cost of war in Iraq has been mainly measured in the number of lives lost, which is tragic, and the U.S. Treasury spent—and rightly so.

In Iraq, 2,578 of our fellow citizens have been killed, and Congress has approved more than $437 billion, with another $50 billion now soon to be considered by this body. But there is another cost of this war that needs to be addressed, one we cannot afford to ignore. That is military readiness.

For months now, the Army’s uniformed leadership has been sounding the alarm about the growing readiness gap, as it is called.

In March, Army Deputy Chief of Staff LTG James Lovelace testified to Congress that since the Iraq war’s beginning, the number of Army units fully equipped for combat has steadily declined. According to General Lovelace and his Marine counterpart, LTG Jan Huly, military units have increasingly been tasked for combat as they have seen their stock of functioning vehicles, aircraft, and equipment decline.

Last month, Army Chief of Staff GEN Peter Schoomaker put the problem in a different way. The President’s proposed 2006 supplemental request was $1.9 billion short to address the equipment shortfalls caused by combat losses and wear and tear in Iraq. In the administration’s 2007 budget request, there was an even larger $12 billion shortfall, according to the leadership of our uniformed services.

Today we are announcing our commitment to meeting those generals’ calls to address one of the most pressing challenges of the U.S. military—the growing readiness gap.

We must find resources necessary to repair and replace our military’s critical equipment. This is a matter of the most urgent priority. By some accounts, these equipment shortfalls are leaving up to two-thirds of the U.S. Army’s combat brigades unfit to perform basic combat duties. I do not know what could be more alarming, particularly as the United States continues confronting the necessary dollars to make certain that our service men and women are getting hydration systems, basic needs of a soldier going into combat. We lost those amendments, and we came back and offered a different idea—to reimburse the men and women in uniform, in some of whom, by their own accounts, were scraping around in dumps in Iraq to find the hardware to armor up their humvees and equipment.

Certainly, our military personnel’s bravery and valor can never be exaggerated. We know that. But dollars could not be said of the fleets of humvees, trucks, and aircraft they depend upon. We owe it to them and to the American people to make certain that the U.S. Armed Forces are outfitted with the equipment they need to get the job done.

On three or four other occasions over the last several years, I have stood on this floor to offer amendments to deal with equipment used by our men and women in uniform. At one point, we were going to withdraw funding for the wars to make certain that our service men and women were getting hydration systems, basic needs of a soldier going into combat. We lost those amendments, and we came back and offered a different idea—to reimburse the men and women in uniform, in some of whom, by their own accounts, were scraping around in dumps in Iraq to find the hardware to armor up their humvees and equipment.

This increased use shortens the life of their peacetime rates, further exacerbated by the addition of heavy armor. This increased use shortens the life of equipment and demands larger investments in maintenance and procurement.

On top of that, our equipment is being further degraded by sand, extreme heat, rocket-propelled grenades, and explosive attacks.

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Mr. STEVENS. 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. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote be scheduled for 10 minutes after 5.

Mr. DODD. And no second degrees in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, is there any further amendment to be discussed at this time?

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. STEVENS. 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. STEVENS. Mr. President, I ask to remind the previous order regarding the vote that is scheduled, and I now ask consent that at 5:15 today, the Senate proceed to a vote in relation to the Dodd amendment No. 4819, with no amendments in order to the amendment prior to the vote; further, that the Senate then vote in relation to the Durbin amendment No. 4781, with no amendments in order to the amendment prior to the vote, and there be 4 minutes for debate equally divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. 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. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the question is on agreeing to the Dodd amendment No. 4819. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. MCCONNELL. The following Senator was necessarily absent: the Senator from Kentucky (Mr. BUNNING).

Furuthmore, if there is no further voting, the Senator from Kentucky (Mr. BUNNING) would have voted "yea."

Mr. DURBIN. I announce that the Senator from Montana (Mr. BAUCUS) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER (Mr. ISAKSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—97

Akaka

Alexander

Allard

Allen

Bayh

Bennett

Biden

Bingaman

Bond

Boxer

Brownback

Burns

Burr

Barton

Byrd

Con威尔

Carper

Chafee

Chambliss

Jeffords

Clinton

Coburn

Collins

Conrad

Corkin

Craig

Crapo

Dayton

DeMint

DeWine

Dodd

Domenech

Baucus

Bunning

Lieberman

Mikulski

Murkowski

Nelson (FL)

Nelson (NE)

Obama

Pryor

Reed

Roberts

Rockefeller

Salazar

Santorum

Sarbanes

Schumer

Sessions

Shelby

Smith

Specter

Stabenow

Stabenow

Sums

Talent

Thune

Vitter

Warren

Wyden

The amendment (No. 4819) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I would like the Senate to know where we are. As of 4:35 this afternoon, we had 68 more amendments. I have asked the Parliamentarian to advise Senator INOUYE and me tomorrow morning how many of them are subject to rule XVI. A great many of them are legislation.

I point out to the Senate that this bill must be conferenced and we must get this bill to the President in time for the money to be available at the end of the fiscal year. We cannot go over this year.

Amendments subject to rule XVI, when we reconvene, require a conference with another Senate committee on the House side in order to see whether the House will accept these nongermane amendments.

It is our intention to raise rule XVI against any amendment that the Parliamentarian tells us is subject to the rule. If some can be rewritten in a way not to do that, we can reconsider them.

I apologize to the Senator from Illinois. There is another vote scheduled.

The PRESIDING OFFICER. Under the previous order, there is 4 minutes equally divided prior to a vote on the Durbin amendment No. 4781, as modified.

The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, Senator OBAMA and I have offered an amendment relating to medical research on traumatic brain injury. This is the x-ray of an American soldier who has returned from Iraq having suffered an explosive blast injury. Mr. President, 1,700 of our soldiers have returned with traumatic brain injuries. This is a very severe case, but this soldier, thank God, survived. But 62 percent of the soldiers exposed to blast injuries have traumatic brain injury.

Senator OBAMA and I have taken money out of our own projects in this bill—a billion dollars each—to put it into medical research at the University of Chicago so we can use the latest technology to diagnose and treat traumatic brain injury.

The U.S. Army has reported in their official documents that they have a gap of $20 million necessary for research for diagnosis and treatment of soldiers who have suffered these traumatic brain injuries. This does not take money out of the bill.

Today, we have added $1.8 billion in emergency spending. We just shifted $6.7 billion. We are asking for $2 million from our own projects for research for traumatic brain injury for these soldiers. Please, if you believe we should do everything we can to help these soldiers, I hope you will support the amendment.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, this is an important amendment. It is one to provide the University of Chicago with $2 million to conduct imaging research on the connection between epilepsy and brain injury.

This is not to directly help the soldiers who have been injured. As a matter of fact, this is not a neglected area. We put up a billion dollars in the last 2 years, and there has been substantial research on brain injuries.

There is a necessity for money for the treatment and care of those who have this problem, but we do not need more money for research. As a matter of fact, in the past 3 years, we averaged $430 million a year in grants, contracts, and research conducted by NIH. For 2006, we asked NIH to expand research on brain injury rehabilitation.

This money is not going to treat soldiers; it is going to the University of Chicago for an imaging research...
The amendment is pending. I ask unanimous consent that the roll be closed.

Mr. STEVENS. Mr. President, the amendment is pending.

The PRESIDING OFFICER. The roll will be closed.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be placed on the calendar.

The PRESIDING OFFICER. The amendment is placed on the calendar.

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The PRESIDING OFFICER. The amendment is placed on the calendar.

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Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be placed on the calendar.

The PRESIDING OFFICER. The amendment is placed on the calendar.

Mr. STEVENS. Mr. President, the amendment is pending.

The PRESIDING OFFICER. The roll will be closed.

Mr. STEVENS. Mr. President, I ask unanimous consent that the amendment be placed on the calendar.

The PRESIDING OFFICER. The amendment is placed on the calendar.
The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4762
Mr. STEVENS. Mr. President, I ask the Chair lay before the Senate amendment No. 4762.

The PRESIDING OFFICER. Without objection, the amendment is pending.

Mr. STEVENS. This is the medical countermeasures procurement amendment. Is that ready for clearance on both sides?

Mr. INOUYE. We have no objection.

Mr. STEVENS. I am informed there is no objection to this amendment. I ask it be considered at this time and adopted.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is agreed to.

The amendment (No. 4762) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, again, 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. STEVENS. 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.

AMENDMENTS NO. 4814, 4829, 4792, AS MODIFIED, AND 4783, AS MODIFIED, EN BLOC

Mr. STEVENS. Mr. President, I have another managers' package offered by myself and Senator INOUYE.

The first is amendment No. 4814 by Senator BINGAMAN regarding adaptive optics; amendment No. 4829 by Senator SUNUNU regarding unmanned underwater vehicles; amendment No. 4792, as modified, by Senator COLEMAN regarding microelectronics; and amendment No. 4783, as modified, by Senator SCUMMER regarding bandages.

These I believe have been cleared on both sides.

Mr. INOUYE. No objection.

Mr. STEVENS. Mr. President, I send this package to the desk and ask unanimous consent that the amendments be considered en bloc, agreed to en bloc, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. INOUYE. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to, as follows:

AMENDMENT NO. 4814
(Purpose: To make available from Research, Development, Test and Evaluation, Air Force, up to $1,500,000 for Commercialization and Industrialization of Adaptive Optics (PE 0602880P)).

AMENDMENT NO. 4829
(Purpose: To make available from Research, Development, Test and Evaluation, Navy, up to $1,000,000 for an integrated, low-cost, low-power Multibeam Side Scan Sonar System for Unmanned Underwater Vehicles (UUVs). At the end of title VIII, add the following: SNC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE”, up to $1,500,000 may be available for Commercialization and Industrialization of Adaptive Optics (PE 0602880P).

AMENDMENT NO. 4829
(Purpose: To provide that up to $9,000,000 of the amount appropriated or otherwise made available by chapter 2 of title IX for the Army for operation and maintenance, and up to $2,000,000 of the amount appropriated or otherwise made available by such chapter for the Marine Corps for operation and maintenance may be made available for the procurement of hemostatic agents, including blood clotting bandages and invasive hemostatic agents, for use by members of the Armed Forces in the field.

Page 238, after line 24, add the following: SNC. 8109. (a) Of the amount appropriated or otherwise made available by chapter 2 of this title under the heading “OPERATION AND MAINTENANCE, ARMY”, up to $9,000,000 may be made available for the procurement of hemostatic agents, including blood clotting bandages and invasive hemostatic agents, for use by members of the Armed Forces in the field.

(b) Of the amount appropriated or otherwise made available by such chapter under the heading “OPERATION AND MAINTENANCE, MARINE CORPS”, up to $2,000,000 may be made available for the procurement of hemostatic agents and invasive hemostatic agents, including blood clotting bandages, for use by members of the Armed Forces in the field.

Mr. INOUYE. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I announce to the Senate that we have completed all the packages we can work on tonight. We urge Senators and their staff to get together with us early in the morning. We will be back in session at 9:30, and we hope we can continue to find ways to agree to the amendments that can be worked out.

There is a series of amendments regarding the National Guard that we wish to get to as quickly as possible tomorrow. I alert Senators and staff that we are moving the National Guard amendments during the early part of the morning tomorrow, if it is at all possible.

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. STEVENS. 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. MCCAIN. Mr. President, amendment No. 4838 would strike language from the bill that states that certain projects in the committee report “shall be considered to be authorized by law.”

Committee reports that accompany Senate Appropriations bills and joint explanatory statements that accompany conference reports are not law but, rather, advisory documents. While some like to think otherwise, the Federal agencies are under no legal requirement to follow verbatim the many directives that are included in each and every committee report. And I note that also applies to the hundreds of earmarks that are included in committee reports and joint explanatory statements each year. Unless provisions are included in enacted legislation, they do not have the force of law. And this is not just my view.

Let me read from the April 1998 opinion of Supreme Court Justice Scalia in United States, petitioner v. Estate of Francis J. Romani et al.:

The Constitution sets forth the only manner in which the Members of Congress have the power to implement the laws of the country: by a bill that passes both Houses and is either signed by the President or re-passed by a supermajority after his veto. Art. I, §7. Everything else the Members of Congress do is either prelude or internal organization.

And just this past June, in Zedner v. United States, Scalia wrote:

I believe that the only language that constitutes a “law” without the meaning of the Bicameralism and Presentment Clause of Article I §7, and hence the only language in a fashion relevant to our attention, is the text of the enacted statute.

It may seem that there is no harm in using committee reports and other such sources when they are merely in accord with the plain meaning of the Act. But this sort of intellectual piling-on has addictive consequences. To begin with, it accustoms us to believing that what is said by a single person in a floor debate or by a committee report represents the view of Congress as a whole—so that we sometimes even will say (when referring to a floor statement and committee report) that “Congress has expressed” thus-and-so. . . . There is no basis either in law or in reality for this naive belief Moreover, if legislative history is relevant when it confirms the plain meaning of the statutory text, it should also be relevant when it contradicts the plain meaning, thus rendering what is plain ambiguous.

I fully understand a committee’s interest in having an agency consider the guidance it provides in its report language. But on occasion, that interest can get carried away. I remember the controversy that occurred a few years ago over the so-called “language expressing extreme displeasure over the fact that an agency had not followed to the letter the certain prior year’s
report language. The subsequent re-
port, which accompanied the fiscal year 2004 CJS appropriations bill, stat-
ed the following:

As in past years, the Committee expects NOAA and the Department to adhere to the direction in section 665 in the general provisions of the accompanying bill. Unlike past years, how-
ever, the Committee intends to enforce congres-
sional direction ruthlessly.

The reason I am referencing that re-
port is to elaborate the extent to which committees can go in imposing report directives. I am not trying to suggest the DOD appropriations report accompanying the pending bill includes comparable threats, but I am con-
cerned about a line in the report language that I believe should be eliminated be-
cause it would have the effect of au-
thorizing projects that are merely list-
ed in the report, thus giving provisions in the report the force of law.

Section 665 states:
The Secretary of Defense, notwithstanding any other provision of law, acting through the Office of Economic Adjustment of the Department of Defense, may use funds made available in this Act under the heading “Operation and Maintenance, Defense-Wide” to make grants and supplement other Federal funds in accordance with the guidance pro-
vided by the Committee on Appropriations of the Senate accompanying this Act, and the projects specified in such guidance shall be considered to be authorized by law.

Let me repeat the last phrase: “and the projects specified in such guidance shall be considered to be authorized by law.”

Mr. President, the projects referred to are not included in the legislative language, and we should not be sug-
gest that it is acceptable to author-
ize provisions by reference. In this par-
ticular case, it would result in the au-
thorization of about 30 projects. But imagine what is next. I can envision the conference report of this or another bill to include a line stating that all the projects in its report “shall be con-
sidered to be authorized by law.”

The language that allows certain projects to be “considered authorized by law” is a dangerous precedent, and I believe it should be eliminated.

I appreciate that the bill managers have agreed to accept this amendment, and I trust that they will work to en-
sure that the final conference agree-
ment is free of language that would allow provisions in the joint explana-
tory statement to have the force of law.

Mr. JOHNSON. Mr. President, re-
cently the Senate Appropriations Com-
mittee approved the fiscal year 2007 De-
fense appropriations bill. As a member of the committee, I supported this measure, and it is now being considered by the full Senate.

The bill provides $453.5 billion in new discretionary spending authority for the Department of Defense. Included in this amount is $50 billion for contin-
gency operations related to the global war on terror.

I have repeatedly called upon the Bush administration to be frank with American taxpayers about funding lev-
els for ongoing operations in Iraq and Afghanistan. The Bush administration has relied upon emer-
gency supplemental spending meas-
ures, as opposed to the annual budget process, to fund our efforts in Iraq and Afghanistan. I believe that is wrong.

In his budget proposal, President Bush finally submitted a $50 billion re-
quest for a bridge fund to support mili-
tary efforts in Afghanistan and Iraq for the coming fiscal year. The Senate Ap-
propriations Committee funded this re-
quest, but I remain concerned that this level of funding will be insufficient, and once again Congress will need to consider another emergency supple-
cmental appropriations bill.

Furthermore, President Bush’s con-
tinued insistant defense-wide breaks for the extremely wealthy has made it incredibly difficult to fund im-
portant domestic spending programs. In-
fact, the President’s budget reduced funding for critical programs including No Child Left Behind, the Perkins Car-
tridge and Fabrication Program, and firefighter assistance grants.

Consequently, Senate Appropriations
Committee Chairman THAD COCHRAN was forced to reduce defense spending by $0.1 billion to meet urgent domestic spending needs. As a result, our servicemembers received a 2.2 percent across-the-board pay raise, a reduction of nearly 1 percent from last year’s level of 3.1 percent. In addition, the Bush budget recommended funding for only 333,000 Army National Guard per-
sontel, well below the National Guard authorized end-strength of 350,000. This proposal was opposed by the National Guard and Reserve, and I am pleased that the Senate was able to provide sufficient funding for Army National Guard end strength of 350,000 soldiers.

While some shortfalls remain in the bill, it is important to note that it pro-
vides an additional $340 million for Na-
tional Guard and Reserve equipment above the President’s request. The bill also provides $735 million for body armor and personal protection equip-
ment, as well as $1.5 billion for the Joint Improved Explosive Device De-
feat Organization.

Furthermore, I am pleased that the bill reported out by the Senate Approp-
riations Committee provides funding for a number of important South Da-
kota projects. Due to my seat on the Appropriations Committee, the South Dakota School of Mines and Tech-
ology received funding to develop a num-
er of important defense related projects. Researchers at the school will receive over $3.3 million to establish and staff a national center of excellence within the Army for advanced materials in South Dakota; they will also work to develop new transparent armor for the Army’s Future Combat Sys-
tems; and the school will develop a control system for laser powder deposition.

The South Dakota School of Mines and Technology is not the only organi-
zation conducting critical defense-re-
lated research in South Dakota. The Rosebud Sioux Tribe will receive $5 million to continue their efforts to es-

date the Advanced Electronics Rose-
bud Integration Center. The center will research, develop, test, and demo-
strate advanced electronics integrat-
ion and fabrication technologies on the Rosebud Sioux Tribe reservation in South Dakota. In addition, funding was provided to RPM & Associates to facil-
itate their efforts to use LENS tech-
nology for aerospace applications. Likewise, the Batcheller Consulting Group will move forward in developing innovative on-board sensor systems to assess the wear-and-tear to military vehicles and weapon systems.

Finally, the South Dakota National Guard will benefit from defense-wide funding increases I championed. For example, the Senate Appropriations Committee included nearly $35 million above the President’s request to meet the urgent needs of our National Guard and Reserve. This funding will help support additional M22 Automatic Chemical Agent Alarms, Improved Chemical Agent Monitors, targeting pods for F-16 aircraft, and helmet mounted cueing systems.

Mr. President, while I continue to have deep concerns about the spending priorities of the Bush administration, I do believe that the funding included in this bill will go a long way toward pro-
viding our troops with the resources they need to defend our country.

Mr. STEVENS. Mr. President, in be-
half of the leader I ask unanimous con-
sent that there be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

Mr. DEMINT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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we are going to make them more prosperous, if we will do the things in Congress that will protect the values they believe make this country great.

As we think about how we have made this country safer, we can all be thankful that the United States has not been attacked by terrorists in this country since September 11. A lot of that can be attributed to the President, his firm stand against radical Islamic terrorists around the world, and his effort, along with Republicans, pushing the PATRIOT Act to give him the tools he needs to track down terrorists.

Unfortunately, as many Americans know, our Democrat colleagues have made it very difficult for the President and for Republicans to do those things that are necessary to protect our people. The minority leader was bragging, boasting, that they had killed the PATRIOT Act. Fortunately, we were able to override and get that bill passed so our country will be safer.

Our colleagues on the other side have also criticized the President for using technology to track communications of terrorists and to trace their finances—on every turn, criticizing.

Perhaps the biggest problem we have is our Democrat colleagues do not even appear to know the enemy we are fighting. They seem to believe that if we withdraw from Iraq that somehow this global war against radical Islamic terrorists will just go away.

Most of us who are thinking clearly know that Afghanistan and Iraq are just two fronts in this battle on terror. It is a global war. We see it now in Lebanon. We see it in many places around the world. We have even been able to stop some attacks in the United States. The right is right: We are facing an enemy that is spread around the world. If we allow them to win in Iraq, we will never defeat them anywhere. We are making this country safer. We are doing this to counter the obstruction of the other side of the aisle.

South Carolinians and Americans will ask how we are protecting values. Unfortunately, again, I have heard too many of my Democrat colleagues say we need to be dealing with important things and not messing with these value issues. They have tried to block a number of things, but we were able to pass the Child Predator Act, we were able to pass the Child Custody Act, and we were able to get some good judges approved so we can stop the activist courts from overturning our values and our beliefs in this country. We have made progress.

I want to talk specifically tonight about helping Americans make ends meet. I know I have heard this around South Carolina, and my colleagues are telling me they are hearing it all over the country, that despite a good economy, many Americans are still having trouble making ends meet. As we say something like, there was much “month” at the end of our money. People have gotten raises, but they have also seen more taken out of their paycheck for health care. They have seen the cost of gasoline continue to rise.

We know our Democrat colleagues, for decades, have blocked new energy supplies in this country. They have blocked new nuclear power. They blocked the development of new oil reserves in Alaska more than 10 years ago. If they had not stopped it then, we would now have an additional 5 percent supply of oil at a time we desperately need it. The Democrat colleagues have raised the cost of living for many Americans. We have to stop that.

This week we started off well. We passed a new energy bill that will open new exploration in the gulf. We know there are huge reserves of oil and natural gas that will lower the cost of gasoline and make it easier for our businesses to compete in this country. That is something we passed despite Democrat obstruction.

On Friday this week we will take up one of the most important bills of the year. This gets at the recent calls for prosperity that the American people are asking for. We call it the Family Prosperity Act. I call it, raise your standard of living and lower the cost of death.

This bill includes a number of things. It increases the minimum wage but, more importantly, it provides a number of research and development tax credits, tax credits for work, a lot of tax incentives to expand our economy, increase jobs and help everyone increase their income in this country, not through a Federal mandate but by just letting businesses and individuals keep more of their own money and reinvesting in our economy. That is the way to help increase income. This bill includes all of that.

It also reduces this death tax and gives some permanency out there. It focuses in on this country when people pay taxes their whole lives, and when they die we are going to take more of it. We have not been able to overcome the Democrat obstruction to completely eliminate the death tax, but we have come up with a good compromise.

All week we have heard the Democrats in the Senate talking about this death tax, with lots of misinformation about what it really means. The death tax does provide revenue to the Federal Government—last year, about $25.8 billion, which is a lot of money, there is no question about it. But if you look at what keeping that money in our economy would do if we were able to eliminate the death tax completely, a number of economists say that would add $847 billion in capital investment and create over 100,000 new jobs a year.

Simply leaving that money in the economy, rather than bringing it here to Washington, where every American knows we spend it in the most inefficient way, it would add over $10 billion in growth per year to our gross domestic product. This economic activity and the tax revenues associated with it would more than offset the loss of revenues from eliminating this death tax.

Let’s look at it another way. This really gets back to the American families who want to do right by their children. This is a national death tax. This death tax provides less than 1 percent to the Federal budget as far as tax revenues. What it does to an individual family, a small business, a farm—I have heard all week this is just the right thing to do in America. That is absolutely not true. The people who work for these small businesses and farms are not rich. Many times when a person dies, their estate has to sell the farm or sell the business in order to pay, sometimes, over half of what that business is worth. A family may have to work their whole lives to build up this business. There is no reason when they die that we will take half of that value and put it in the Federal Government.

Unfortunately, again, I have heard too many of the Democrats are going to try to make America believe that somehow we are better off as a Nation, somehow the lower income people in this country are better off if we take money from a family farm or small business or farm or business and put it into Government. Somehow America is better off and this will help the little guy.

What this does, it takes his job, it diminishes our economy because this means we are not allowing our Government to create jobs and to raise personal income as it will if we leave it where people are investing and hiring people, creating jobs, building our economy, all across the country.

Unfortunately, again, our Democrats are obstructing one of the most important things we can do for the American people at this time. We can keeping talking about a good economy, but lower and middle-income Americans are not improving their incomes as fast as the cost of gasoline and health care is increasing. We have tried to put a small business health plan on the floor of the Senate this year that we think would lower the cost of health care to small businesses to around 20 percent, but it was blocked. We hope to bring it back.

Too many Americans do not have health insurance. Those that do are paying more and more every year. If they get a $25 a week raise and their money will not work as hard in our economy, all across the country.

This bill we will be voting on—the motion to proceed—on Friday, we will bring it to the Senate floor to debate and work on it in September. We can send a signal to the people of South Carolina and the people of this country that they are not going to stand for the Democrat obstruction that continues to keep
the cost of living higher by blocking new energy production, keeping taxes high and fighting the things that will actually lower the cost of living such as lowering the cost of gasoline and lowering the cost of health care.

The Family Prosperity Act includes the first increase in the minimum wage in almost 10 years. It includes a reduction in the death tax so small family farms and businesses will not have to be sold. It includes tax credits for college tuition, welfare to work, and many other things we know will create jobs. It is truly the Family Prosperity Act.

I call on my colleagues to stop obstructing what we are trying to do. We believe we can raise the income of every American and that we can lower the cost of living if we just work together.

I hope all of our colleagues, Republican and Democrat, will see the individual family in America is much more important than their income in the Government. By passing this bill, at least moving on to debate at the end of this week, we will have done a lot to reassure Americans that we do care about lowering the cost of living so they can live more prosperous lives.

GULF OF MEXICO ENERGY BILL

Mr. GRAHAM. Mr. President, I take this opportunity to comment on S. 3711, the Gulf of Mexico energy bill. I believe this legislation strikes an appropriate balance between our need for new sources of oil and natural gas, with the concerns of the coastal States.

I do support passage of S. 3711, but I do not support the bill passed by the House of Representatives earlier this year. The careful compromise that is the Senate bill cannot be found in the version passed by the House. I will not support a bill that leaves the Gulf of Mexico with less oil and gas than South Carolina’s coast to drilling for oil.

I am supporting the Senate bill, but I wish that it went further to address our energy dependency issues. According to the International Atomic Energy Agency, IAEA, the world’s demand for energy is expected to double in the coming years. This should be a call to intensify our efforts to become energy independent as soon as possible. We must continue to fund research into alternative sources of energy such as hydrogen. Where suitable we need to use solar power and potentially wind. We must expand production of ethanol beyond corn so that all regions of the country can produce ethanol efficiently.

As a cochair of the Senate Manufacturing Caucus, I voted for this legislation to increase our supply of natural gas for manufacturers. According to a study by the Congressional Research Service, 24 percent of our natural gas is consumed to generate electricity. While it is very easy to generate electricity from gas, it is a very inefficient use of the resource. Instead of electricity generation, natural gas should be utilized for industrial and home heating use.

For electricity generation, we need to continue encourage a renaissance in nuclear power. Nuclear power requires a regulatory redtape involved in constructing new plants, opening Yucca Mountain, and proceeding with spent nuclear fuel recycling. Nuclear power is an efficient zero-emission source of energy that can address both our energy and climate concerns.

I applaud the ongoing work of Senator DOMENICCI and others to help increase the supply of critical energy resources. This bill is a small step in the right direction, and I look forward to working to further this effort beyond what we are accomplishing today. I also encourage my colleagues in the House that if they are truly serious about passing a bill to increase the supply of natural gas and oil this year, S. 3711 needs to be passed by the House as soon as possible.

STRENGTHENING CFUS

Mr. BINGAMAN. Mr. President, I rise today to express my support for this Chamber’s efforts to strengthen our CFUS process—a system of screening foreign investment to make sure our national security is not compromised. In light of recent concerns about investments that did not receive adequate scrutiny, I think it is imperative that we review this process and improve upon it where needed. It is important, however, that we do not modify the process in such a way that we create a system that unnecessarily discourages companies from investing in the United States. In order for our country to maintain our competitive advantage, we must make sure that we continue to be the worldwide choice of location for businesses. Although we have passed legislation out of the Senate intended to strengthen CFUS, this legislation did not have the benefit of floor debate. I encourage the chairman of the Banking Committee, Senator SHELBY, to continue to solicit the views of the Members of this Chamber and address concerns that may be raised about the impact on direct investment before we begin to conference with the House on the measure.

WHITE PINE COUNTY CONSERVA- TION, RECREATION, AND DEVELOPMENT ACT

Mr. ENSIGN. Mr. President, yesterday my colleague from Nevada, Senator REID, and I introduced the White Pine County Conservation, Recreation, and Development Act of 2006. This bill is the product of bipartisan cooperation and it represents a fair compromise on a number of issues relating to the White Pine County’s natural resources. While not perfect, this measure strikes an appropriate balance between economic development, privatizing Federal lands, and designating wilderness areas. On whole, the White Pine County Conservation, Recreation, and Development Act of 2006 is a good piece of legislation and it should be passed.

White Pine County, NV, with fewer than 10,000 residents, is in rural eastern Nevada. The county has seen more prosperous times. The closure of mines has been hard on the local economy. Additionally, the Federal Government manages a high percentage of land which makes it difficult to foster growth. The bill seeks modest changes to the land ownership pattern to allow White Pine County to grow and increase its tax base, and gives residents some modest tools they need to prosper. We have also provided the same tools to the Ely Shoshone Tribe. We accomplish these goals through land disposal, natural resource and wildlife conservation, tourism development, additional protection for the wondrous Great Basin National Park, and Native American economic development, privatizing Federal lands, and designating wilderness areas.

The White Pine County Conservation, Recreation, and Development Act of 2006 is modeled on an innovative law that I coauthored as a member of the House of Representatives with former Senator Richard Bryan. That measure, the Southern Nevada Public Land Management Act of 1998, SNPLMA, is widely regarded as a huge success. Two successor laws I wrote with Senator REID and Congressman GIBBONS, the Clark County Protection of Lands and Natural Resources Act of 2002 and the Lincoln County Conservation, Recreation, and Development Act of 2004 followed SNPLMA.

These county bills for Nevada can and should be replicated in every county in Nevada, many Eastern States with large public land holdings may benefit from our Nevada model. The premise is simple: not all land is suitable for public ownership, and other public lands are suitable for increased protection. We settle long-standing wilderness issues by designating permanent wilderness areas and release wilderness study areas to multiple use. Years of disagreements between developers, multiple use advocates, government analysts, conservationists, and other stakeholders are settled by these land bills. Bringing together people from diverse interests has actually proved to be a very healthy exercise in Nevada; it has fostered a spirit of cooperation that will benefit generations of Nevadans to come.

The White Pine County Conservation, Recreation, and Development Act of 2006 also proposes significant amendments to the Southern Nevada Public Land Management Act of 1998. In some instances, we revise provisions in current law that need improvement. We add new expenditure categories for...
projects that will be beneficial to the citizens of Nevada and our environment.

For example, an improvement we make to current law relates to local governments in Clark and Lincoln Counties. That is, the bill authorizes the withdrawal of up to 45,000 acres of BLM land in White Pine County, under the authority of SNPLMA. The White Pine County Commission supported approximately 500,000 acres. Standard language is included stating prsimacy of Nevada water laws in wilderness areas. Wildlife water developments are protected in wilderness areas.

Onder title III, the bill transfers approximately 645 acres to the Fish and Wildlife Service to be managed as part of the Ruby Lake National Wildlife Refuge. In lieu of expanding the size of the refuge, efforts are made in an effort to simplify land management and protect lands near Great Basin National Park, the bill transfers 117,000 acres from the Forest Service to the BLM. Of this amount, 54,400 acres are withdrawn from mineral entry and other form of entry. Motorized access is confined to existing routes. This withdrawal language does not intend for the withdrawal area to be managed as an NCA, but it will likely require an update of the Resource Management Plan. Review by the Administrative is completed. It is also intended through bill language that the BLM honor existing permits and cooperative agreements approved by the Forest Service.

Under title IX, the bill authorizes a 3-year study for a possible extension of the Silver State Highway Off-Highway Vehicle Trail from Lincoln County through White Pine County. The route may only be designated if the Secretary determines that there would not be significant impacts to natural, or cultural resources. This is a controversial issue, particularly in White Pine County. If the bill provides the Secretary with discretion, it is my view that providing a designated route for motorized use can actually preserve resources and prevent the destruction of existing trails.

In summary, under title I, the bill authorizes the disposal of up to 45,000 acres of BLM land in White Pine County. Distributes proceeds through a White Pine special account. Under title II, the bill designates roughly 545,000 acres of wilderness in 13 new wilderness areas and adds wilderness to two areas established in 1989.
STRONG FOUNDATION FOR ECONOMIC GROWTH

Mr. KYL. Mr. President, yesterday, the Senator from North Dakota gave a speech on the Senate floor on what he called the wall of debt. My colleague provided in recent years, we do better to entitlement spending has run amok.

My colleagues know full well that the Federal deficit, leaving no money for other necessary program.

One problem is not that Americans are undertaxed; our problem is that entitlement spending has run amok.

In characterizing the tax relief provided in recent years, we do better to call it a “Foundation for Economic Growth.”

When Congress cuts tax rates, it leaves money in the private economy, where it can be used more efficiently. Being taxed at lower rates, Americans have more incentive to work, save, and invest, which fosters economic growth.

Tax rate cuts implemented by Republicans have kept America competitive by leaving $1.1 trillion in the American economy, where it has given us more than 4 years of uninterrupted economic growth.

To illustrate the effects that low tax rates can have on the economy, I recommend to my colleagues a study conducted by Dr. Edward Prescott, a Nobel laureate in economics and a professor at Arizona State University. Dr. Prescott’s study reveals an interesting fact. Based on labor marker statistics from the Organization for Economic Co-operation and Development, Americans aged 15 to 64 worked 50 percent more than their European counterparts in France, Germany, and Italy. Fifty percent more. But this difference in output has not always been so. Two decades ago, France’s labor supply, as measured by hours worked per employee, exceeded the American labor supply, as did several other European nations.

Why is this? According to Dr. Prescott, this discrepancy in the labor market is attributable to taxes. When you lower the tax rate on individuals, people work harder and greater productivity results. As the United States lowered its marginal tax rates, Americans had a greater incentive to work hard, work longer, and be more productive, relative to the European nations, which kept higher tax rates.

The results of Dr. Prescott’s study are telling. Ultimately, a country must establish an efficient tax system with low tax rates to achieve maximum economic productivity. This is exactly what this Republican Congress has tried to accomplish: a tax system that keeps as much money as possible in the private economy, with individuals and businesses deciding how to use it, rather than Washington.

So let me quote some figures from the Office of Management and Budget’s Mid-Session Review, released on July 11. These figures demonstrate that our tax and economic policies are fostering economic growth in the private economy and that all of this new economic growth is helping to bring down the budget deficit.

From 2005 to 2006, Federal receipts are projected to grow by 11 percent, $246 billion, more than twice as fast as receipts in the economy. When the tax relief was fully implemented in 2003, tax receipts have increased by 34.6 percent. The economy has grown for 18 consecutive quarters. The economy has created over 5.4 million jobs since August 2003.

This is more than Japan and the 25 nations of Europe combined. That is combined. The unemployment rate of 4.6 percent is lower than the average of the last four decades. There have been 34 months of consecutive job growth. When Congress cuts tax rates, it will allow the deficit to be cut in half by 2008, a year ahead of the President’s schedule. The projected budget deficit for 2006 has fallen from 3.2 percent of gross domestic product to 2.3 percent of GDP—and measuring our deficit in relation to the size of the American economy gives the most accurate assessment of how big or small the deficit is relative to other times in our history.

The projected deficit of 2.3 percent of GDP registers at the 40-year average and is lower than the deficits in 17 of the last 25 years. Although our economy has made many steps in the right direction, we ought not to be content to stop here. My colleagues and I will continue to work and demand Government spending and to make the tax cuts permanent.

The issue that prompted this debate over the deficit, to be clear about it, is not how to reform entitlements. It is legislation the Senate will consider later this week to reform the estate tax. On this, as well, my colleagues labor under some misconceptions.

I want to take a moment to explain to them how many people will actually benefit from this legislation and to debunk some of the myths we are hearing about the cost.

If Congress fails to reform the estate tax, the exemption amount will revert to $1 million and the rate will be 55 percent in 2011. According to an analysis done by the Senate Committee on Taxation at the request of Senator BAUCUS, in that year, 127,000 estates would be subject to the death tax—meaning that 127,000 estates would have a value of $1 million or more in 2011.

But if Congress approves estate tax reform, at least 115,000 estates each and every year that would otherwise be subject to the tax—estates that are worth more than $1 million, but less than $5 million—will be spared from this tax on productivity, once the reform proposal is fully effective in the year 2015. Under the proposal the Senate will consider later this week, we will be left with approximately 1,500 estates each and every year that will still be subject to the death tax.

The official Joint Committee on Taxation estimate for the cost of death tax reform is $267.6 billion over 10 years. Some of my colleagues have used incorrect information generated by liberal interest groups to argue that this underestimates the cost of the proposal, since it does not begin until 2010 and is not fully phased in until 2015. Thus, they claim that the cost of the death tax reform would be $306 billion over the 10 years. They claim that it would cost $1 trillion over the same period “when the associated increases in interest payments on the debt are included.”

There are several reasons this logic is faulty. First, Joint Tax has estimated that the proposal will cost $99.1 billion in 2012—first the year of the bogus 10-year $808 billion estimate. So if you assume that it will cost that amount, plus an increase for economic growth, each year thereafter, it could not possibly add up to $988 billion for that 10-year period.

Using actual Joint Tax estimates—the estimates we are required to use around here—you can see that once the proposal is phased in, the annual cost will increase by roughly $3 billion as a result of economic growth, using actual JCT estimates through 2016 and then assuming that the cost will increase by $5 billion each year, the total cost between 2012 and 2021 would be around $627 billion, not $988 billion.

Second, JCT does not produce estimates further ahead than 10 years because anything beyond that range is thought to be too speculative to be even close to accurate. We simply cannot predict how much revenue the proposed changes will bring into the Government’s coffers that far down the road. The Congressional Budget Office and Joint Tax have had enough trouble accurately estimating revenue collections one year out, let alone 10. For example, reducing the long-term capital gains tax in 2003, estimated by the budgeteers at the Congressional Budget Office and the Joint Committee on Taxation, would cost $27 billion in 2004. It actually brought in $26 billion that year. If official estimators have difficulty producing accurate revenue estimates, the Congress should heed their warnings about not betting the farm on estimates that go beyond 10 years.
of its centennial celebration, Roberts Dairy plans to host its celebration in Omaha on Sunday, September 3, 2006 prior to the annual SeptemberFest.

In closing, I would like to once again thank Roberts Dairy for their contribution. I wish to thank Nebraska and the Midwest as a whole. The services that Roberts provide to all of its customers will continue to have a lasting impact for years to come.

TRIBUTE TO ALABAMA STATE AUDITOR BETH CHAPMAN

Mr. SESSIONS. Mr. President, I recently had the opportunity to speak in favor of the constitutional amendment prohibiting the physical desecration of the flag. I was proud to be a cosponsor of that amendment, and even though it fell by a vote of 60 to 34, I do not believe it is an issue that will “go gentle into that good night.” To use the words of poet Dylan Thomas. The flag is the unifying symbol of our country and all it embodies. Hundreds of thousands have died fighting to protect what it represents. It seems only logical that, as we, as a body, would continue to fight to protect it.

A few days after the Senate vote, I received a copy of a speech written by Alabama’s state auditor, Beth Chapman. It was a speech she delivered to a meeting of the Alabama Chapter of the Daughters of the American Revolution—a group dedicated to promoting patriotism and preserving American history. I found it to be not only timely, but a beautiful and passionate reminder of what the flag represents and why it should be protected. I ask that the full speech be printed in the RECORD.

The material follows.

FLAG DAY SPEECH

ALABAMA STATE AUDITOR BETH CHAPMAN’S ADDRESS TO THE STATE MEETING OF THE ALABAMA CHAPTER OF THE DAUGHTERS OF THE AMERICAN REVOLUTION

The red, white and blue, the Stars and Stripes, Old Glory, our Standard, the Star Spangled Banner—the American flag—it has heard the battle cry for freedom and has seen the banners— it is our unadorned symbol of the heart and soul of our country—our freedom.

It represents the fifty states and the blood of the men and women who died carrying it—if not on their bodies, in their hearts and souls as they fought for freedom of a nation—our nation.

Though tattered and worn, it continued to wave as 6,000 patriots died in the Revolutionary War breaking off the chains of tyranny from Great Britain.

It survived the Civil War and draped the caskets of many of the 500,000 total (some brother against brother) who fought and died defending freedom, though they disagreed on what that freedom meant—the flag continued to wave in its defense.

It soared at Gettysburg, unfurled at the Battle of the Bulge, was blood stained at Kaseon, stood watch in the final hours at Pearl Harbor,耻ed ships and shells of men floated on the burning waters. It was hoisted by brave American soldiers at Iwo Jima.

Throughout history it was tested and tried and on the beaches of Normandy and was triumphant on the shores of Tripoli.

It stood for justice’s sake though 116,000 Americans fell in WWI and 405,000 in World War II.

It survived the numbness of frost bite in the Chosin Reservoir of the Korean Conflict and heard the brassy bugle’s cry of Taps being played for more than 54,000 who lost their lives.

It proudly but sadly waves today over a wall that bears only etched names in stone of more than 58,000 faces, hearts, souls and bodies of the fallen soldiers who died in the jungles of Vietnam.

It flew for righteousness’ sake mounted in the dirt of Desert Storm as 293 Americans’ bodies were killed but the country was not captured, conquered or defeated.

Most recently it saw 1,672 Americans in Operation Iraqi Freedom die and is has covered the bodies of 190 killed in Enduring Freedom—yet the flag still endures. It still waves—restoring the foundations on which America was built and reminding us of the freedom with which we’ve been blessed.

And today it continues to wave, somberly but surely over the 260,000 brave and courageous veterans whose silent, sleeping spirits remain in Arlington Cemetery. They defended our freedom and determined our destiny and the destiny of our nation. Now they rest in peace while we enjoy the symbolism of the flag with as much pride as they once felt when they were defending it.

Many have spit on the flag, buried it and burned it, not realizing the freedom it represents. What am I saying? It’s right, though no matter how obnoxious and disrespectful it may be, it supposedly was right.

But what a pity they know not how much innocent blood was shed so they could have that freedom to express the bitterness, hatred and disrespect they appear to have for their own freedom and anything it represents.

Over one million men and women of the United States Military have died defending what our flag symbolizes, but others have died simply by living the American Dream which it represents—2,595 civilians at the World Trade Center on 9-11, 92 on Flight 11 and 65 on Flight 175, 125 in the Pentagon, 64 on Flight 77, and 45 on Flight 93—total of 2,986 died on that same tragic day—doing nothing but living out in their daily lives the flag’s meaning. They were the innocent victims of evil people and a jealousy and hatred that comes against such a beloved freedom as ours.

On that day when our country was at its lowest level, our spirits had plummeted; we had been wounded worse than at any time in our great nation—in the very middle of that ordeal, three exhausted New York Firemen had the foresight, the vision and the inspiration which could only be fueled physically by adrenaline, but spiritually and emotionally by raw patriotism—love of God and country—to hoist an American flag for all the world, friend and foe alike to see, so they would know we had not been defeated.

In the ruin and rubble, Old Glory was raised and proudly waved as she had so many times before in peace and war. She rose up out of the dust, dirt and fire to restore the American spirit, which can not be snuffed out as a burning candle by tragedy or hatred, but is only further motivated to wave higher and further in order to spread the news of freedom and of victory.

It symbolized freedom, hope, and determination of the American people and the strength of our spirit.

Some have purchased with blood the freedom our flag represents, others have defended it—and by the grace of God those of us in this room have been allowed to live under it in the greatest country on the face of the earth.
And it costs most of us nothing and that’s why it should have our utmost honor and respect. For the same exact flag many not have been through all the battles, but what it represents that is more than anyone person can say.

The flag has seen it all and survived it all, therefore, the spirit and freedom which it represents that is more than anyone person can say.

I pray today that God will continue to bless this country and that we may never divorce ourselves from the preservation of that freedom for which our men and women have died and our flag still boldly stands.

I pray today that God will continue to bless this country and that we may never divorce ourselves from the preservation of that freedom for which our men and women have died and our flag still boldly stands.

I now ask my fellow colleagues to join me in thanking Ms. McElroy for her commitment to making Kentucky a better place through educational excellence and for providing her students the motivation to succeed in life. I know I can speak for all Kentuckians when I say congratulations and thank you for everything that you do. Teachers like Ms. McElroy are an inspiration and a true example of leadership in our State.

RECOGNIZING WISE COUNTY’S SESQUICENTENNIAL

Mr. ALLEN. Mr. President, I am pleased to announce the sesquicentennial anniversary of historic Wise County. The sesquicentennial celebration has created and will continue to create community awareness of opportunities for the preservation of Wise County’s rich heritage. In addition, this event will foster pride in Wise County’s educational, cultural, social, and economic resources and will encourage the brainstorming of ways to ensure a bright future for Wise County.

Throughout the year Wise County has come up with exciting ways to celebrate this centennial. Today, in May there was a kickoff ceremony to begin the celebration, as well as a Business Appreciation Day. Other presentations include a play on the history of Wise County, a Miss Sesquicentennial Pageant, and a presentation of Coal Camp Songs. The celebration will continue with the 150th Birthday Bash on from noon until 11:00 pm on August 12 at the Lonesome Pine Raceway, which will feature food, games, music, and fun.

The sesquicentennial celebration of Wise County is a great way to remember its history, appreciate its current state, and look forward to its bright future. Over the years, I have enjoyed...
many opportunities to join the people of Wise County for events, festivals, and meetings, and I am proud to be a part of this sesquicentennial celebration and look forward to sharing in many more events in the coming years.

RECOGNIZING THE CITY OF GALAX CENTENNIAL

- Mr. ALLEN. Mr. President, I am pleased to announce the centennial anniversary of the historic city of Galax. The centennial celebration created and will continue to create community awareness of opportunities for the preservation of Galax’s rich heritage. In addition, this event will foster pride in Galax’s educational, cultural, social, and economic resources and will encourage the brainstorming of ways to ensure a bright future for the city of Galax.

Throughout the year, the city of Galax has come up with exciting ways to celebrate its centennial. July was Freedom Celebration Month in Galax which included a Fourth of July parade and the Virginia State Barbeque Championship. August is Musical Heritage Celebration Month, and will include the Annual Old Fiddler Convention, as well as the Annual Championship Rodeo. September is Free Enterprise Month and will feature a play on the history of the city act and landmarks in Galax as well as events with authors Sharyn McCrumb and Robert Chappell.

This centennial celebration of the city of Galax is a great way to remember its history, appreciate its current state, and look forward to its bright future. Over the years I have enjoyed many opportunities to join the people of the city of Galax for events, festivals, and meetings, and I am proud to be a part of this centennial celebration and look forward to sharing in many more events in the coming years.

RECOGNIZING PLANTERS 100TH ANNIVERSARY

- Mr. ALLEN. Mr. President, I am pleased to acknowledge the 100th anniversary of the Planters Company which has had a fruitful working relationship with Suffolk County over the past century and has one of its major production facilities located there. To celebrate, Planters has embarked on a 4-month, cross-country tour visiting landmarks in Planters’ history. Over the past century Planters has consistently delivered a variety of fresh-tasting nuts and has also developed an American icon in the internationally famous Mr. Peanut.

On Tuesday, June 13, 2006 Planters NUTmobile and Centennial Display Tour made a stop in Suffolk, VA. Visitors got the opportunity to meet and interact with Mr. Peanut, sample fresh roasted peanuts, view Planters and Mr. Peanut collectibles from the past century, and put themselves in moments and events throughout Planters and American history using green screen technology.

Over the past century Planters’ Suffolk facility has enjoyed a wonderful relationship with the city of Suffolk. The Planters Suffolk facility produces a variety of peanut products. Planters has employed thousands of Virginians over the years, and many more have enjoyed and benefited from both its products and its reputation in the Suffolk community. Planters has been a model for the type of relationship that should exist between communities and businesses over the past century, and we look forward to working with them for the next 100 years.

TRIBUTE TO RALPH CONTE

- Mr. WARNER. Mr. President, today I wish to acknowledge the retirement and to honor the service of a fellow Virginian and Virginia career civil servant of the Department of Defense who has given 39 years of dedicated military and civilian service to our country. Mr. Ralph Conte was born in Ponza, Italy, in 1940. He immigrated to the United States in January 1956 whereupon he studied engineering at New York University. He was commissioned as an Air Force officer through OTS in June 1967, and his first assignment was at Aviano Air Base, Italy. His military career included serving in Vietnam as a member of the premier combat engineering unit in the Air Force, known as RED HORSE. He further served at Kunsan Air Base in Korea and at Wright-Patterson Air Force Base, OH. In 1975 he separated from active duty and continued service to his country as a civilian manager at Air Force Logistics Command and a NATO program manager at Ramstein Air Base, Germany. He finally settled in Virginia in June 1986, working for the Air National Guard eventually as the chief of programs.

I believe everyone in the Air National Guard will attest that very few individuals have had a greater positive impact on providing the finest facilities and installations for the Air National Guard to accomplish their missions. During his tenure at the Air National Guard, Mr. Conte was directly responsible for planning and programming facility and real property requirements worth over $7 billion to support 177 Guard locations throughout the 50 States, 3 territories, and the District of Columbia. His leadership, outstanding technical expertise, and unlimited energy have created a blueprint for success for which generations of Air National Guardsmen will reap the benefits. I offer sincere appreciation and thanks for his service, and wish him and his family the best in retirement.

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.

(Those nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:40 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 467. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional adjournment or recess of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 3693. An act to make technical corrections to the Violence Against Women Act and Department of Justice Reauthorization Act of 2005.
S. 3741. An act to provide funding authority to facilitate the evacuation of persons from Lebanon, and for other purposes.
H. R. 5882. An act to preserve the Mt. Soledad Veterans Memorial in San Diego, California, by providing for the immediate acquisition of the memorial by the United States.
H. R. 5877. An act to amend the Iran and Libya Sanctions Act of 1996 to extend the authorities provided in such Act until September 29, 2006.

The enrolled bills were subsequently signed by the President pro tempore (Mr. STEVENS).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 2, 2006, she had presented to the President of the United States the following enrolled bills:

S. 3693. An act to make technical corrections to the Violence Against Women Act and Department of Justice Reauthorization Act of 2005.
S. 3741. An act to provide funding authority to facilitate the evacuation of persons from Lebanon, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with
accompanying papers, reports, and documents, and were referred as indicated:

EC-7733. A communication from the Director, Strategic Human Resources Policy Division, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ‘Implementation of Title II of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002—Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002—Neglect Relating to Disabled Infants’ (RIN 1210–AD04) received on July 21, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC-7734. A communication from the Acting Senior Procurement Executive, Office of the Chief Acquisition Officer, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled ‘Federal Acquisition Regulation; Federal Acquisition Circular 2006–10’ (FAC2005–10) received on July 26, 2006; to the Committee on Homeland Security and Governmental Affairs.


EC-7736. A communication from the Director, General and Budget Division, Office of the President, transmitting, pursuant to law, the report on the Mid-Sessions Review of the Budget of the U.S. Government for Fiscal Year 2007 received on July 26, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC-7737. A communication from the Secretary of Defense, transmitting, pursuant to law, the report of a rule entitled “Report to the Congress on the Refugee Resettlement Program” covering the period from October 1, 2003 to September 30, 2004; to the Committee on Homeland Security.

EC-7738. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report of a rule entitled “Federal溺爱 Acquisition Regulation; Federal Acquisition Circular 2006–10” (FAC2005–10) received on July 27, 2006; to the Committee on Banking, Housing, and Urban Affairs.

EC-7739. A communication from the Office of Inspector General, Semi-Annual Report for the period October 1, 2005 to September 30, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC-7740. A communication from the Director, Regulations & Rulemaking Division, Alcohol & Tobacco Tax & Trade Bureau, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Major Food Allergen Labeling for Wines, Distilled Spirits, and Vines” ((RIN1351–0044) (T.D.TTB–35) received on July 31, 2006; to the Committee on the Judiciary.

EC-7741. A communication from the Administrator, Office of General Counsel, Federal Bureau of Prisons, transmitting, pursuant to law, the report of a rule entitled “Classification and Program Review” (RIN1210–AB52) received on August 1, 2006; to the Committee on the Judiciary.

EC-7742. A communication from the Director, Of the Publication and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Coordinated Issues: Claim Re却西 under a Long-Term Contract” (660.02–04) received on July 31, 2006; to the Committee on Finance.

EC-7743. A communication from the Assistant Secretary, Employee Benefits Security Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled “Reporting of Annual Reports” (RIN 1210–AD04) received on July 21, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC-7744. A communication from the Assistant Secretary, Employee Benefits Security Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled “Reporting of Annual Reports” (RIN 1210–AD04) received on July 21, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC-7745. A communication from the Director, Regulations & Rulemaking Division, Alcohol & Tobacco Tax & Trade Bureau, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Major Food Allergen Labeling for Wines, Distilled Spirits, and Vines” ((RIN1351–0044) (T.D.TTB–35) received on July 31, 2006; to the Committee on the Judiciary.

EC-7746. A communication from the Administrator, Office of General Counsel, Federal Bureau of Prisons, transmitting, pursuant to law, the report of a rule entitled “Classification and Program Review” (RIN1210–AB52) received on August 1, 2006; to the Committee on the Judiciary.

EC-7747. A communication from the Director, Office of National Drug Control Policy, transmitting, pursuant to law, the report of a rule entitled “Fiscal Year 2005 Accounting of Drug Control Funds”; to the Committee on the Judiciary.

EC-7748. A communication from the Administrator, Office of General Counsel, Federal Bureau of Prisons, transmitting, pursuant to law, the report of a rule entitled “Classification and Program Review” (RIN1210–AB52) received on August 1, 2006; to the Committee on the Judiciary.

EC-7749. A communication from the Director, Office of National Drug Control Policy, transmitting, pursuant to law, the report of a rule entitled “Fiscal Year 2005 Accounting of Drug Control Funds”; to the Committee on the Judiciary.

EC-7750. A communication from the Director, Office of National Drug Control Policy, transmitting, pursuant to law, the report of a rule entitled “Fiscal Year 2005 Accounting of Drug Control Funds”; to the Committee on the Judiciary.

EC-7751. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Coordinated Issues: Claim Re却西 under a Long-Term Contract” (660.02–04) received on July 31, 2006; to the Committee on Finance.

EC-7752. A communication from the Director, Of the Publication and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Major Food Allergen Labeling for Wines, Distilled Spirits, and Vines” ((RIN1351–0044) (T.D.TTB–35) received on July 31, 2006; to the Committee on Finance.

EC-7753. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Weighted Average Interest Rate Update” (Notice 2006–68) received on July 31, 2006; to the Committee on Finance.

EC-7754. A communication from the Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled “Medicare Program: Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities Update” ((RIN0958–AM46) received on July 31, 2006; to the Committee on Finance.

EC-7755. A communication from the Director, Executive Services Staff, Social Security Administration, transmitting, pursuant to law, the report of a vacancy in the position of Deputy Commissioner, Office of Medicare Administration, Social Security Administration, received on August 1, 2006; to the Committee on Finance.

EC-7756. A communication from the Administrator, Office of Inspector General, Semi-Annual Report for the period October 1, 2005 to September 30, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC-7757. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report to Congress on the “Implementation of State Policies and Procedures for Suspected Medical Child Abuse with Life-Threatening Conditions” received on August 1, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC-7758. A communication from the Deputy Director of Communications and Legislative Affairs, U.S. Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to employment programs for women and minorities as well as information on the hiring of people with disabilities in the Federal Government, received on August 1, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC-7759. A communication from the Deputy Director of Communications and Legislative Affairs, U.S. Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to employment programs for women and minorities as well as information on the hiring of people with disabilities in the Federal Government, received on August 1, 2006; to the Committee on Health, Education, Labor, and Pensions.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Ms. COLLINS, from the Committee on Homeland Security and Governmental Affairs, an amendment in the nature of a substitute:

S. 2580. A bill to require full disclosure of all entities and organizations receiving Federal funds for health care purposes.

By Ms. SNOWE, from the Committee on Small Business and Entrepreneurship, without amendment:

S. 3778. An original bill to reauthorize and improve the Small Business Act and the Small Business Act of 1958, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mr. STEVENS, from the Committee on Commerce, Science, and Transportation.

*Charles D. Nottingham, of Virginia, to be a Member of the Surface Transportation Board for a term expiring December 31, 2010.*

*Robert L. Sumwalt III, of South Carolina, to be a Member of the National Transportation Safety Board for the remainder of the term expiring December 31, 2006.*

*Robert L. Sumwalt III, of South Carolina, to be a Member of the National Transportation Safety Board for the remainder of the term expiring December 31, 2006.*

*Sean T. Connaughton, of Virginia, to be Administrator of the Maritime Administration.*

By Mr. Cohen, from the Committee on Science and Technology, Department of Homeland Security.

By Mr. SHERMAN, from the Committee on Oversight and Government Reform.
*Nathaniel F. Wienecke, of New York, to be an Assistant Secretary of Commerce.

Mr. STEVENS. Mr. President, for the Committee on Commerce, Science, and Transportation I report favorably the following nomination list which was printed in the Record on the date indicated, unanimous consent, to save the expense of reprinting on the Executive Calendar that this nomination lie at the Secretary's desk for the information of Senators.

The PRESIDENT pro tempore. Without objection, it is so ordered.

*National Oceanic and Atmospheric Administration nominations beginning with Wade J. Blake and ending with Christopher S. Moore, which nominations were received by the Senate and appeared in the Congressional Record on July 12, 2006.

By Mr. ENZI for the Committee on Health, Education, Labor, and Pensions,

*Peter Schaumber, of the District of Columbia, to be a Member of the National Labor Relations Board for the term of five years expiring August 27, 2010, to which position he was appointed during the recess of the Senate from July 29, 2005, to September 1, 2005.

Ronald E. Meisberger, of Virginia, to be General Counsel of the National Labor Relations Board for a term of four years, to which position he was appointed as a Member of the Senate.

Wilma B. Liebian, of the District of Columbia, to be a Member of the National Labor Relations Board for the term of five years expiring August 27, 2011.

Timothy Shanahan, of Illinois, to be a Member of the National Institute for Literacy Advisory Board for a term expiring November 26, 2007.

Carmel Borders, of Kentucky, to be a Member of the National Institute for Literacy Advisory Board for a term expiring November 26, 2008.

Donald D. Desher, of Kansas, to be a Member of the National Institute for Literacy Advisory Board for a term expiring January 30, 2008.

Victoria Ray Carlson, of Iowa, to be a Member of the National Council on Disability for a term expiring September 17, 2007.

Chad Colley, of Florida, to be a Member of the National Council on Disability for a term expiring January 30, 2008.

Lisa Mattheiss, of Tennessee, to be a Member of the National Council on Disability for a term expiring September 17, 2007.

John R. Vaughn, of Florida, to be a Member of the National Council on Disability for a term expiring September 17, 2007.

Karen Warren, of California, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2008.

Katherine M. B. Berger, of Virginia, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2010.

Karen Brosius, of South Carolina, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2011.

Ioannis N. Miaoulis, of Massachusetts, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2011.

Christina Orr-Cahall, of Florida, to be a Member of the National Museum and Library Services Board for a term expiring December 6, 2011.

Kenneth R. Weinstein, of the District of Columbia, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Jay Winik, of Maryland, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Josiah Bunting III, of Rhode Island, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Wilfred M. McClay, of Tennessee, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Robert S. Martin, of Texas, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Mary Haber, of Maryland, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

Karl Hess, of Illinois, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2008.

Thomas N. Taylor, of Kansas, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

Richard F. Thompson, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

Mark R. Abbott, of Oregon, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

John T. Bruer, of Missouri, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

Patricia D. Galloway, of Washington, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

Jose-Marie Griffiths, of Pennsylvania, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2012.

Arthur F. Rosenfield, of Virginia, to be Federal Mediation and Conciliation Director, to which position he was appointed during the last recess of the Senate.

By Mr. ROBERTS for the Select Committee on Intelligence,

Randall M. Fort, of Virginia, to be an Assistant Secretary of State (Intelligence and Research).

*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. DOMENICI:

S. 3773. A bill to increase the number of Federal judgeships, in accordance with recommendations by the Judicial Conference, in districts that have an extraordinarily high immigration caseload; to the Committee on the Judiciary.

By Mr. BOND (for himself, Mr. LOTT, Mr. CHAMBLISS, Mr. STEVENS, Mr. COCHRAN, Mr. BURNS, Mr. HATCH, Mr. SANTORUM, Mr. CORNYN, Mr. DOMENICI, Mr. BERNSTEIN, and Mr. ALEXANDER):

S. 3774. A bill to amend title 18, United States Code, to prohibit the unauthorized disclosure of classified information to the Committee on the Judiciary.

By Mr. DURbin (for himself, Mr. COLKIN, Mr. DeWINE, Mr. Feingold, and Mr. KERRY):

S. 3775. A bill to amend the Foreign Assistance Act of 1961 to assist countries in sub-Saharan Africa in the effort to achieve international AIDS treatment goals in the treatment and prevention of HIV/AIDS and other major diseases and the reduction of maternal and child mortality by improving health care capacity and improving retention of medical health professionals in sub-Saharan Africa, and for other purposes; to the Committee on Foreign Relations.

By Mr. REED:

S. 3776. A bill to ensure the provision of high-quality health care coverage for uninsured individuals through State health care initiatives that expand coverage and access and improve quality and efficiency in the health care system; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY:

S. 3777. A bill to amend the Internal Revenue Code of 1986 to ensure a fairer and simpler method of taxing controlled foreign corporations and to treat certain foreign corporations managed and controlled in the United States as domestic corporations, to codify the economic substance doctrine, and to eliminate the top corporate income tax rate, and for other purposes; to the Committee on Finance.

By Ms. SNOWE:

S. 3778. An original bill to reauthorize and improve the Small Business Act and the Small Business Act of 1958, and for other purposes; from the Committee on Small Business and Entrepreneurship, placed on the calendar.

By Mrs. BOXER:

S. 3779. A bill to provide that if Congress enacts a phased-in increase in the Federal minimum wage as provided for in the Estate Tax and Extension of Tax Relief Act of 2006, the pay increase of Members of Congress will be phased-in over the same time frame; to the Committee on Homeland Security and Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DeWINE:

S. Res. 546. A resolution supporting the goals and ideals of a National Polycystic Kidney Disease Awareness Week to raise public awareness and understanding of polycystic kidney disease and to foster understand- ing of the impact polycystic kidney disease has on patients and future generations of their families; to the Committee on Health, Education, Labor, and Pensions.

By Ms. LANDRIEU (for herself and Mr. CRAIG):

S. Res. 547. A resolution recognizing and supporting the successes of the Adoption and Safe Families Act of 1997 in increasing adoption, observing the efforts that the Act has spurred, including National Adoption Day and National Adoption Month, and encouraging citizens of the United States to consider adoption throughout the year; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 731

At the request of Mr. ROBERTS, the name of the Senator from Oklahoma...
At the request of Mr. CRAPO, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 781, a bill to preserve the use and access of pack and saddle stock animals on land administered by the National Park Service, the Bureau of Land Management, the United States Fish and Wildlife Service, or the Forest Service on which there is a historical tradition of the use of pack and saddle stock animals, and for other purposes.

At the request of Mr. FEINGOLD, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 912, a bill to amend the Federal Water Pollution Control Act to clarify the jurisdiction of the United States over waters of the United States.

At the request of Mr. INHOFE, the names of the Senator from Tennessee (Mr. ALEXANDER), the Senator from Virginia (Mr. Linked), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Minnesota (Mr. COLEMAN), the Senator from South Carolina (Mr. DE MINT), the Senator from Kentucky (Mr. McCONNELL), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Alabama (Mr. SESSIONS), the Senator from Alaska (Mr. STEVENS), the Senator from Louisiana (Mr. VITTER) and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 1035, a bill to authorize the presentation of commemorative medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th century in recognition of the service of those Native Americans to the United States.

At the request of Mr. SMITH, the name of the Senator from Hawai'i (Mr. AKAKA) was added as a cosponsor of S. 1360, a bill to amend the Internal Revenue Code of 1986 to extend the exclusion from gross income for employer-provided health coverage to designated plan beneficiaries of employees, and for other purposes.

At the request of Mr. SPECTER, the names of the Senator from New York (Mrs. CLINTON) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 1394, a bill to reauthorize the grant program of the Department of Justice for reentry of offenders into the community, to establish a task force on Federal programs and activities relating to the reentry of offenders into the community, and for other purposes.

At the request of Mr. HATCH, the names of the Senator from Indiana (Mr. BAYH) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 2010, a bill to amend the Social Security Act to enhance the Social Security of the Nation by ensuring adequate public-private infrastructure to resolve to prevent, detect, treat, intervene in, and prosecute elder abuse, neglect, and exploitation, and for other purposes.

At the request of Ms. MIKULSKI, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2284, a bill to extend the termination date for the exemption of returning workers from the numerical limitations for temporary workers.

At the request of Ms. LANDRIEU, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2299, a bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to restore Federal aid for the repair, restoration, and replacement of private nonprofit educational facilities that are damaged or destroyed by a major disaster.

At the request of Mr. CORNYN, the name of the Senator from South Dakota (Mr. THUNE) was added 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 Mrs. LINCOLN, the name of the Senator from Hawaii (Mr. INOUYE) 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.

At the request of Mr. CORN, the names of the Senator from Louisiana (Mr. VITTER) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 2590, a bill to amend the Railroad Retirement Act of 1974 to provide for continued payment of railroad retirement annuities by the Department of the Treasury, and for other purposes.

At the request of Mr. HATCH, his name was added as a cosponsor of S. 2542, a bill to improve maritime and cargo security and for other purposes.

At the request of Mr. DURBIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 3653, a bill to reduce child marriage, and for other purposes.

At the request of Mrs. FEINSTEIN, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 3656, a bill to provide additional assistance to combat HIV/AIDS among young people, and for other purposes.

At the request of Mr. BROWNBACK, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 3696, a bill to amend the Revised Statutes of the United States to prevent the use of the legal system in a manner that extorts money from State and local governments, and the Federal Government, and inhibits such governments' constitutional actions under the first, tenth, and fourteenth amendments.

At the request of Mr. KENNEDY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 3705, a bill to amend title XIX of the Social Security Act to improve requirements under the Medicaid program for items and services furnished in or through an educational program or setting to children, including children with developmental, physical, or mental health needs, and for other purposes.

At the request of Mr. SANTORUM, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 3726, a bill to amend the Railroad Retirement Act of 1974 to provide for continued payment of railroad retirement annuities by the Department of the Treasury, and for other purposes.

At the request of Mr. ENSIGN, the names of the Senator from Florida (Mr. MARTINEZ), the Senator from Texas (Mrs. HUTCHISON) and the Senator from Virginia (Mr. ALLEN) were added as cosponsors of S. 3769, a bill to encourage multilateral cooperation and authorize a program of assistance to facilitate a peaceful transition in Cuba, and for other purposes.

At the request of Mr. INOUYE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. CON. RES. 72, a concurrent resolution requesting the President to issue a proclamation annually calling upon the people of the United States to observe Global Family Day, One Day of Peace and Sharing, and for other purposes.

At the request of Mr. KYL, the name of the Senator from Arizona (Mr.
McCain) was added as a cosponsor of S. Con. Res. 84, a concurrent resolution expressing the sense of Congress regarding a free trade agreement between the United States and Taiwan.

S. CON. RES. 113
At the request of Mr. SUNUNU, his name was added as a cosponsor of S. Con. Res. 113, which would make recommendations to the Judicial Conference. At the request of Senator Harry Reid, congratulating the Magen David Adom Society in Israel for achieving full membership in the International Red Cross and Red Crescent Movement, and for other purposes.

AMENDMENT NO. 434
At the request of Mr. CARPER, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of amendment No. 419 intended to be proposed to H.R. 8, a bill to make the repeal of the estate tax permanent.

AMENDMENT NO. 761
At the request of Mr. LOTT, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of amendment No. 4761 intended to be proposed to H.R. 5631, a bill making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI:
S. 3773. A bill to increase the number of Federal judgeships, in accordance with recommendations by the Judicial Conference, in districts that have an extraordinarily high immigration caseload; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I rise today with Senators KYL and CORNYN to introduce legislation that creates the new Federal judgeships recommended by the 2005 Judicial Conference for our U.S. district courts that have a serious overload of immigration cases.

I believe it is imperative to equip all of our Federal agencies with the assets they need to secure our borders and enforce our immigration laws. That includes equipping our U.S. district courts with enough judges to handle the criminal immigration cases that appear on their dockets. The immigration reform bill passed by the Senate in May recognizes that with increased border security and immigration enforcement there will be increased prosecutions, and the bill calls for more immigration judges to handle those prosecutions. But the bill fails to recognize that repeat immigration law violators can be charged with a felony and tried in U.S. district court. We need to increase the number of judges in our district courts that handle such cases, particularly in those districts that are already overwhelmed with immigration cases.

This legislation I am proposing creates eleven new Federal judgeships, as recommended by the Judicial Conference, in the U.S. district courts in which at least 50 percent of their criminal cases are immigration cases. The bill affects four districts, all of which border Mexico. In fiscal year 2004, the Western District of Texas had 5599 criminal case filings, 3,688 of those cases, or 66 percent, dealt with immigration violations. The District of Arizona had 4,007 criminal filings, of which 2,404 cases, or 59 percent, were immigration filings. The Southern District of California has 2,206 immigration filings, 64 percent of their 3,400 total criminal filings. Lastly, the District of New Mexico had 2,497 criminal filings, 60 percent of them, 1,502 cases, were immigration cases.

Based on these caseloads, I think we should already be giving these districts the resources they need to secure our borders and immigration enforcement efforts without equipping these courts to handle the even larger immigration caseloads that they are expected to face. These requests for more judges are reasonable and well supported. The New Mexico District Chief Judge, Martha Vazquez, wrote me a letter in May about the situation the New Mexico District faces. Judge Vazquez wrote:

As it is, the burden on Article III Judges in this District is considerable. This District ranks first among all districts in criminal filings per judge: 405 criminal filings compared to the national average of 87. As in all federal districts along the southwest border, the majority of cases filed in this District relate to immigration offenses under United States Code, Title 8 and drug offenses arising under Title 21. Immigration and drug cases account for eighty-five percent of the caseload in the District of New Mexico. In fiscal year 1997, there were 240 immigration felony filings in the District of New Mexico. By fiscal year 2005, the number of immigration felony filings increased to 1,626, which is an increase of 661 percent. Increasing the number of Immigration Judges will do nothing to reduce the increasing caseload in the border states’ federal courts.

The Albuquerque Tribune has also documented immigration cases put on district courts. An April 17 article entitled “Judges See Ripple Effect of Policy on Immigration,” stated:

U.S. District Chief Judge Martha Vazquez of Santa Fe oversees a court that faces a rising caseload from illegal border crossings and related crime. And help from Washington is by no means certain . . . From Sept. 30, 1999 to Sept. 30, 2004 (the end of the fiscal year), the cases in the New Mexico federal district court increased 57.5 percent, from 2,804 to 4,116. In the 2004 fiscal year alone, 2,128 felony cases were heard, almost half of all cases in the entire 10th Circuit, which includes Colorado, Kansas, Oklahoma, Utah and Wyoming. Most typical immigration cases go before an immigration judge, and the subjects are deported. But people deported once and caught crossing illegally again can be charged with a felony. And that brings the defendant into federal district court. Those cases add to the caseload . . . Some days as many as 90 defendants crowd the courtroom in Las Cruces. . . . The same problems are affecting federal border courts in Arizona, California, and Texas.

Similar problems were documented in a May 23 Reuters article entitled “Bush Border Patrol Plan to Pressure Courts” which said:

President George W. Bush’s plan to send thousands of National Guard troops to the U.S.-Mexico border could spark a surge in immigration cases, as卓 sulion, non piracy court officials and immigration attorneys are ill prepared to handle them . . . Even without the stepped-up security at the border, federal courts in southern California, Arizona, New Mexico and Texas have been overwhelmed. Carelli [a spokesman for U.S. federal courts] said those five judicial districts, out of 94 nationwide, account for 34 percent of all criminal cases moving through U.S. courts.

Most immigrants caught crossing illegally are ordered out of the country without prosecution. But that still leaves a growing pile of cases involving illegal immigrants being prosecuted after being caught multiple times or those accused of other crimes. . . . Nationwide, each U.S. judge handles an average of 87 cases a year. But along the southern border, even before Bush’s plan moves forward, the average is around 300 per judge, Carelli said.

Mr. President, the U.S. Congress needs to address the overwhelming immigration caseload in our southwestern border U.S. district courts.

The bill I am filing today with Senators KYL and CORNYN does just that by authorizing a nine year permanent and two temporary judgeships recommended by the 2005 Judicial Conference for the four U.S. districts in which the immigration caseload totals more than fifty percent of those districts’ total caseload. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the text of the bill was ordered to be printed in the Record, as follows:

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

SECTION 1. ADDITIONAL DISTRICT COURT JUDGES.

The President shall appoint, by and with the advice and consent of the Senate, such additional district court judges as are necessary to carry out the recommendations of the Judicial Conference of the United States for district courts in which the immigration filings totaled more than 50 percent of all criminal filings for the 12-month period ending September 30, 2001.

By Mr. BOND (for himself, Mr. LOTT, Mr. CHAMBLISS, Mr. STEVENS, Mr. COCHRAN, Mr. BURNS, Mr. HATCH, Mr. SANTORUM, Mr. CORNYN, Mr. DOMENICI, Mr. BENNETT, and Mr. ALEXANDER):
S. 3774. A bill to amend title 18, United States Code, to prohibit the unauthorized disclosure of classified information; to the Committee on the Judiciary.
had been adopted by unanimous vote, but it was vetoed at the time. This bill very simply provides, for the first time, a simple, clear statement of penalties for Government employees and contractors with access to classified information, who have signed agreements to keep it secret. It provides the knowledge and determination needed to willfully leak America's most important secrets. Over the past few years, we have seen unauthorized disclosures of classified information at an alarming rate. Each one of the leaks gravely increases the threat to our national security and makes it easier for our enemies to achieve their murderous and destructive plans. Each leak is a window of opportunity for terrorists to discover our sources and methods. Each violation of trust guarantees chaos and violence in the world.

Time and time again, we have witnessed leaks that told our enemies not only that we were watching them and listening to them but how and whom we are cooperating with and how we are getting the information. These leaks have threatened to erode the trust and confidence of the American people and the members of the intelligence community, as well as our allies, in our national security. What if, during World War II, Americans had seen a leak of the Enigma Program that allowed us to decipher enemy communications and if major media outlets had joined in blowing our most sensitive secrets?

Over the past year, there has arisen an apparent absence of fear of punishment in regard to arbitrary divulging of classified information. These are individuals who took solemn vows to protect our Nation. In taking a vow to protect classified information, one should acknowledge that being privy to something which we cannot tolerate if we are to get the intelligence we need.

First, let me be clear about a couple of things this legislation does not do. It only affects employees and contractors who have signed a non-disclosure agreement. It doesn't affect the media, businesses, or private citizens.

Second, it only regards information properly and appropriately classified, not frivolously or inappropriately classified. If there is an overclassification, then I think the courts would easily throw out the prosecution. It doesn't cover the new category of information developed since 9/11, like sensitive but unclassified or unclassified for official use only. It limits the subject of prosecution to those knowingly and willfully disclosing to someone they know is not authorized to receive it. It is not a "gotcha" tool; it is for delibrate leakers.

Well, a Federal judge has pointed out that there is no one piece of legislation that brings together all of our outdated and disparate provisions on the law. There are hundreds of provisions scattered throughout the law are committed to Congress. If it is not sensible, it ought to be changed." This is why we are doing this.

Some of my colleagues said it is an insult that you have to pass a bill to protect classified information. One said:

If they have taken an oath, they don't need the threat of law hanging over them to maintain that oath.

My answer to that one is, where have you been over the past year? I am sorry to inform you that some people need laws to hold them in check. More important, they need prosecution under these laws. There is nothing like an orange jumpsuit on a deliberate leaker to discourage others from going down that path.

I have heard that some say Attorney General Ashcroft recommended that the executive branch not pursue leaks legislation. That is true, but not because it was needed. He said that the onus is on the executive branch to take care to instill a sense of loyalty in its employees to track down leakers and to prevent leakers. He was right. He also said that leaks legislation had value.

I am more than happy to work with my colleagues. I believe it is appropriate to have this debate at a time when Osama bin Laden and al-Zawahiri are warning the United States of future terrorist attacks. It is important to provide protection so that our men and women in the field in places of active hostility, such as Iraq and Afghanistan, can be protected by intelligence that is not compromised.

I ask unanimous consent to have printed in the Record a letter dated 31 July from the Association for Intelligence Officers, a group of 4,500 current and former intelligence military and homeland security officers, in support of this legislation.

There being no objection, the material was ordered to be printed in the Record, as follows:

ASSOCIATION FOR INTELLIGENCE OFFICERS,

Hon. CHRISTOPHER BOND,
Select Senate Select Committee on Intelligence.

Dear Senator Bond: On behalf of the Association for Intelligence Officers, a 31-year organization of over 4,500 current and former intelligence, military and homeland security officers, I write in support of your intention to introduce a bill concerning prohibition of the disclosure of classified information by individuals who sign secrecy agreements. We concur that such unauthorized actions have damaged national security.

It is noted that as early as the 2001 fiscal year, the Congress included such provisions in the Intelligence Authorization Act, but the legislation did not prevail over presidential veto. Since that time, no substantive remedy has appeared.

We understand that the proposed legislation will apply only to government employees and civilian contractors who promised to uphold the secrecy contracts they signed. It will not cover others, such as journalists, nor others not working for the federal government or who agree to prohibit only knowing and willful disclosure, so that innocent, inadvertent, or accidental disclosures would not be covered.

We believe there has been an increasing cascade of damaging disclosures of classified information such that a crisis now exists. With no serious punishments or enforcement of penalties, we lack any meaningful impediment to this growing willful harm to the national interest. As a result, the leaks grow exponentially sabotaging our own intelligence, military and military operations of fursting the deaths of our troops and intelligence operatives. Our allies, understandably, are losing trust that we enter into mutual operations and hesitate to share crucial intelligence and battlefield information with us.

What leakers think is a harmless bit of back channel policymaking has repercussions down the line that constitute treason and should be treated as such.

We enthusiastically support your efforts. We are ready to provide assistance in whatever manner would prove helpful.

Very respectfully,
S. EUGENE POTEAT,
President, AIFO.

Mr. SESSIONS. Mr. President, first, I thank Senator Bond for dealing with this important issue. We have indeed
reached a point in this country where I think there is confusion about the absolute responsibility and legal requirement to maintain classified information in our Government. We need to be more serious about that. He can speak with authority. His son has served in Iraq and is a fine officer. We appreciate that. He understands these issues deeply. Again, I thank Senator BOND for that.

By Mr. DURBIN (for himself, Mr. COLEMAN, Mr. DEWINE, Mr. FEINGOLD, and Mr. LEAHY):

S. 3775. A bill to amend the Foreign Assistance Act of 1961 to assist countries in sub-Saharan Africa in the effort to achieve internationally recognized goals in the treatment and prevention of HIV/AIDS and other major diseases and the reduction of maternal and child mortality by improving human health care capacity and improving retention of medical health professionals in Sub-Saharan Africa, and for other purposes; to the Committee on Foreign Relations.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

Mr. DURBIN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 3775

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 “African Health Capacity Investment Act of 2006”.

SEC. 2. DEFINITIONS. In this Act, the term “HIV/AIDS” has the meaning given such term in section 104A(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(g)).

SEC. 3. FINDINGS. Congress makes the following findings:


(2) The World Health Report, 2006, Working Together for Health, states, “The unmistakable imperative is to strengthen the workforce. Health systems can tackle crippling diseases and achieve national and global health goals. A strong human infrastructure is fundamental to closing today’s gap between health promise and health reality and anticipating the health challenges of the 21st century.”

(3) The shortage of health personnel, including doctors, nurses, pharmacists, counselors, paraprofessionals, and trained lay workers is one of the leading obstacles to fighting HIV/AIDS in sub-Saharan Africa.

(4) The HIV/AIDS pandemic aggravates the shortage of health workers through loss of life and illness among medical staff, unsafe working conditions for medical personnel, and increased workload for diminished staff, while the shortage of health personnel undermines efforts to prevent and provide care and treatment for those with HIV/AIDS.

(5) Worsening economic conditions and inefficient management are limiting factors in the treatment of tuberculosis, which infects over 1/5 of the global population.

(6) More than 75 percent of the deaths occur among African children under the age of 5 years old and the vast majority of these deaths are preventable. The Malaria Initiative of President George W. Bush seeks to reduce dramatically the disease burden of malaria throughout the world. Treatment, Paraprofessionals can be instrumental in reducing mortality and economic losses associated with malaria and other health problems.

(7) For a woman in sub-Saharan Africa, the lifetime risk of maternal death is 1 out of 16. In highly developed countries, that risk is 1 out of 2,000. Improved birth registration and attendant outreach are essential to reducing maternal and newborn mortality in sub-Saharan Africa.

(8) The Second Annual Report to Congress on the progress of the President’s Emergency Plan for AIDS Relief identifies the strengthening of health care systems through health care networks and infrastructure development as critical to the sustainability of funded assistance by the United States Government and states that “outside resources for HIV/AIDS and other development efforts must be focused on transformational initiatives that are owned by the countries to further host nation capacity.”

Alongside efforts to support community capacity-building, enhancing the capacity of health care and other systems is also crucial. Universal access to sustainable obstacles to these efforts in many nations are inadequate human resources and capacity, limited institutional capacity, and systemic weaknesses in areas such as finance, management and accounting; health networks and infrastructure; and commodity distribution and control.

(9) Vertical disease control programs represent vital components of United States foreign assistance policy, but human resources for health systems and governments often demand a more systematic approach.

(10) Implementation of capacity-building initiatives to promote more effective human resources management and development may require an extended horizon to produce measurable results, but such efforts are critical to fulfillment of many internationally recognized objectives in global health.

(11) The November 2005 report of the Working Group on Global Health Partnerships for the High Level Forum on the Health Millennium Development Goals, “Best Practice Principles for Global Health Partnership Activities at Country Level”, raises the concern that “the impact of various global health programs now risks undermining the sustainability of national development plans, distorting national priorities, draining resources and or establishing uncoordinated service delivery structures” in developing countries. This risk underscores the need to coordinate international donor efforts for these vital programs with one another and with recipient countries.

(12) The emigration of significant numbers of trained health care workers from sub-Saharan African countries to the United States and other wealthier countries exacerbates often severe shortages of health care workers, undermines economic development efforts, and undermines national and international efforts to improve access to essential health services in the region.

(13) Addressing this problem, commonly referred to as “brain drain”, will require increased investments in the health sector by sub-Saharan African governments and by international agencies and donors to promote economic development and improve health care and mortality outcomes in the region.

(14) Virtually every country in the world, including the United States, experiences an acute shortage of health workers. The Joint Learning Initiative on Human Resources for Health and Development estimates that the global shortage exceeds 4,000,000 workers. Shortages in sub-Saharan Africa, however, are far more acute than in any other region of the world. The World Health Organization states that “[t]he exodus of skilled professionals in the midst of so much unmet health need places Africa at the epicentre of the global health workforce crisis.

(15) Ambassador Randall Tobias, now the Director of the United States Foreign Assistance and Administrator of the United States Agency for International Development, has stated that there are more Ethiopian trained doctors practicing in Chicago than in Ethiopia.

(16) According to the United Nations Development Programme, Human Development Report 2003, approximately 3 out of 4 countries in sub-Saharan Africa have fewer than 20 physicians per 100,000 people, the minimum ratio recommended by the World Health Organization, and 13 countries have 5 or fewer physicians per 100,000 people.

(17) Nurses play particularly important roles in sub-Saharan African health care systems, but approximately 1/3 of sub-Saharan African countries have fewer than 50 nurses per 100,000 people or less than 1/3 the staffing levels recommended by the World Health Organization.

(18) Paraprofessionals can be trained more quickly than nurses or doctors and are critically needed in sub-Saharan Africa to meet immediate health care needs.

(19) Imbalances in the distribution of countries’ health workforce represents a global problem, but the impact is particularly acute in sub-Saharan Africa.

(20) In Malawi, for example, more than 95 percent of clinical officers are in urban health facilities, and about 25 percent of nurses and 50 percent of physicians are in the 4 central hospitals of Malawi. Yet the population of Malawi is estimated to be 67 percent rural.

(21) In parts of sub-Saharan Africa, such as Kenya, thousands of qualified health professionals are employed outside the health care field or are unemployed despite job openings in the health sector in rural areas because poor working and living conditions, including educational opportunities and child care, make such opportunities unattractive to candidates.

(22) The 2002 National Security Strategy of the United States states that the global public health crisis in poor countries is enormous. In countries afflicted by epidemics and pandemics like HIV/AIDS, malaria, and tuberculosis, the World Health Report warned that “the threat to global health is far greater and is more threatening until these scourges can be contained. Resources from the developed world are necessary but will be effective only with the greatest leadership, with support for all prevention programs and provides effective local infrastructure.”

(23) Public health deficiencies in sub-Saharan Africa, and other parts of the developing world reduce global capacities to detect and respond to potential crises, such as an avian flu pandemic.

(24) On September 28, 2005, Secretary of State Condoleezza Rice declared that “HIV/AIDS is not only a human tragedy of enormous magnitude; it is also a threat to the overall health of entire countries and to the entire regions of the world.”

(25) Foreign assistance by the United States that expands local capacities, promotes community sustainable services or builds on outside resources for HIV/AIDS, malaria, and tuberculosis reduces the risk of future crises, builds capacity, and enhances community-based and national programs and leadership can increase the impact, efficiency, and sustainability of future efforts by the United States Government.

(26) African health care professionals immigrate to the United States for the same...
set of reasons that have led millions of people to come to this country, including the desire for freedom, for economic opportunity, and for a better life for themselves and their children. The rights and the expectations of these individuals must be respected.

(27) Helping countries in sub-Saharan Africa improve the working conditions, safety and health care systems, and the rights of health care providers, improve working conditions, including the adoption of universal precautions against workplace infection, improve access to health care services and institutions, increase the capacity of health training institutions, and expand education will alleviate and reduce the pressures driving the migration of health care personnel from sub-Saharan Africa.

(28) While the scope of the problem of shortfalls in professional and inadequacies of infrastructure in the sub-Saharan African health systems is immense, effective and targeted interventions to improve working conditions, management, and productivity would yield significant dividends in improved health care.

(29) Failure to address the shortage of health care professionals and paraprofessionals, and the factors pushing individuals to leave sub-Saharan Africa will undermine the objectives of United States development policy and willsubstrve opportunities to achieve internationally recognized goals for the treatment and prevention of HIV/AIDS and other diseases, the reduction of child and maternal mortality, and for economic growth and development in sub-Saharan Africa.

SECTION 4. CONGRESS IS CONVINCED THAT—

(1) the United States should help sub-Saharan African countries that have not already done so, to put in place national planning and response plans within the context of comprehensive country plans involving a wide range of stakeholders;

(2) comprehensive, rather than piecemeal approaches to advance multiple sustainable interventions will better enable countries to plan for the number of health care workers they need, determine whether they need to reorganize their health workforce, integrate workforce planning into an overall strategy to improve health system performance and impacts (in mechanisms), including the reduction of child and maternal mortality, and for economic growth and development in sub-Saharan Africa.

(3) As the situation becomes unchangeable, the United States should seek, where possible, to strengthen existing national systems in sub-Saharan African countries and to create national capacities in areas including fiscal management, training, recruitment and retention of health workers, distribution of resources, attention to rural areas, and education.

(4) because foreign-funded efforts to fight HIV/AIDS and other diseases may also draw health personnel away from the public sector in sub-Saharan African countries, the policies and programs of the United States should, where practicable, seek to work with national and community-based health structures and seek to promote the general welfare and enhance infrastructures beyond the scope of a single disease or condition;

(5) paraprofessionals and community-level health workers can play a major role in prevention, care, and treatment services, and in the more equitable and effective distribution of health resources, and should be integrated into health systems;

(6) given the current personnel shortages in sub-Saharan Africa, paraprofessionals represent a critical potential workforce in efforts to improve health systems and prevent and combat HIV/AIDS, and other deadly and debilitating diseases;

(7) it is critically important that the governments of sub-Saharan African countries increase their own investments in education and health care;

(8) international financial institutions have an important role to play in the achievement of internationally agreed upon health goals, and in helping countries strike a balance between attracting effective public investments in the health and education sectors, particularly as foreign assistance in these areas scales up, and promoting macroeconomic stability;

(9) public-private partnerships are needed to promote creative contracts, investments in sub-Saharan African educational systems, codes of conduct, recruiting, and other mechanisms to alleviate the adverse impacts on sub-Saharan African countries caused by the migration of health professionals;

(10) colleges and universities of the United States, as well as other members of the private sector, can play a significant role in promoting training in medicine and public health in sub-Saharan Africa by establishing or supporting in-country programs in sub-Saharan Africa through twinning programs with education in sub-Saharan Africa or through other in-country mechanisms;

(11) given the substantial numbers of African immigrants to the United States working in the health sector, the United States should enact and implement measures to permit qualified aliens and their family members who are legally present in the United States to work temporarily as health care professionals in developing countries or in other emergency situations, as in S. 2611, of the 109th Congress, as passed by the Senate on May 25, 2006;

(12) the President, acting through the United States Permanent Representative to the United Nations, should exercise the voice and vote of the United States—

(A) to ameliorate the adverse impact on less developed countries of the migration of health personnel;

(B) to promote voluntary codes of conduct for recruiters of health personnel; and

(C) to promote respect for voluntary agreements in which individuals, in exchange for individual educational assistance, have agreed either to work in the health field in their home country for a given period of time or to repay such assistance;

(13) the United States, like countries in other parts of the world, is experiencing a shortage of medical personnel in many occupations, particularly acute in rural and other underserved areas of the country; and

(14) the United States should expand training opportunities for health personnel, expand incentive programs such as student loan forgiveness for Americans willing to work in underserved areas, and take other steps to increase the number of health personnel in the United States.

SECTION 5. ASSISTANCE TO INCREASE HUMAN CAPACITY IN THE HEALTH SECTOR IN SUB-SAHARAN AFRICA.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

"SEC. 133. ASSISTANCE TO INCREASE HUMAN CAPACITY IN THE HEALTH SECTOR IN SUB-SAHARAN AFRICA.

(a) ASSISTANCE.—

(1) AUTHORITY.—The President is authorized to provide assistance, including providing assistance through international organizations, to countries that have programs in sub-Saharan Africa to improve human health care capacity.

(2) TYPES OF ASSISTANCE.—Such programs should include assistance—

(A) to provide financial and technical assistance to sub-Saharan African countries in improving and implementing new or strengthened comprehensive national health work force plans;

(B) to build and improve national and local health care systems and sustainable health systems management in sub-Saharan African countries, including financial, strategic, and technical assistance for—

(i) fiscal and health personnel management;

(ii) health worker recruitment systems;

(iii) the creation of computerized health workforce databases and other human resource information systems;

(iv) implementation of measures to reduce corruption in the health sector; and

(v) monitoring, evaluation, and quality assurance in the health field, including the utilization of national and district-level mapping of health care systems to determine capacity to deliver health services;

(C) to train and retain sufficient numbers of health workers, including paraprofessionals, and professionals in sub-Saharan African countries, including financing, strategic technical assistance for—

(i) health worker safety and health care, including HIV/AIDS prevention and off-site testing and treatment programs for health workers;

(ii) increased capacity for training health professionals and paraprofessionals in such subjects as human resources planning and management, health program management, and quality improvement;

(iii) expanded access to secondary level math and science education;

(iv) expanded access for nursing and medical schools in sub-Saharan Africa, with particular attention to incentives or mechanisms to encourage graduates to work in the health sector in their country of residence;

(v) incentives and policies to increase retention, including salary incentives;

(vi) modern quality improvement processes and practices;

(vii) continuing education, distance education, and career development opportunities for health workers;

(viii) investments to promote productivity within existing and expanding health workforces; and

(ix) achievement of minimum infrastructural requirements for health facilities, such as access to clean water;

(D) to support sub-Saharan African countries in securing financing, including technical support for personnel, including paraprofessionals and community-based caregivers, to better meet the health needs of rural and other underserved populations by providing incentives to serve in these areas, and to more equitably distribute health professionals and paraprofessionals;

(E) to support efforts to improve public health capacities in sub-Saharan Africa through education, leadership development, and other mechanisms;

(F) to provide technical assistance, equipment, training, and supplies to assist in the improvement of health infrastructure in sub-Saharan Africa;

(G) to promote efforts to improve systematically human resource management and development as a critical health and development issue in coordination with specific disease control programs for sub-Saharan Africa; and

(H) to establish a global clearinghouse or similar mechanism for knowledge sharing regarding the results of programs in sub-Saharan Africa in consultation, if helpful, with the Global Health Workforce Alliance."
Government and by coordinating with the following:

(i) Other donors.

(ii) Implementers.

(iii) The United Nations agencies.

(iv) Nongovernmental organizations working to increase human health capacity in sub-Saharan Africa.

(v) The International Monetary Fund.

(vi) The Global Fund to Fight AIDS, Tuberculosis, and Malaria.

(vii) The International Labour Organization.

(viii) The United Nations Programme on HIV/AIDS.

(ix) The African Union.

(x) The European Union.

(xi) The International Labour Organization.

(xii) The International Organisation for Migration.

(xiii) The World Health Organization.


(xv) The Organisation for Economic Co-operation and Development, including employees of its affiliates.

(xvi) The United States Agency for International Development.

(xvii) The United States Agency for Global Health.

(xviii) The United States Department of Agriculture.

(xix) The United States Department of Commerce.

(xx) The United States Department of Education.

(xxi) The United States Department of Energy.

(xxii) The United States Department of Housing and Urban Development.

(xxiii) The United States Department of Interior.

(xxiv) The United States Department of Justice.

(xxv) The United States Department of Labor.

(xxvi) The United States Department of State.

(xxvii) The United States Department of Transportation.

(xxviii) The United States Department of Treasury.

(xxix) The United States Department of Veterans Affairs.

(x) The National Institutes of Health.

(T) The Millennium Challenge Corporation.

(T) The Merck Company Foundation.

(T) The Health Fund.

(T) The International Development Research Centre.

(T) The Clinton Foundation.

(T) The Bill and Melinda Gates Foundation.

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had access to continuous health coverage, a reduction in mortality of 5 percent to 15 percent could be achieved.

Even for those Americans who currently have health insurance through their employer, the risk of becoming uninsured is very real. Large businesses are finding themselves less competitive in the global market because of skyrocketing health care costs. Small businesses are finding it difficult to offer insurance to employees while staying competitive in their local communities. Our health care system has failed to keep costs in check, and there is simply no way we can expect businesses to keep up. More and more, employers offer sub-par benefits, or no benefits at all. Employers cannot be the sole provider of health care when these costs are rising faster than inflation.

I travel to each of Wisconsin’s 72 counties every year to meet with the townhall meetings. Almost every year, the No. 1 issue raised at these listening sessions is the same—health care. The failure of our health care system brings people to these meetings in droves. These people used to think government involvement was a terrible idea, but not anymore. Now they come armed with their frustrations, their anger, and their desperation, and they tell me that their businesses and their lives are being destroyed by health care costs. I can tell them they want the government to step in.

Our country can do better, and it will.

Last year, I was pleased to be joined by the Senator from South Carolina, Mr. Graham, in introducing legislation that requires Congress to act on health care reform. It requires Congress to take up and debate universal health care bills within the first 90 days of the session. This bill does not prejudge what particular health care reform measure should be debated—it simply requires Congress to act.

Today, I am here to build on the proposal from last year. I am introducing the State-Based Health Care Reform Act. In short, this bill establishes a pilot project to provide States with the resources needed to implement universal health care reform. The bill does not dictate what kind of reform the States should implement; it just provides an incentive for action, provided the States meet certain minimum coverage and low-income requirements.

Over the years I have heard many different proposals for how we should change the health care system in this country. Some propose using tax incentives as a way to expand access to health care. Others think the best approach is to expand public programs. Some feel a national single payer health care system is the only way to go. I have my own preferences, but I don’t think we can ignore any of these proposals. We need to consider all of these as we address our broken health care system.

As a former State legislator, I come to this debate appreciating the role that States are playing in coming up with some very innovative solutions to the health care problem. We are already seeing States move ahead of the Federal Government on covering the uninsured. Massachusetts recently passed a plan to ensure health insurance for all residents, and State legislators in my home State of Wisconsin, as well as Vermont, Maine, and California, are working to expand health insurance coverage in their States. The Federal Government should be encouraging these innovative initiatives, and my bill provides the mechanism for this goal to be realized. This legislation harnesses the talent and ingenuity of Americans to come up with new solutions. This approach takes advantage of America’s greatest resources—the mind power and creativity of the American people—to move our country toward the goal of a working health care system with universal coverage. With help from the Federal Government, States will be able to try new ways of covering all their residents, and our political logjam around health care will begin to loosen.

Under my proposal, States can be creative in the State resources they use to expand health care coverage. For example, a State can use personal or employer mandates for coverage, use State tax incentives, create a single-payer system or even join with neighboring states to form a health care plan. The proposals are subject only to the approval of the newly created Health Care Reform Task Force, which will be composed of health care experts, consumers, and representatives from groups affected by health care reform. This task force will be responsible for choosing viable State projects and ensuring that the projects are effective. The Task Force will also help the States develop projects, and States in order to facilitate a good relationship between the State and Federal Governments.

The task force is also charged with making sure that the State plans meet certain minimal requirements. First, the State plans must include specific target dates for decreasing the number of uninsured, and must also identify a set of minimum benefits for every covered individual. These benefits must be comparable to health insurance offered to Federal employees. Second, the State plans must include a mechanism to guarantee that the insurance is affordable. Americans should not go broke trying to keep healthy, and health care reform should ensure that individual costs are manageable. The State-Based Health Care Reform Act bases affordability on income.

Another provision in this legislation requires that the States contribute to paying for their new health care programs. The Federal Government will provide matching funds based on enhanced FMAP—the same standard used for SCHIP—and will then provide an additional 5 percent. States that can afford to provide more are encouraged to, but in order to ensure the financial viability of the bill and to ensure State buy-in, this matching requirement provides a starting point. Other than these requirements, the States largely have the flexibility to design a plan that works best for their respective residents. The possibilities for reform are wide open.

One of the main criticisms of Federal Government spending on health care is that it is expensive and increases the deficit. My legislation is fully offset, ensuring that it will not increase the deficit. The bill doesn’t avoid making the tough budget choices that need to be made if we are going to pay for health care reform.

One of the offsets in the bill was proposed by the Congressional Budget Office: an increase in the flat rebate paid by drug manufacturers for Medicaid to five dollars. Currently, Medicaid recoups a portion of its drug spending through a rebate paid by the manufacturer. The savings mechanism would set a flat rebate, and provide funding for the States’ health care reform projects.

Additional funding for the bill comes from the President’s fiscal year 2007 budget proposal to extend the authority of the Federal Communications Commission to auction the radio spectrum and the authority of Customs and Border Protection to collect multiple different conveyance and passenger user fees through fiscal year 2016. My bill proposes similar extensions of the established authorities. Also, my bill proposes to both simplify and reduce the federal subsidy of airline passenger screening costs by replacing the current variable fee, which is capped at five dollars per one-way trip, with a flat five-dollar fee. This proposal is similar to one in the President’s fiscal year 2007 budget and would decrease federal subsidies to about thirty percent of passenger security costs, without reducing aviation security spending.

I also pay for this bill with an offset modeled on legislation introduced in the House by my good friend and fellow Wisconsinite Tom Petri and in the Senate by the senior Senator from Massachusetts that seeks to save money by encouraging higher education institutions to shift from private lenders to the direct loan program, which is most cost-effective for the bad risks. Currently, the Federal Government subsidizes private lenders for the loans they issue to students and this offset would end the current taxpayer-funded subsidies while increasing financial aid to students.

I want to make time to move toward universal coverage, but it is empty rhetoric without a feasible plan. I believe that this is the way to make universal coverage work in this country. Universal coverage doesn’t mean that we must have it already in place in another country. We can harness our Nation’s creativity and entrepreneurial spirit to design a system.
that is uniquely American. Universal coverage does not have to be defined by what's been attempted in the past. What universal coverage does mean is providing a solution for a broken system where millions are uninsured, and where businesses and Americans are struggling under the burden of health care costs.

It has been over 10 years since the last serious debate over health care reform was killed by special interests and their money contributions. They used to corrupt the legislative process. The legislative landscape is now much different. Soft money can no longer be used to set the agenda, and businesses and workers are crying out as never before for Congress to do something about the country's health care crisis.

We are fortunate to live in a country that has been abundantly blessed with democracy and wealth, and yet, there are those in our society whose daily health struggles overshadow these blessings. This is an injustice, and it is one we can and must address. Martin Luther King, Jr. said, "All of the forms of inequality, injustice in health care is the most shocking and inhumane." It is long past time for Congress to heed the voices of those at the bottom and end this terrible inequality. I urge my colleagues to support the State-Based Health Care Reform Act.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3776

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 “State-Based Health Care Reform Act”.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Health care remains one of the most important problems for America.

(2) According to the Census Bureau, 45,800,000 Americans were uninsured in 2004. Over 6,000,000 of these individuals were children. The number of uninsured has increased by 6,000,000 since 2000.

(3) According to the Commonwealth Fund, many of the uninsured are employed, and an increasing number are from middle-income families:

(A) Two in five working-age Americans with annual incomes between $20,000 and $40,000 spent for at least part of 2005.

(4) The uninsured face serious financial problems, and often have to choose between medical care and other basic necessities. According to the Commonwealth Fund, more than half of uninsured adults reported medical problems paying bills. Of those, nearly half used all up their savings to pay their bills. Two of five were unable to pay for basic necessities like food, heat, or rent because of medical expenses.

(5) Health outcomes for the uninsured are worse than health outcomes for those who are covered. According to the Institute of Medicine, the number of excess deaths among uninsured adults ages 25 to 64 is estimated at around 18,000 a year. Fifty-nine percent of uninsured Americans with chronic illness, such as diabetes or asthma, did not fill a prescription or skipped their medications because they could not afford them.

(6) Nearly half used up all their savings to pay medical bills.

(7) Two-thirds were in families where at least one person was working full time.

(8) Two in five working-age Americans were uninsured.

(9) Income-based insurance rates were the highest of any industrialized country in infant mortality.

(10) Nearly half used up all their savings to pay medical bills.

(11) Two-thirds were in families where at least one person was working full time.

(12) Two in five working-age Americans were uninsured.

(13) Income-based insurance rates were the highest of any industrialized country in infant mortality.

SEC. 3. PURPOSE.

It is the purpose of this Act to establish a program to award grants to States for the establishment of State-based projects to—

(1) increase health care coverage for uninsured individuals in selected States within the 5-year period beginning on the date of enactment of this Act;

(2) encourage high-quality health care coverage that provides adequate access to providers, services, and benefits.

(3) improve the use of health care spending and lower the cost of health care for the participating State; and

(4) encourage universal health care coverage within States.

TITLE I—HEALTH CARE COVERAGE

SEC. 101. STATE-BASED HEALTH CARE COVERAGE PROGRAM.

(a) APPLICATION.

(1) APPLICANTS.

(2) ADMINISTRATION.

(3) REQUIREMENTS.

(b) TRANSITION.

(c) PROVISIONS.

(d) DISBURSEMENT.

(e) REPORT.

(f) SECURITY.

(g) ENFORCEMENT.

(h) AUDIT.

(i) ADMINISTRATION.

(2) REIMBURSEMENT.

(3) ADMINISTRATION.

(4) PROVISION.

(5) DISBURSEMENT.

(6) REPORT.

(7) DISBURSEMENT.

(8) REPORT.

(9) DISBURSEMENT.

(10) REPORT.

(11) DISBURSEMENT.

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(87) DISBURSEMENT.

(88) REPORT.

(89) DISBURSEMENT.

(90) REPORT.
The Task Force may hold hearings, so long as the Task Force determines such meetings to be necessary in order to carry out the purposes of this Act, sit and act at such times, places, take evidence, receive such evidence as the Task Force considers advisable to carry out the purposes of this section.

(ANNUAL MEETING.—In addition to other meetings the Task Force may hold, the Task Force shall hold an annual meeting with the participation of the lead State entity under this section for the purpose of having State report progress toward the purposes in section 3 and for an exchange of information.

(EMPLOYMENT.—The Task Force may obtain information directly from any Federal department or agency as the Task Force considers necessary to carry out the provisions of this subsection. Upon request of the Chairperson of the Task Force, the head of such department or agency shall furnish such information to the Task Force.

(F) CONTRACTING.—The Task Force may enter into contracts with qualified independent organizations (such as Mathematica or the Institute of Medicine) to obtain necessary data for the development of the performance standards, reporting requirements, financing mechanisms, or any other matter determined by the Task Force to be appropriate and reasonable.

(G) POSTAL SERVICES.—The Task Force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(7) PERSONNEL MATTERS.—

(A) Each member of the Task Force who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 3109(b) of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Task Force. All members of the Task Force who are officers or employees of the United States shall serve without compensation in the performance of the duties of the Task Force. Notwithstanding any other provision of law, except that a shorter period may be required for subsequent 5-year periods upon the recommendation of the Task Force.

(B) The Task Force may require the member to provide any information to the Task Force who is not an officer or employee of the Federal Government.

(C) STAFF.—The Chairperson of the Task Force may, without regard to the civil service laws and regulations, appoint and terminate personnel as necessary to enable the Task Force to perform its duties.

(D) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal government employee may be detailed to the Task Force without compensation. In addition to that received for their services as officers or employees of the United States.

(E) EMPLOYEES.—The members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Task Force.

(F) COMPENSATION.—The Chairperson of the Task Force may procure temporary and intermittent services under section 3319(b) of title 5, United States Code, as rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 3109(b) of title 5, United States Code.

(FUNDING.—For the purpose of carrying out this subsection, there are authorized to be appropriated $4,000,000 for fiscal year 2007 and each fiscal year thereafter.

(STATE PLAN.—In general.—A State that seeks to receive a grant to operate a program under this section shall prepare and submit to the Task Force, as part of the application under subsection (a), a State health care plan that—

(A) designates the State entity that will be responsible for administering the State program.

(B) designates the State entity that will be responsible for administering the State program.

(C) provides for the efficient and effective delivery of health care services within the State.

(D) makes specific target dates for decreasing the number of uninsured individuals in the State; and

(E) otherwise complies with this subsection.

(2) COVERAGE.—With respect to coverage for uninsured individuals in the State, the State plan shall—

(A) provide and describe the manner in which the State will ensure that an increased number of such individuals residing within the State will have expanded access to health care coverage with a specified 5-year target for reduction in the number of uninsured individuals through either private or public plan expansion, or both, such description to include the manner in which the State will ensure expanded access to health care coverage for low-income individuals within the 5-year target period.

(B) provide for improvements in the availability of appropriate health care services that will increase access to care in urban, rural, and frontier areas of the State with medically underserved populations or where there is an inadequate supply of health care providers;

(C) describe the minimum benefits package that will be provided to every beneficiary, including information on affordability for beneficiaries.

(3) EFFECTIVENESS AND EFFICIENCY.—The State plan shall include provisions to improve the effectiveness and efficiency of health care delivery, including provisions to attempt to reduce the overall health care costs within the State.

(4) COSTS.—

(A) IN GENERAL.—With respect to the costs of health care program provided under the program, the State plan shall—

(i) describe the public and private sector financing to be provided for the State health program;

(ii) estimate the amount of Federal, State, and local expenditures, as well as the costs to businesses for individuals under the State health program;

(iii) describe how the State plan will ensure the financial solvency of the State health program; and

(iv) contain assurances that the State will comply with Federal and cost sharing limitations described in subparagraph (B).

(B) PREMIUM AND COST SHARING LIMITATIONS.—

(i) PREMIUMS.—In providing health care coverage under a State program under this Act, the State program shall—

(aa) the payment of premiums for such coverage in an amount that exceeds .5 percent of the family’s income for the year involved;

(bb) the payment of cost sharing for such coverage in an amount that exceeds .5 percent of the family’s income for the year involved;

(iii) with respect to an individual whose family income is greater than 100 percent, but at or below 100 percent, of the poverty line, the State program shall not require—

(aa) the payment of premiums for such coverage in an amount that, together with the premium amount, does not exceed 5 percent of the family’s income for the year involved; or

(bb) the payment of cost sharing for such coverage in an amount that, together with the premium amount, does not exceed 7 percent of the family’s income for the year involved.

(II) DEFINITION.—For purposes of this subparagraph, the term ‘‘poverty line’’ has the meaning given such term in section 216(c)(5) of the Social Security Act (42 U.S.C. 1397c(c)(5)).

(II) PROTECTION FOR LOWER INCOME INDIVIDUALS.—The State plan may only vary premiums, deductibles, coinsurance, and other cost sharing under the plan based on the family income of the family involved in a manner that does not favor individuals from families with higher income over individuals from families with lower income.

(d) REVIEW; DETERMINATION; AND PROJECT PERIOD.

(1) INITIAL REVIEW.—With respect to a State application for a grant under subsection (a), the Secretary and the Task Force shall, not later than 90 days after receiving the initial application, conduct an initial review of such State application, an analysis of the scope of the proposal, and a determination of whether additional information is necessary from the State. The Task Force shall advise the State within such 90-day period of the need to submit additional information.

(2) FINAL DETERMINATION.—Not later than 90 days after completion of the initial review under paragraph (1), the Task Force shall determine whether to approve such application. Such application may be approved only if 2/3 of the members of the Task Force vote to approve such application.

(3) PROGRAM OR PROJECT PERIOD.—A State plan or project may be approved for a period of not to exceed 5 years and may be extended for subsequent 5-year periods upon approval by the Task Force and the Secretary, based upon achievement of targets, except that a shorter period may be requested by a State and granted by the Secretary.

(e) REQUIRED CONGRESSIONAL ACTION.—It is the sense of the Senate that, not later than 45 days after receiving the report submitted under subsection (g)(2), each committee to which such report is submitted should hold at least 1 hearing concerning such report and the recommendations contained in such report.

(f) FUNDING.—
(1) In general.—The Secretary shall provide a grant to a State that has an application approved under subsection (d)(2) to enable such State to carry out the State health care reform program.

(2) Amount of grant.—The amount of a grant provided to a State under paragraph (1) shall be determined based upon the recommendations of the Task Force, subject to the amount appropriated under subsection (c).

(3) Matching requirement.—To be eligible to receive a grant under paragraph (1), a State shall provide assurances to the Secretary that the State shall contribute to the costs of carrying out activities under the grant an amount equal to not less than the product of—

(A) the amount of the grant; and

(B) the sum of the enhanced FMAP for the State (as defined in section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b))) and 5 percent.

(4) Maintenance of effort.—A State, in utilizing the proceeds of a grant received under paragraph (1), shall maintain the expenditures of the State for health care coverage purposes for the support of direct health care assistance provided by the State for the fiscal year preceding the fiscal year for which the grant is received.

(5) Reporting.—

(A) Subparagraph (1) shall apply—

(i) in the case of a State that has received a grant under this section, each year during the 5-year period beginning on the date on which a grant is made to such State; and

(ii) in the case of a State that has received a grant under this section, beginning with the fiscal year 2007 and ending with the fiscal year 2016.

(B) The State shall report to the Secretary on the appropriation, expenditure, and expenditure of amounts received under this section.

(6) True and complete.—The Secretary shall determine whether the State’s report is true and complete.

(7) Audits.—The Secretary shall determine whether the State has kept adequate records for the purpose of determining the validity of the data submitted by the State.

(8) Recommendations.—The Secretary shall determine whether the State has done its part in carrying out the State health care coverage reforms in any particular State program should serve as recommendations of the Task Force, subject to the State program.

(9) Relation to other laws.—Nothing in this section shall be construed as affecting or modifying section 2791(a)(1) of the Public Health Service Act (42 U.S.C. 1395g-8(b)(1)), section 2791(a)(1) of the Social Security Act (42 U.S.C. 1396r-8(c)(1)(B)(i)) is amended—

(A) in subclause (IV), by striking "and before January 1, 1995, or;

(B) by inserting, before the period ending such provision of the insurance contract which has the effect of limiting or excluding such obligation because the individual is eligible for or is provided health assistance under the plan.

(B) Other federal governmental programs.—Except as provided in any other provision of this Act, an amount equal to the amount of savings to the Federal Government in each such fiscal year as a result of the enactment of the provisions of title II.

(2) Use of funds.—Amounts appropriated for a fiscal year under paragraph (1) and not expended may be used in subsequent fiscal years to carry out this Act.

(3) Limitation.—Notwithstanding any other provision of this Act, the total amount of funds appropriated to carry out this Act through fiscal year 2016 shall not exceed $32,000,000,000.

TITLE II—OFFSETS

SEC. 201. INCREASE IN REBATES FOR COVERED OUTPATIENT DRUGS.

Section 1927(c)(2) of the Social Security Act (42 U.S.C. 1396r-8(c)(1)(B)(i)) is amended—

(1) in subclause (IV), by striking “and” after the period and inserting “and”;

(2) in subclause (V), by—

(A) inserting “and before January 1, 2007,” after “1995,” and

(B) by striking the period and inserting “and”;

and

(3) by adding at the end the following:

“(VI) after December 31, 2006, is 20 percent.”

SEC. 202. STUDENT AID REWARD PROGRAM.

Part G of title IV of the Higher Education Act of 1965 is amended by inserting after section 488A the following:

“SEC. 489A. STUDENT AID REWARD PROGRAM.

“(a) Program authorized.—The Secretary shall carry out a Student Aid Reward Program to encourage institutions of higher education to participate in the student loan program under this title that is most cost-effective for taxpayers.

“(b) Program requirements.—In carrying out the Student Aid Reward Program, the Secretary shall—

(1) provide to each institution of higher education that participates in the Student Aid Reward Program under this title that is most cost-effective for taxpayers a Student Aid Reward Payment, in an amount determined in accordance with subsection (c), to encourage the institution to participate in that student loan program:

(iv) Section 1920A (relating to presumptive eligibility for children).

(v) Section 1123(b) (relating to criminal penalties for certain additional charges).

(iv) Section 1123(b) (relating to criminal penalties for certain additional charges).

(vii) Section 1132 (relating to periods within which claims must be filed).

(4) Relation to other laws.—Nothing in this section shall be construed as affecting or modifying section 2791(a)(1) of the Public Health Service Act (42 U.S.C. 1395g-8(b)(1)), section 2791(a)(1) of the Social Security Act (42 U.S.C. 1396r-8(c)(1)(B)(i)) is amended—

(A) in subclause (IV), by striking “and before January 1, 1995, or;

(B) by inserting, before the period ending such provision of the insurance contract which has the effect of limiting or excluding such obligation because the individual is eligible for or is provided health assistance under the plan.

(B) Other federal governmental programs.—Except as provided in any other provision of this Act, an amount equal to the amount of savings to the Federal Government in each such fiscal year as a result of the enactment of the provisions of title II.

(2) Use of funds.—Amounts appropriated for a fiscal year under paragraph (1) and not expended may be used in subsequent fiscal years to carry out this Act.

(3) Limitation.—Notwithstanding any other provision of this Act, the total amount of funds appropriated to carry out this Act through fiscal year 2016 shall not exceed $32,000,000,000.

THEODORE STEVENS.

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(2) in subclause (V), by—

(A) inserting “and before January 1, 2007,” after “1995,” and

(B) by striking the period and inserting “and”;

and

(3) by adding at the end the following:

“(VI) after December 31, 2006, is 20 percent.”

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“(a) Program authorized.—The Secretary shall carry out a Student Aid Reward Program to encourage institutions of higher education to participate in the student loan program under this title that is most cost-effective for taxpayers.

“(b) Program requirements.—In carrying out the Student Aid Reward Program, the Secretary shall—

(1) provide to each institution of higher education that participates in the Student Aid Reward Program under this title that is most cost-effective for taxpayers a Student Aid Reward Payment, in an amount determined in accordance with subsection (c), to encourage the institution to participate in that student loan program:

(iv) Section 1920A (relating to presumptive eligibility for children).

(v) Section 1123(b) (relating to criminal penalties for certain additional charges).

(iv) Section 1123(b) (relating to criminal penalties for certain additional charges).

(vii) Section 1132 (relating to periods within which claims must be filed).

(4) Relation to other laws.—Nothing in this section shall be construed as affecting or modifying section 2791(a)(1) of the Public Health Service Act (42 U.S.C. 1395g-8(b)(1)), section 2791(a)(1) of the Social Security Act (42 U.S.C. 1396r-8(c)(1)(B)(i)) is amended—

(A) in subclause (IV), by striking “and before January 1, 1995, or;

(B) by inserting, before the period ending such provision of the insurance contract which has the effect of limiting or excluding such obligation because the individual is eligible for or is provided health assistance under the plan.

(B) Other federal governmental programs.—Except as provided in any other provision of this Act, an amount equal to the amount of savings to the Federal Government in each such fiscal year as a result of the enactment of the provisions of title II.

(2) Use of funds.—Amounts appropriated for a fiscal year under paragraph (1) and not expended may be used in subsequent fiscal years to carry out this Act.

(3) Limitation.—Notwithstanding any other provision of this Act, the total amount of funds appropriated to carry out this Act through fiscal year 2016 shall not exceed $32,000,000,000.

THEODORE STEVENS.
“(2) require each institution of higher education receiving a payment under this section to provide student loans under that student loan program for a period of 5 years from the date of the payment made under this section; and

“(3) where appropriate, require that funds paid to institutions of higher education under this section be used to award students a supplemental grant under part 1 of part A.

“(4) permit such funds to also be used to award lower and middle income graduate student loan programs; and

“(5) encourage all institutions of higher education to participate in the Student Aid Reward Program.

“(c) Payments—The amount of a Student Aid Reward Payment under this section shall be less than 5 percent, and not more than 75 percent, of the savings to the Federal Government generated by the institution’s participation in the student loan program under this title that is most cost-effective for taxpayers instead of the institution’s participation in the student loan program not cost-effective for taxpayers.

“(d) Trigger To Ensure Cost Neutrality—Notwithstanding subsection (c), the Secretary shall not distribute Student Aid Reward Payments under the Student Aid Reward Program that, in the aggregate, exceed the Federal savings resulting from implementation of the Student Aid Reward Program.

“(2) Federal Savings.—In calculating Federal savings, as used in paragraph (1), the Secretary shall determine Federal savings on loans made to students at institutions of higher education that participate in the student loan program under this title that is most cost-effective for taxpayers and that, on the date of enactment of the Student Aid Reward Program, participated in the student loan program that is not the most cost-effective for taxpayers, resulting from the difference of—

“(A) the Federal cost of loan volume made under the student loan program under this title that is most cost-effective for taxpayers; and

“(B) the Federal cost of an equivalent type and amount of loan volume made, insured, or guaranteed under the student loan program under this title that is not the most cost-effective for taxpayers, resulting from the difference of—

“(1) the Federal cost of loan volume made under the student loan program under this title that is most cost-effective for taxpayers; and

“(2) the Federal cost of an equivalent type and amount of loan volume made, insured, or guaranteed under the student loan program under this title that is not the most cost-effective for taxpayers.

“(3) Distribution Rules.—If the Federal savings determined under paragraph (2) is not sufficient to distribute full Student Aid Reward Payments under the Student Aid Reward Program, the Secretary shall—

“(A) first make Student Aid Reward Payments to those institutions of higher education that participated in the student loan program under this title that is not the most cost-effective for taxpayers on the date of enactment of the Student Aid Reward Program; and

“(B) with any remaining Federal savings after making Payments under subparagraph (A), make Student Aid Reward Payments to the institutions of higher education not described in subparagraph (A) on a pro-rata basis.

“(4) Distribution To Students.—Any institution of higher education that receives a Student Aid Reward Payment under this section—

“(A) shall distribute, where appropriate, part of such payment among the students of such institution who are Pell Grant recipients by awarding such students a supplemental grant; and

“(B) may distribute part of such payment as a supplemental grant to graduate students in financial need.

“(5) Estimates, Adjustments, and Carryover.—

“(A) Estimates and Adjustments.—The Secretary shall make Student Aid Reward Payments to institutions of higher education on the basis of estimates, using the best data available at the beginning of an academic fiscal year. If the Secretary determines that the academic/fiscal year were different than such estimate, the Secretary shall adjust (reduce or increase) subsequent Student Aid Reward Payments to such institutions of higher education to reflect such difference.

“(B) Carryover.—Any institution of higher education that receives a reduced Student Aid Reward Payment under paragraph (3)(B), shall remain eligible for the unpaid portion of such institution’s financial reward payment, as well as any additional financial reward payments for which the institution is otherwise eligible, in subsequent academic or fiscal years.

“(e) Definition.—For purposes of this section—

“(1) the student loan program under this title that is most cost-effective for taxpayers is the loan program under part B or D of this title that has the lowest overall cost to the Federal Government (including administrative costs) for the loans authorized by such parts; and

“(2) the student loan program under this title that is most cost-effective for taxpayers is the loan program under part B or D of this title that does not have the lowest overall cost to the Federal Government (including administrative costs) for the loans authorized by such parts;.

“SEC. 203. AIRPORT AND AIR QUALITY SERVICE PASS-PASSENGER FEES.

Section 4940 of title 49, United States Code, is amended—

“(1) in subsection (a)(1), by inserting “in an amount equal to $5.00 per one-way trip” after “uniform fee”;

“(2) by striking subsection (c); and

“(3) in subsection (d)—

“(A) in paragraph (2), by striking “subsection (d)” each place it appears and inserting “this subsection” and

“(B) in paragraph (3), by striking “in accordance with paragraph (1)” and inserting “under subsection (a)(2)”;.

“SEC. 204. EXTENSION OF FCC SPECTRUM AUC.


“SEC. 205. EXTENSION OF FEDERAL TAX CAPTIVE AGENCY AND FINANCIAL INSTITUTIONS FOR CERTAIN CUSTOMS SERVICES.

Section 13031(j)(3)(A) and (B) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 2802(j)(3)(A) and (B)) is amended by striking “2014” each place it appears and inserting “2016”.

By Mr. KERRY:

S. 3777. A bill to amend the Internal Revenue Code of 1986 to ensure a fairer system of taxing business income, capital gains, income phase-outs, extenders, the myriad savings vehicles, record-keeping for itemized deductions, the alternative minimum tax, AMT; the earned income tax credit; the mortgage interest deduction; and the taxation of foreign business income. I believe that our international tax system needs to be simplified and reformed to encourage businesses to remain in the United States. And today, I am introducing a bill to do that. I hope will be fully considered as we begin our discussions on tax reform.

Presently, the complexities of our international tax system actually encourage U.S. corporations to invest overseas. Current tax laws allow companies to defer paying U.S. taxes on income earned by their foreign subsidiaries, which provides a substantial tax break for companies that move investment and jobs overseas under U.S. tax law, a company that is trying to decide where to locate production or services—either in the United States or in a foreign low-tax haven—is actually given a substantial tax incentive not only to move jobs overseas but to reinvest profits permanently, as opposed to bringing the profits back to re-invest in the United States.

Recent press articles have revealed examples of companies taking advantage of this perverse incentive in our Tax Code. For instance, some companies have taken advantage of this initiative by opening subsidiaries to serve markets throughout Europe. Much of the profit earned by these subsidiaries will be paid to India, and this trend is starting to expand to include the shifting of critical functions like design and research.
and development to India as well. Some companies are even outsourcing the preparation of U.S. tax returns.

The Export Products Not Jobs Act of 2006 would put an end to these practices by eliminating tax breaks that encourage companies to move jobs overseas and by using the savings to create jobs in the United States by repealing the top corporate tax rate. This legislation ends tax breaks that encourage companies to move jobs by: (1) eliminating the ability of companies to defer paying U.S. taxes on foreign income; (2) closing abusive corporate tax loopholes; and (3) repealing the top corporate rate. It removes the incentive to shift jobs overseas by eliminating deferral so that companies pay taxes on their international income as they earn it, rather than being allowed to defer taxes.

Last month, the Ways and Means Subcommittee on Revenue held a hearing on international tax laws. Stephen Shay, a former Reagan Treasury official, testified that our tax rules “provide incentives to locate business activity outside the United States.” Furthermore, he suggested that tax holidays of U.S. shareholders under expansions to value incentives to locate business activity outside the United States.

Additionally, a 2000 Department of Treasury study on deferral stated, “[a]mong all of the options considered, ending deferral would also be likely to have the most positive long-term effect on economic efficiency and welfare because it would do the most to eliminate tax considerations from decisions regarding the location of investment.” The revenue raised from the repeal of deferral and closing corporate loopholes would be used to repeal the top corporate tax rate of 35 percent. The tax differential between U.S. corporate rates and foreign corporate rates has grown over the last two decades and the repeal of the corporate rate is a start in narrowing this gap.

The Export Products Not Jobs Act of 2006 would promote equity among U.S. taxpayers by ensuring that corporations could no longer substantially reduce taxation of foreign income by separately incorporating their foreign operations. This legislation will eliminate the tax incentives to encourage U.S. companies to invest abroad and reward those companies that have chosen to invest in the United States. I urge my colleagues to join me in this effort, and ask for unanimous consent that the full text of the bill be printed in the RECORD.

The text of the bill was ordered to be printed in the RECORD, as follows:

S. 3777

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the “Export Products Not Jobs Act”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—FOREIGN TAX REFORM AND SIMPLIFICATION

SEC. 101. REFORM AND SIMPLIFICATION OF SUBPART F.

(a) IN GENERAL.—Subpart F of part III of subchapter N of chapter 1 (relating to controlled foreign corporations) is amended by striking sections 954, 958, and 964 and inserting the following:

SEC. 952. SUBPART F INCOME DEFINED.

(a) IN GENERAL.—For purposes of this subpart, except as this section, the term ‘subpart F income’ means the gross income of the controlled foreign corporation.

(‘(b) EXCEPTIONS FOR CERTAIN TYPES OF INCOME.—Subpart F income shall not include—

(1) the active home country income (as defined in section 953G) of the controlled foreign corporation for the taxable year; or

(2) any item of income for the taxable year from sources within the United States which is effectively connected with the conduct of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States.

For purposes of paragraph (2), income described in paragraph (2) or (3) of section 954(d) shall be treated as derived from sources within the United States by an exemption (or reduction) with respect to the tax imposed by section 884 shall not be taken into account.

(c) LIMITATION BASED ON EARNINGS AND PROFITS.—

(1) IN GENERAL.—For purposes of subsection (a), the subpart F income of any controlled foreign corporation for any taxable year shall not exceed the earnings and profits of such corporation for such taxable year.

(2) RECHARACTERIZATION IN SUBSEQUENT TAXABLE YEARS.—If the subpart F income of any controlled foreign corporation for any taxable year was reduced by reason of paragraph (1), the excess of the earnings and profits of any subsequent taxable year over the subpart F income of such foreign corporation for such taxable year shall be recharacterized as subpart F income for taxable years ending after such taxable year.

(3) SPECIAL RULE FOR DETERMINING EARNINGS AND PROFITS.—For purposes of this subsection, the earnings and profits of any controlled foreign corporation shall be determined without regard to paragraphs (4), (5), and (6) of section 954(d). Under regulations, the foregoing sentence shall not apply to the extent it would increase earnings and profits by an amount which was previously distributed by the controlled foreign corporation.

(4) DE MINIMIS EXCEPTION.—If the subpart F income of a controlled foreign corporation for any taxable year (determined without regard to this subsection and section 954(a)) is less than the lesser of—

(1) 5 percent of gross income, or

(2) $1,000,000, the subpart F income of such corporation for such taxable year shall be treated as being equal to zero.

(5) SPECIAL RULES RELATING TO BOYCOTTS, Bribes, and Certain Foreign Countries.—

(a) IN GENERAL.—Subpart F income for a taxable year of a controlled foreign corporation for any taxable year (determined without regard to this subsection and section 954(a)) is less than the lesser of—

(1) the gross income of the corporation reduced by its subpart F income (as so determined), and

(ii) the international boycott factor (as determined under section 999),

(B) the sum of the amounts of any illegal bribes, kickbacks, or other payments (within the meaning of section 162(c)) paid by or on behalf of the corporation during the taxable year of the corporation directly or indirectly to an official, employee, or agent in fact of a government, and

(C) the gross income of such corporation which is derived from any foreign country during any period during which section 901(d) applies to such foreign country and which is not otherwise treated as subpart F income (as so determined).

(b) SPECIAL RULE FOR ILLEGAL PAYMENTS.—The payments referred to in paragraph (1)(B) are payments which would be...
unlawful under the Foreign Corrupt Practices Act of 1977 if the payor were a United States person.

"(3) INCOME DERIVED FROM FOREIGN COUNTRY.—(A) The term ‘foreign country’ means any country other than the United States which is a country to which section 958(a) applies if such income is, without regard to such entities, derived from such country.

"SEC. 954. OTHER RULES AND DEFINITIONS RELATING TO SUBPART F INCOME.

"(a) Deuctions To Be Taken Into Account.—In determining the income of a foreign corporation from insurance income, any deduction included in such income shall be treated as a deduction included in such income

"(b) Election By Controlled Foreign To Be Treated As Domestic Corporation.—

"(1) IN GENERAL.—If, for purposes of this title, any distribution made by a corporation to which an election under section 367(a)(1)(A) applies, only earnings and profits accumulated in taxable years beginning before January 1, 2007, shall be taken into account.

"(c) Special Rule for Certain Captive Insurance Companies.—

"(1) ELECTIVE TERMINATION.—For purposes of subparagraph (B), an election under paragraph (1) shall be treated as an election under section 367 if the election ceases to apply for any subsequent taxable year.

"(2) TREATMENT OF LOSSES.—If any corporation treated as a domestic corporation under this section failed to meet the requirements of section 382 for any subsequent taxable year, such corporation shall be treated as a domestic corporation for purposes of such section.

"(3) INCOME DERIVED FROM FOREIGN COUNTY.—For purposes of this subsection, there shall be disregarded any income derived from a controlled foreign corporation in connection with the providing of services in transactions with customers which are not related persons.

"(d) HOME COUNTRY.—For purposes of this section, the term ‘home country’ means, with respect to a controlled foreign corporation, the country in which such corporation was created or organized.

"(e) flatten such regulations as may be necessary or appropriate to carry out the purposes of paragraph (1)(C), including regulations which treat income paid through 1 or more entities as derived from a foreign country to which section 901(j) applies if such income was, without regard to such entities, derived from such country.

"SEC. 955. ACTIVE HOME COUNTRY INCOME.

"(a) IN GENERAL.—For purposes of section 954(b)(1), the term ‘active home country income’ means, with respect to any controlled foreign corporation, income derived from the active and regular conduct of 1 or more trades or businesses within the home country of such corporation which constitutes—

"(1) qualified property income, or

"(2) qualified services income.

"(b) QUALIFIED SERVICES INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term ‘qualified services income’ means income derived in connection with—

"(A) the manufacture, production, growth, or extraction of personal property within the home country of the controlled foreign corporation, or

"(B) the resale by the controlled foreign corporation of personal property manufactured, produced, grown, or extracted (in whole or in substantial part) within that home country.

"(2) SERVICES MUST BE USED IN HOME COUNTRY.—Paragraph (1) shall only apply to income if the personal property is sold for use or consumption within the home country.

"(c) QUALIFIED SERVICES INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term ‘qualified services income’ means income other than qualified property income derived in connection with the providing of services in transactions with customers which, at the time the services are provided, are located in the home country of such corporation.

"(2) SERVICES MUST BE USED IN HOME COUNTRY.—Paragraph (1) shall only apply to income if the services—

"(A) are used or consumed in the home country of the controlled foreign corporation, or

"(B) are used in the active conduct of a trade or business by the recipient and substantially all of the activities in connection with the trade or business are conducted by the recipient in such home country.

"(3) SPECIAL RULE FOR INSURANCE INCOME.—If income of a controlled foreign corporation—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications under section 954(c)(2)(B)) be taxed under subchapter L of this chapter if such income were the income of a domestic corporation, such income shall be treated as qualified services income only if the contract covers only risks in connection with property in, liability arising out of activity in, or lives or health of residents of, the home country of such corporation.

"(4) ANTI-ABUSE RULE.—For purposes of this subsection, there shall be disregarded any income of a controlled foreign corporation derived in connection with any trade or business if, in the conduct of the trade or business, the corporation is not engaged in regular and continuous transactions with customers which are not related persons.
manner as if the controlled foreign corporation were subject to tax under subchapter L, except that in applying such subchapter—

(1) the interest rate determined for the function of the corporation and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate; and

(2) the highest assumed interest rate permitted to be used in determining foreign corporation reserves shall be substituted for the prevailing State assumed interest rate, and

(3) tables for mortality and morbidity which reflect the current mortality and morbidity risks in the corporation's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

(iv) All items of income, expenses, losses, and deductions shall be properly allocated or apportioned under regulations prescribed by the Secretary.

(3) EXCEPTION FOR CORPORATIONS NOT HELD BY INSURERS.—Paragraph (1) shall not apply to any foreign corporation if at all times during the taxable year of such foreign corporation—

(A) less than 20 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, and

(B) less than 20 percent of the total value of such corporation, is owned (directly or indirectly under the principles of section 883(c)(4)) by persons who are (directly or indirectly) insured under any policy of insurance or reinsurance issued by such corporation or who are related persons to any such person.

(4) TREATMENT OF MUTUAL INSURANCE COMPANIES.—In the case of a mutual insurance company, this subsection shall apply.

(A) Policyholders of such company shall be treated as shareholders, and

(B) appropriate adjustments in the application of this subsection shall be made under regulations prescribed by the Secretary.

(5) DETERMINATION OF PRO RATA SHARE.—(A) IN GENERAL.—The pro rata share determined under this paragraph for any United States shareholder is the lesser of—

(i) the amount which would be determined under paragraph (2) of section 961(a) if—

(I) only related person insurance income were taken into account,

(II) stock owned (within the meaning of section 883(c)(4)) by persons who are directly or indirectly insured under any policy of insurance or reinsurance issued by such corporation or who are related persons to any such person was taken into account, and

(III) tables for mortality and morbidity which reflect the current mortality and morbidity risks in the corporation's home country were substituted for the mortality and morbidity tables otherwise used for such subchapter;

(ii) the amount which would be determined under section 881(c)(4) by persons who are directly or indirectly insured under any policy of insurance or reinsurance issued by such corporation or who are related persons to any such person, and

(B) MANAGEMENT AND CONTROL.—In the case of any policy of insurance or reinsurance issued by persons who exercise control of a corporation or who exercise day-to-day responsibility for making decisions involving strategic, financial, and operational policies of the corporation, the Secretary may by regulations include other individuals not described in the preceding sentence in the determination of whether the management and control of the corporation occur primarily within the United States. The Secretary may by regulations include other individuals not described in the preceding sentence in the determination of whether the management and control of the corporation occur primarily within the United States if such other individuals exercise the day-to-day responsibilities described in the preceding sentence.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning on or after the date which is 2 years after the date of the enactment of this Act.

TITLE II—ECONOMIC SUBSTANCE DOCTRINE

SEC. 201. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (o) as subsection (p) and by inserting after such subsection (n) the following new subsection:

"(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

"(1) GENERAL RULES.—

"(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant to the purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

"(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

(i) for purposes of this paragraph, the term "economic substance" includes all transactions entered into for any purpose if such transaction has economic substance only if—

(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's overall economic position; and

(II) the taxpayer has a substantial non-tax purpose for entering into such transaction.
In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

(III) any other deduction as provided in guidance by the Secretary, and

(4) OTHER COMMON LAW DOCTRINES NOT APPLIED.—Except as specifically provided in this subsection, all rules of this subpart shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.

(6) ADJUSTMENTS.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 202. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

‘‘SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

‘‘(a) IMPOSITION OF PENALTY.—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

‘‘(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS—Subsection (a) shall be applied by subtracting ‘20 percent’ for ‘40 percent’ with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the items are adequately disclosed in the return or a statement attached to the return.

‘‘(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

(1) IN GENERAL.—The term ‘noneconomic substance transaction understatement’ means any amount which would be an understatement under section 6662(a)(1) if section 6662A were applied by taking into account items attributable to a noneconomic substance transaction rather than items to which section 6662A would apply without regard to this paragraph.

(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term ‘noneconomic substance transaction’ means any transaction if—

(A) there is a lack of economic substance (within the meaning of section 7701(o)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 6662.

(B) the transaction fails to meet the requirements of any similar rule of law.

(c) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise any portion of such penalty.

(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

(e) CROSS REFERENCES.—See section 6707A(a).

(b) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.

(1) The second sentence of section 6662(d)(2)(A) is amended by inserting ‘and non-economic substance transaction understatements’ before ‘reportable transaction understatements’ where it appears.

(2) In paragraph (2)(C), by inserting ‘and a noneconomic substance transaction understatement’ after ‘reportable transaction understatement’.

(c) In paragraph (2)(B), by inserting ‘before 6663’.

(d) In paragraph (2)(C)(i), by inserting ‘or section 6662B’ before the period at the end.

(e) In paragraph (2)(C)(ii), by inserting ‘and section 6662B after ‘This section’.

(f) In paragraph (3), by inserting ‘or noneconomic substance transaction understatement’ after ‘reportable transaction understatement’, and

(g) by adding at the end the following new paragraph:

‘‘(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term ‘noneconomic substance transaction understatement’ includes the meaning given such term by section 6662B(c).’’

(3) Subsection (e) of section 6707A is amended—

(A) by striking ‘or’ at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraph:

‘‘(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

(D) is required to pay a penalty under section 6662B with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(e)(2)(A) or under section 6662A(e)(3)(A).

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

‘‘Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.’’

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 203. DENIAL OF DEDUCTION FOR INTEREST ON UNDERSTATEMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 6707(a)(5) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended—

(1) by striking ‘‘attributable to’’ and all that follows and inserting the following: ‘‘attributable to—

‘‘(1) the portion of any reportable transaction understatement’’; and

(2) by adding the following new subsection:

‘‘(2) PENALTY FOR UNDERSTATEMENTS.—This chapter, see section 6707A(a).’’
“(2) any noneconomic substance transaction under section 6622(b)(1), and 
(2) by inserting "AND NONECONOMIC SUBSISTENCE TRANSACTIONS" in the heading thereof after "TRANSACTIONS".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions of the smallest part of this Act in taxable years ending after such date.

TITLE III—ELIMINATION OF HIGHEST CORPORATE MARGINAL INCOME TAX RATE

SEC. 301. ELIMINATION OF HIGHEST CORPORATE MARGINAL INCOME TAX RATE.

(a) In General. —Section 11(b)(1) (relating to amount of tax imposed on corporations) is amended by striking subparagraphs (C) and (D) and inserting the following new subparagraph:

"(C) 34 percent of so much of the taxable income as exceeds $75,000."

(b) Certain Personal Service Corporations.—Section 11(b)(1) is amended by striking "33 percent" and inserting "34 percent".

(c) Conforming Amendments.—

(1) Section 11(b)(1) is amended by striking the last sentence. 
(2) Section 1201(a) is amended—

(A) by striking "35 percent" each place it appears and inserting "34 percent"; and 
(B) by striking "35 percent" and inserting "34 percent".

(3) Paragraphs (1) and (2) of section 145(e) are each amended by striking "35 percent" and inserting "34 percent".

(4) Section 1651(a) is amended by striking "last 2 sentences" and inserting "last sentence".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

By Ms. SNOWE:

S. 3778. An original bill to reauthorize and improve the Small Business Act and the Small Business Act of 1958, and for other purposes: from the Committee on Small Business and Entrepreneurship; placed on the calendar.

Ms. SNOWE. Mr. President, as chair of the Senate Committee on Small Business and Entrepreneurship, I rise today to introduce a bill, The Small Business Reauthorization and Improvement Act of 2006, that was reported by the committee on a vote of 18 to 0.

I strongly believe that we must do everything possible to sustain prosperity and job creation throughout Maine and the United States. To achieve that goal, I have long fought to expand the reach of Small Business Administration programs that have helped millions of aspiring entrepreneurs and existing small businesses.

Today is a pivotal time for the SBA. A new Administrator, Steven C. Preston, has been sworn in, and I have held hearings on the reauthorization of the agency’s programs that are set to expire September 30, 2006. The reauthorization and funding of SBA programs is vital to the continued growth of the economy and the small business community. My goal is for the process to conclude with a renewed SBA that is completely dedicated to fostering small business ownership and job creation in America.

The SBA’s fundamental purpose is to “aid, counsel, assist, and protect the interests of small-business concerns.” The methods for carrying out this congressional mandate include a wide array of financial, procurement, management, and technical assistance programs tailored to encourage small business growth and expansion. As the Senate Committee on Small Business and Entrepreneurship, it is essential that Congress affirms long-term stability in the programs the SBA provides to the small business community. The American economy needs a strong and vibrant SBA because small businesses, which employ nearly 75 percent of all net new jobs, and employ 51 percent of the private-sector workforce.

There is no doubt that the SBA’s technical assistance programs have demonstrated impressive growth. During fiscal year 2005, the SBA provided 56,739 small businesses with technical assistance. That was an astounding 46.4 percent increase from the 38,754 small businesses assisted in fiscal year 2004. If there is a stronger small business, the SBA has numerous “truths” it can and should tout. Its record of achievement for fiscal year 2005 alone includes:

Counseling 1.5 million entrepreneurs through the agency’s Small Business Development Centers, Business Information Centers, SCORE and Women’s Business Centers;
approving over 89,000 business loans through the 7(a) and 504 lending programs;
and funding 74,307 7(a) program loans to small businesses for a total of more than $14 billion; and
a doubling of small business lending since 2001, with nearly a third of SBA-backed loans being made to minority-owned small businesses.

Despite a drastically declining share of the Federal budget, the data clearly indicate that the SBA’s programs have created or retained a significant number of jobs over the last several years. By the end of fiscal year 2004, the SBA’s Offices of Advocacy and Legislative Affairs report that the SBA’s lending and technical assistance programs enabled participating small businesses to create or retain 4.4 million new jobs. In addition, the SBA’s programs have helped to create or retain more than 1.5 million jobs during each passing year. In fiscal year 2004, the SBA’s programs created or retained 51.2 percent more jobs than they did in fiscal 1999.

Today is a pivotal time for the SBA.

The SBA’s largest small business financing program, the section 7(a) loan program, which provided almost $15 billion in support to all small businesses last year, by increasing the maximum size of a loan from $2 million to $3 million.

Require the SBA to implement a more efficient test for loan eligibility that measures businesses’ revenues, rather than merely their number of employees.

Establish a national preferred lender program to increase small businesses’ access to private-sector capital and eliminate administrative burdens on small business loans.

Restructure the Small Business Investment Company Program, an innovative public-private venture capital program that has provided more than $25 billion in financing to small businesses.

Expand the SBA’s capability to assist disaster victims by allowing private lenders to make loans at lower interest rates.

Increase Federal authority to prosecute, suspend, and debar large corporations which obtain government contracts by misrepresenting themselves as small businesses.

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Reform the SBA’s largest small business financing program, the section 7(a) loan program, which provided almost $15 billion in support to all small businesses last year, by increasing the maximum size of a loan from $2 million to $3 million.

Require the SBA to implement a more efficient test for loan eligibility that measures businesses’ revenues, rather than merely their number of employees.

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Today is a pivotal time for the SBA.

Reform the SBA’s largest small business financing program, the section 7(a) loan program, which provided almost $15 billion in support to all small businesses last year, by increasing the maximum size of a loan from $2 million to $3 million.
for start-up companies. Since 1953, nearly 20 million small business owners have received direct or indirect help from one of the SBA’s lending or technical assistance programs, making the agency one of the government’s most cost-effective instruments for economic development.

SBA loan and investment programs have produced success stories after success story, which include assisting the founders of Intel, Staples, and Federal Express, among thousands of other successful businesses. This bill will build upon these past successes and make the SBA even more effective.

The American economy needs a strong and vibrant Small Business Administration. This committee is here to help improve the SBA in any way possible to ensure the success of tomorrow’s entrepreneurs. Of course, the agency has been subjected to criticism, including my own. We can move beyond criticism and find solutions to the shortcomings and failures of the agency and transform it into an agency that is led with the same dedication to excellence found in the entrepreneurs it serves. The Small Business Reauthorization And Improvements Act of 2006 will help do just that.

Mr. KERRY. Mr. President, I rise today as ranking Democrat on the Committee on Small Business and Entrepreneurship, in support of a bipartisan bill being reported out of our committee, the Small Business Reauthorization and Improvements Act of 2006. This bill, which originated in our committee and which is the product of many Senators’ work, was voted out unanimously, 18 to 0. While there are no official cosponsors of the legislation because it is an original bill being reported out of committee, I would have been pleased to be added as an original cosponsor, and Senators LANDRIEU, CANTWELL, LIEBERMAN and VITTER also asked to be added as cosponsors. I would like to thank my colleague from Maine, Senator SNOWE, for making this a bipartisan process. This is the fourth Small Business reauthorization bill I have worked on, having been a member of the committee for 21 years. Our committee has the reputation for working across party lines to put what is important for small businesses first, and I appreciate that the Chair and her staff have worked with us on reauthorization with that goal in mind. The result is a bipartisan approach to reauthorizing the SBA for the next 3 years that includes not Republican or Democratic priorities but instead the priorities of America’s small businesses.

This reauthorization could not have come at a more opportune time to tackle some of the issues that are eating away at our small business programs and at the core mission of the SBA—which is to foster small business growth and bridge the gaps left by the private sector.

One of the most important things we are here to do today is to address the shortcomings and failures of the SBA’s disaster loan program. Nearly a year has passed since Hurricanes Katrina, Rita and Wilma battered the Gulf coast, and in that year I have visited New Orleans on three occasions. I can tell you that many of the streets are still covered in debris, and that many of the region’s small businesses are barely keeping their doors open. The SBA needs to be prepared to handle an emergency of this magnitude. Thanks in large part to the hard work of Senator Landrieu and her dedicated staff, this bill provides the tools to respond swiftly and effectively following future large scale disasters.

Through federally guaranteed bridge loans, States can offer small businesses short-term access to capital so that they can remain open while they wait for other sources of assistance to come through. We provide the President with the authority to declare a new category of disaster—a catastrophic national environmental disaster—such as the economic injury disaster loans for businesses located outside the immediate geographic disaster area. And we improve the way SBA and FEMA coordinate disaster assistance. A greater importance needs to be placed on serving the victims of the process via of applying for and receiving Federal assistance as painless and user friendly as possible. That is why we give the SBA the authority to work with private lenders to get disaster loans out quickly. And the total number of our committee tried to get SBA to embrace last year. This will only work if we can ensure that these loans do not come at a high cost to disaster victims. We are hopeful that our approach will keep interest rates down.

This bill also addresses the effects that the energy crisis is having on America’s small businesses. Gas prices are once again approaching record highs, and for the small businesses that depend on fuel to put food on the table, rising prices mean more than having to decide whether or not to drive to work. Included in the bill is the bipartisan Small Business Energy Emergency Relief Act, a bill which has passed the Senate before, which provides low-interest loans to small businesses dependent on fuel. The loans are triggered when oil prices increase significantly over the average price from the previous two years. This proposal is a recognition that the SBA’s 7(a) express loans for small businesses that are willing to invest in renewable energy solutions. In looking at our core programs, this bill makes a strong statement about the need for the SBA to fill the lending gap in our minority communities. It is unacceptable that since 2001, while numbers of 7(a) loans have gone up for African Americans, the actual dollars loaned have remained stagnant. In the Microloan program, African Americans received only 21 percent of the total number of loans made in 2005 as compared to only 21 percent of the total number of loans made in 2001. Native Americans alone will be completely cut out of the Microloan program. The stagnant lending in these communities is one of the administration to expand access to capital to our underserved communities, communities where conventional lending is not meeting the need.

The bill provides an incredible framework for the SBA to reverse this trend. It creates an Office of Small Business Development at the SBA, similar to offices devoted to business development of veterans and women and rural areas, and, it creates a grant program to develop a cross campus curriculum at Historically Black Colleges and Universities, Tribal Colleges, and Hispanic-Serving Institutions to encourage minority students in a wide range of fields to consider entrepreneurship. There is much to be done to bridge the wealth gap in minority communities and this is one approach worth pursuing. Finally, the bill incorporates legislation from my colleague, Senator JOHNSON, to provide financial assistance to tribal governments, tribal colleges, Native Hawaiian organizations, and Alaska Native corporations to create Native American business centers.

One of the keys to ensuring access to capital is making sure that SBA-backed financing remains affordable to the small business community. As we all know, the administration insisted on eliminating all funding for 7(a) loans and shifting the cost to borrowers and lenders by imposing higher fees. The President’s budget reveals that borrowers and lenders already pay too much in fees, getting back less than $800 million in overpayments since 1992 because the government routinely overestimates the amount of fees needed to cover the cost of the program. This bill seeks to address overpayments by requiring lower fees if borrowers and lenders pay more than is necessary to cover the program costs or if the Congress appropriates money for the program.

The bill also reauthorizes the PRIME program through 2009 and includes a provision that Senator BINGAMAN and I worked closely to develop that will expand PRIME with a separate $2 million authorization to provide technical assistance and counseling to disadvantaged Native American small business owners. The bill also includes technical and important changes in the Microloan program such as making loans to persons with disabilities as one of the statutorily enumerated “purposes” of the Microloan program and changing the average smaller loan size in the Microloan program from $7,500 to $10,000. In reauthorizing one of our other core programs, SBA’s 504 loan program, I am pleased that we were able to come
up with a bipartisan approach to preserving the local economic development focus of the program. The ability of our certified development companies, CDCs, to expand operations into multiple States, in conjunction with the growing demand for 504 loans, requires that we place in place accountability measures. The 504 program was not created for CDCs to expand operations and simply create revenue from one state to another. CDCs are more than lend and should not act like for-profit banks. This bill allows CDC board members to serve on another CDC board, but institutes safeguards to prevent control of multiple boards.

The bill also incorporates legislation I have introduced to create a Child Care Lending Pilot Program to expand the availability of affordable, quality childcare in this country by using the 504 loan program to spur the establishment and expansion of childcare providers. Right now only for-profit childcare centers are eligible for 504 loans, yet in some States a majority of affordable childcare is delivered through nonprofit providers and in the neediest communities nonprofits are often the only provider.

There is one provision in this bill that was added during our committee markup which concerns me, a provision which gives Federal agencies the option to direct 25 percent of SBIR funds to firms which are majority backed by venture capital investment. The firms which will benefit from this provision are primarily biotechnology firms and no one disagrees that they are doing critical work and should receive Federal support. I am committed to finding a way to help biotechnology firms but I am concerned that this set-aside may crowd out small firms that are not blessed with venture capital. SBIR is the only Federal research and development program devoted to small businesses and it has been universally praised for fostering innovative technologies and lifesaving therapies and medical devices that may never attract the support of venture capital firms. SBIR serves as seed funding for the companies that are willing to take on these research and development projects. It is important to retain the integrity of this program, and I look forward to working with my colleagues to find a way to strike a balance so that we can continue to support cutting edge research that is at such an early stage it has yet to attract the private sector.

Mr. President, before I close, I want to note that while this bill is truly bipartisan, so was our last reauthorization bill back in 2003, S. 1375. However, the reauthorization bill that was finally adopted back in 2004, was a notably partisan product, attached to an omnibus appropriations bill, with almost all Democratic provisions dropped. I urge the Senate to maintain today’s spirit of bipartisanship as we move forward, so that the final reauthorization bill truly reflects all of our efforts.
Whereas polycystic kidney disease (known as “PKD”) is the most prevalent life-threatening genetic disease in the United States, is a severe, dominantly inherited disease that has a devastating impact, in both human and economic terms, on all segments of our society, including those with no history of the disease within the family, affects equally people of all races, sexes, nationalities, geographic locations, and income levels;

Whereas, based on prevalence estimates by the National Institutes of Health, it is estimated that about 600,000 patients in the United States have a genetic inheritance from 1 or both parents called polycystic kidney disease, and that countless additional friends, loved ones, spouses, and caregivers must shoulder the physical, emotional, and financial burdens that polycystic kidney disease causes;

Whereas polycystic kidney disease, for which there is no cure, is 1 of the 4 leading causes of kidney failure in the United States;

Whereas the vast majority of polycystic kidney disease patients reach kidney failure at an average age of 53, causing a severe strain on dialysis and kidney transplant resources and on the delivery of health care in the United States, as the largest segment of the population of the United States, the “baby boomers,” continues to age;

Whereas end stage renal disease is one of the fastest growing components of the Medicare budget, and polycystic kidney disease contributes to that cost by an estimated $2,000,000,000 annually for dialysis, kidney transplantations and related therapies;

Whereas polycystic kidney disease is a systemic disease that causes damage to the kidney and the cardiovascular, endocrine, hepatic, and gastrointestinal organ systems and instills in patients a fear of an unknown future with a life-threatening genetic disease and apprehension over possible genetic discrimination;

Whereas the severity of the symptoms of polycystic kidney disease and the limited public awareness of the disease causes many patients to live in denial and forego regular visits to their physicians or to avoid following good health management which would help avoid more severe complications when kidney failure occurs;

Whereas people who have chronic, life-threatening diseases like polycystic kidney disease have a predisposition to depression (7 times example for how health insurance and its reimbursement consequences due to their anxiety over pain, suffering, and premature death;

Whereas the Senate and taxpayers of the United States have seen treatments and cures for disease and would like to see results from investments in research conducted by the National Institutes of Health and from such initiatives as the NIH Roadmap to the Future;

Whereas polycystic kidney disease is a verifiable example of the United States waiting to be adopted, and 49 percent of those children are at least 9 years old;

Whereas adoptive families make an important contribution in finding a loving family for the children they adopt by providing a stable, nurturing environment for those children;

Whereas National Adoption Day is a collective national effort to find permanent loving families for children in the foster care system;

Whereas both National Adoption Day and National Adoption Month occur in November;

Whereas, in 2002, the Department of Health and Human Services launched a series of public service announcements promoting the adoption of children aged 8 and older;

Whereas more than 6,000 children have been placed into adoptive homes since the Department of Health and Human Services launched www.adoptuskids.org, a national photo listing service for children awaiting adoption across the United States;

Whereas the PKD Foundation, specialists, professionals, child welfare agencies, and child advocates in 45 States and the District of Columbia participated in 227 events in conjunction with National Adoption Day; and

Resolved, That the Senate—

(1) recognizes and supports—

(1) supports the goals and ideals of a National Polycystic Kidney Disease Awareness Week to raise public awareness and understanding of polycystic kidney disease (known as “PKD”); (2) recognizes the need for additional research into a cure for polycystic kidney disease; and (3) encourages the people of the United States and interested groups to support National Polycystic Kidney Disease Awareness Week through programs and activities to promote public awareness of polycystic kidney disease and to foster understanding of the impact of the disease on patients and their families;

Whereas people who have chronic, life-threatening diseases like polycystic kidney disease have a predisposition to depression (7 times example for how health insurance and its reimbursement consequences due to their anxiety over pain, suffering, and premature death;

Whereas the Senate and taxpayers of the United States have seen treatments and cures for disease and would like to see results from investments in research conducted by the National Institutes of Health and from such initiatives as the NIH Roadmap to the Future;

Whereas polycystic kidney disease is a verifiable example of the United States waiting to be adopted, and 49 percent of those children are at least 9 years old;

Whereas adoptive families make an important contribution in finding a loving family for the children they adopt by providing a stable, nurturing environment for those children;

Whereas National Adoption Day is a collective national effort to find permanent loving families for children in the foster care system;

Whereas both National Adoption Day and National Adoption Month occur in November;

Whereas, in 2002, the Department of Health and Human Services launched a series of public service announcements promoting the adoption of children aged 8 and older;

Whereas more than 6,000 children have been placed into adoptive homes since the Department of Health and Human Services launched www.adoptuskids.org, a national photo listing service for children awaiting adoption across the United States;

Whereas the PKD Foundation, specialists, professionals, child welfare agencies, and child advocates in 45 States and the District of Columbia participated in 227 events in conjunction with National Adoption Day; and

Resolved, That the Senate—

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(1) supports the goals and ideals of a National Polycystic Kidney Disease Awareness Week to raise public awareness and understanding of polycystic kidney disease (known as “PKD”); (2) recognizes the need for additional research into a cure for polycystic kidney disease; and (3) encourages the people of the United States and interested groups to support National Polycystic Kidney Disease Awareness Week through programs and activities to promote public awareness of polycystic kidney disease and to foster understanding of the impact of the disease on patients and their families;

Whereas people who have chronic, life-threatening diseases like polycystic kidney disease have a predisposition to depression (7 times example for how health insurance and its reimbursement consequences due to their anxiety over pain, suffering, and premature death;

Whereas the Senate and taxpayers of the United States have seen treatments and cures for disease and would like to see results from investments in research conducted by the National Institutes of Health and from such initiatives as the NIH Roadmap to the Future;
SA 4769. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4770. Mr. WARRNER submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4771. Mr. FRIST (for himself, Mr. ALEXANDER, and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4772. Mr. KENNY (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4773. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4774. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4775. Mr. SESSIONS (for himself, Mr. KYL, and Mr. TALENT) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4776. Mr. SALAZAR (for himself, Mr. LEVIN, and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4777. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4778. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4779. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4780. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4781. Mr. DURBIN (for himself, Mr. OBAMA, and Mr. LANTZENBERG) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4782. Mr. LEAHY (for himself and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4783. Mr. SCHUMER (for himself, Mr. COLEMAN, and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4784. Mr. COLEMAN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4785. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4786. Mr. KYL (for himself, Mr. WYDEN, Mr. DEWEY, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. SALAZAR, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4787. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4788. Mr. KYL proposed an amendment to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4789. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4790. Mr. VOINOVICH (for himself, Mrs. CLINTON, Mr. LOTT, Mr. BINGAMAN, Mr. DEWEY, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4791. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4792. Mr. LANTZENBERG submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4793. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4794. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4795. Ms. KENNEDY (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. OBAMA, Mr. LANTZENBERG, Mr. LIEBERMAN, Mr. DURBIN, Mr. SCHUMER, Ms. STABENOW, Mr. JOHNSON, and Mr. DORGAN) proposed an amendment to the bill H.R. 5631, supra.

SA 4796. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4797. Mr. VOINOVICH (for himself and Mr. DEWEY) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4798. Mr. ISAKSON submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4799. Mr. DEWEY (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4800. Mr. DEWEY (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4801. Mr. DEWEY (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4802. Mr. KENNEDY (for himself, Mr. REID, Mr. BIDEN, Mr. LEVIN, Mr. REID, Mr. LANTZENBERG, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4803. Mr. DORLAND submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4804. Mr. LANTZENBERG (for himself, Mr. HARKIN, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. BINGAMAN, Mr. DURBIN, Mrs. LINCOLN, and Mr. MENDENHEIM) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4805. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4806. Mr. KYL (for himself, Mr. WYDEN, Mr. DEWEY, Mr. LIEBERMAN, Mrs. FEINSTEIN, Ms. CANTWELL, Mr. SALAZAR, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.

SA 4807. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4808. Mr. NELSON, of Florida submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4809. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4810. Mr. MURRAY submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4811. Mr. MURRAY submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4812. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4813. Mr. KENNEDY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra.
At the end of title VIII, add the following:

SEC. 1009. The Secretary of Defense shall submit to the congressional defense committees, at the same time the budget of the President for fiscal year 2008 is submitted to Congress pursuant to section 1105(a) of title 31, United States Code, a report setting forth the following:

(1) A plan to procure medical countermeasures for purposes of treating forward deployed members of the Armed Forces against the lethal effects of actinomycosis leprosy, including neutropenia and thrombocytopenia.

(2) An identification of the countermeasures required by the Armed Forces in the event of a nuclear or bioterrorist attack.

(3) A plan for the forward deployment of the countermeasures identified under paragraph (2), including an assessment of the costs associated with implementing such plan.

SA 4765. Ms. KENNEDY (for herself, Mr. Lieberman, Mr. Lautenberg, and Mr. Durbin) submitted an amendment intended to be proposed by him to the bill H.R. 5631, which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 1009. (a) ARMORY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY. —

The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Army" is hereby increased by $12,000,000.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY.—

The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Navy" is hereby increased by $13,000,000.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE.—The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Air Force" is hereby increased by $5,000,000.

The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Air Force" is hereby increased by $5,000,000.

The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Air Force" is hereby increased by $5,000,000.

The amount appropriated by title IV under the heading "Research, Development, Test and Evaluation, Air Force" is hereby increased by $5,000,000.

At page 218, between lines 6 and 7, insert the following:

SEC. 1009. None of the funds appropriated or otherwise made available by this Act may be used to enter into or carry out a contract for the performance by a contractor of any base operation support service at Walter Reed Army Medical Hospital pursuant to a contract entered into under Office of Management and Budget Circular A-76 that was initiated on June 13, 2000, and has the solicitation number DADA 10-03-R-0001.

S 8631, supra; which was ordered to lie on the table.

SA 4834. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4835. Mrs. CLINTON (for herself and Mr. Schumer) submitted an amendment intended to be proposed by her to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4836. Mr. SMITH submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4837. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4838. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4839. Mr. OBAMA submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4840. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4841. Mr. ALLEN (for himself and Mr. WARBURG) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4842. Mr. KYL (for himself, Mr. WYDEN, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4843. Mr. KENNEDY (for himself and Mrs. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4844. Mr. SESSIONS (for himself, Mr. WARNER, and Mr. NELSON, of Nebraska) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4845. Mr. PRYOR (for himself and Mr. FRINGOLDS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4846. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4847. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4848. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4849. Mr. BOND submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4850. Mr. LAUTENBERG (for himself, Mr. HARKIN, Ms. STABENOW, Mr. LINCOLN, Mr. MENENDEZ, Ms. MIKULSKI, and Mr. BINGMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, supra; which was ordered to lie on the table.

SA 4762. Mr. STEVENS proposed an amendment to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

The heading "STUDY ON TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM" is hereby increased by $9,000,000.

On page 218, between lines 6 and 7, insert the following:

SEC. 1009. None of the funds appropriated or otherwise made available by this Act may be used to enter into or carry out a contract for the performance by a contractor of any base operation support service at Walter Reed Army Medical Hospital pursuant to a contract entered into under Office of Management and Budget Circular A-76 that was initiated on June 13, 2000, and has the solicitation number DADA 10-03-R-0001.

SA 4765. Mr. KENNEDY (for himself, Ms. Collins, Mr. Bingman, Mr. Rob-ertson, Mr. Specter, Mr. Feingold, Mr. Baucus, Ms. Stabenow, Mrs. Clinton, Mr. Lieberman, and Mr. Dur-}
“RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, as increased by paragraph (1), up to $9,000,000 may be available for Program Element 0601202DFZ for the Sensors and Reconnaissance National Defense Education Program.

(e) DARPA UNIVERSITY RESEARCH PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—

(1) ADDITIONAL AMOUNT—RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE” is hereby increased by $6,000,000.

(2) AVAILABILITY FOR DARPA PROGRAM IN COMPUTER SCIENCE AND CYBERSECURITY.—Of the amount increased by paragraph (1), not less than $4,000,000 shall be available for Program Element 06011181E the Defense Advanced Research Projects Agency Program in Computer Science and Cybersecurity.

(f) OFFSET.—The amount appropriated by title II under the heading “OPERATION AND MAINTENANCE, DEFENSE-WIDE” is hereby reduced by $45,000,000.

SA 4766. Mr. INOUYE submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

Section 8109. Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, ARMY”, up to $500,000 may be available for the United States Army Center of Military History, to issue exhibit on military experience in World War II.

SA 4767. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

Section 8109. Of the amount appropriated or otherwise made available by title II under the heading “AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT” to replace air assets and upgrade air operations facilities, $580,000,000, to remain available: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

SA 4768. Mr. CORNYN (for himself, Mr. KYL, Mr. BURNS, and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the appropriate place, insert the following:

TITLE II—BORDER SECURITY AND IMMIGRATION REFORM

CHAPTER 1—DEPARTMENT OF HOMELAND SECURITY

UNITED STATES VISITOR AND IMMIGRATION STATUS INDICATOR TECHNOLOGY

For an additional amount for “United States Visitor and Immigration Status Indicator Technology” to accelerate biometric database integration and conversion to 10-print enrollment, $60,000,000, to remain available until expended: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

CUSTOMS AND BORDER SECURITY RESEARCH, TECHNOLOGY, AND EVALUATION

For an additional amount for “Salaries and Expenses”, $173,000,000, to remain available until September 30, 2007, Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

UNITED STATES COAST GUARD ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For an additional amount for “Acquisition, Construction, and Improvements” for acquisition, construction, and improvement of vessels, aircraft, and equipment, $416,000,000, to remain available until expended: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

For an additional amount for “United States Citizenship and Immigration Services” for the development and the implementation of the Electronic Employment Verification System, $400,000,000: Provided, That the amount provided under this heading may not be obligated until the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security: Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.

GENERAL PROVISIONS—This Title

Notwithstanding any other provision in law, the transfers and programming conditions of the Department of Homeland Security Appropriations Act, 2007 shall apply to this title.

CHAPTER 2—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

ADMINISTRATIVE REVIEW AND APPEALS

For an additional amount for “Administrative Review and Appeals”, $2,600,000, to remain available until September 30, 2007: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 83 (109th Congress), the concurrent resolution on the budget for fiscal year 2007, as made applicable in the Senate by section 7035 of Public Law 109-234.
SA 4769. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8108. Of the amount appropriated or otherwise made available by title IV under the heading ‘Research, Development, Test and Evaluation, Defense-Wide’, up to $2,000,000 may be available for Gas Chromatographic Mass Spectrometers for Weapons of Mass Destruction Civil Support Teams.

SA 4770. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8108. (a) Joint Advertising, Market Research and Studies (JAMRS) program.

(b) Supplement not supplant.—The amount available under subsection (a) for the program referred to in that subsection is in addition to any other amounts available in this Act for that program.

SA 4771. Mr. FRIST (for himself, Mr. ALEXANDER, and Mr. ALLEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Notwithstanding the first section of Public Law 85–805 (50 U.S.C. 1431), in the event a notice on the modification of a contract described in that section is submitted to the Committees on Armed Services of the Senate and the House of Representatives by the Army Contract Adjustment Board during the period beginning on July 29, 2007, and ending on the date of the adjournment of the 109th Congress sine die, such contract may be modified in accordance with such notice commencing on the earlier of—

(1) the date that is 60 calendar days after the date of such notice; or

(2) the date of the adjournment of the 109th Congress sine die.

SA 4772. Mr. CARPER (for himself and Mr. MCCONNELL) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. PROHIBITION ON PAYMENT OF AWARD FEES TO DEFENSE CONTRACTORS IN CASES OF CONTRACT NON-PERFORMANCE.

None of the funds appropriated or otherwise made available by this Act may be obligated or expended to provide award fees to any defense contractor for performance that does not meet the requirements of the contract.

SA 4773. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title IX, add the following:

SEC. 9012. Of the amount appropriated or otherwise made available by chapter 2 of this title under the heading “Operation and Maintenance, Army National Guard”, up to $6,700,000 may be available for the pilot program of the Army National Guard on the reintegration of members of the National Guard into civilian life after deployment.

SA 4774. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “Research, Development, Test and Evaluation, Air Force”, up to $2,000,000 may be available for the Transportable Transponder Landing System.

SA 4775. Mr. SESSIONS (for himself, Mr. KYL, and Mr. TALENT) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “Research, Development, Test and Evaluation, Navy”, up to $2,000,000 may be available for the Advanced Airship Flying Laboratory.

SA 4776. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title II under the heading “Operation and Maintenance, Defense-Wide”, up to $7,500,000 may be available for the Army National Guard, for our Military Kids Program.

SA 4778. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title IV under the heading “Research, Development, Test and Evaluation, Air Force”, up to $4,000,000 may be available for the Winnemucca Transponder Landing System.

SA 4779. Mr. WARNER submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) FUNDING FROM OPERATION AND MAINTENANCE, ARMY RESERVE, FOR OUR MILITARY KIDS PROGRAM.—Of the amount appropriated or otherwise made available by title II under the heading “Operation and Maintenance, Army Reserve” up to $500,000 may be available for the Army National Guard, for our Military Kids Program.

(b) FUNDING FROM OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD, FOR OUR MILITARY KIDS PROGRAM.—Of the amount appropriated or otherwise made available by
At the appropriate place, insert the following:

SEC. 8109. Of the amount appropriated or in the report of the Senate to accompany H.R. 5631 of the 109th Congress, may not be treated as having been approved by both Houses of Congress unless such limitation, directive, or earmark, as the case may be, is included in the report of the committee on conference on H.R. 5631 of the 109th Congress or the joint explanatory statement of the committee on conference to accompany such report of the committee on conference.

SA 4787. Mr. COBURN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, between lines 6 and 7, insert the following:

SEC. 8109. Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Congress a report on all limitations, directives, or earmarks included in the report of the Senate to accompany the bill H.R. 5631 of the 109th Congress or the joint explanatory statement of the committee on conference to accompany such report of the committee on conference.

On page 218, after line 24, add the following:

At the appropriate place, insert the following:

SEC. 8109. (a) Posting of Certain Reports on Department of Defense Internet Website. Each report described in subsection (b) shall be posted on the Internet website of the Department of Defense for the public not later than 48 hours after the submittal of such report.

(b) Covered Reports—The reports described in this subsection are the reports as follows:

(1) Each report required by a provision of this Act to be submitted by the Department of Defense to the Committees on Appropriations of the Senate and the House of Representatives.

(2) Any report required to be submitted by the Department of Defense to Congress in support of the budget of the President for fiscal year 2009 (as submitted to Congress pursuant to section 1105 of title 31, United States Code) for the Department of Defense, including any budget justification documents in support of such budget for the Department of Defense.

(c) Reduction of Certain Information.—In posting a report on the Internet website of the Department under subsection (a), the Secretary of Defense may redact any information whose release to the public would, as determined by the Secretary, compromise the national security of the United States.

SA 4788. Mr. KYL proposed an amendment to amendment SA 4775 submitted by Mr. Sessions (for himself, Mr. Kyl, and Mr. Talent) to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On line 2, strike “$2,053,000,000” and insert “$2,053,100,000.”

SA 4789. Ms. STABENOW submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise available by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to $2,000,000 may be available for the improvement of imaging and cognitive technologies to treat brain injuries suffered in combat.

SA 4790. Mr. VOINOVICH (for himself, Mrs. CLINTON, Mr. LOTT; Mr. BINGMAN, Mr. DEWINE, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 218, after line 24, add the following:

At the appropriate place, insert the following:

SEC. 8109. None of the funds appropriated in this Act or any other Act may be used before October 1, 2011 to implement the provision under section 9902(c)(1) of title 5, United States Code, relating to the application of the National Security Personnel System on or after October 1, 2008.

SA 4791. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes;
which was ordered to lie on the table: as follows:

At the end of title VIII, add the following:

SEC. 8109. ENERGY SECURITY.

(a) Short Title.—This section may be cited as the “Transforming Energy Now Act of 2006”.

(b) Tax Credits.—

(1) INCREASE IN ALTERNATIVE FUEL VEHICLE REFUNDS.—Section 30C(q) of the Internal Revenue Code of 1986 is amended by striking “30 percent” and inserting “50 percent”.

(2) AT WILL.—

(A) PERSONAL CREDIT.—Paragraph (2) of section 30C(d) of the Internal Revenue Code of 1986 is amended by striking “the excess (if any)” and all that follows and inserting “the excess of—

(A) the amount of the regular tax liability (as defined under section 26(b)) plus the tax imposed by section 55, over

(B) the sum of the credits allowable under subpart A and sections 27, 30, and 30B.”.

(B) BUSINESS CREDIT AMOUNT.—Subpara-

graph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking “and” at the end;

(ii) in clause (ii)(II), by striking the period at the end and inserting “,” and”; and

(iii) by adding at the end the following:

(iii) the public demand for each alternative fuel;

(3) ADMINISTRATION OF GRANTS.—

(A) DIRECT GRANTS TO FUEL STATION OWN-

ERS AND OPERATORS.—The Secretary of En-

ergy shall award grants directly to owners and operators of fueling stations for the purpose of installing fueling equipment for specific types of alternative fuels that can be used in fewer than 50,000 vehicles produced in the United States in the prior vehicle production year.

(B) GRANT RECIPIENT.—Corporations receiv-

ing an allocation under subparagraph (A) shall provide grant recipients under paragraph (3) with technical and marketing assistance, including—

(i) technical advice for compliance with applicable Federal and State environmental requirements;

(ii) assistance in identifying alternative fuel supply sources; and

(iii) point of sale and labeling materials.

(4) OPERATION OF ALTERNATIVE FUEL STATIONS.—

(A) IN GENERAL.—The Secretary of Energy shall require a grantee to dispense alternative fuels at a public alternative fuel station and use the funds received for that purpose in accordance with the terms and conditions of the grant.

(B) USE OF FUNDING.—Grants received under paragraph (3) shall be used to provide alternative fuel infrastructure, including pump stations, that is directly related to the retail delivery to consumers of any fuel that contains not less than 85 percent ethanol, by volume.

(SEC. 320. LOW-INTEREST LOAN AND GRANT PROGRAM FOR RETAIL DELIVERY OF E-85 FUEL.

(a) Purposes of Loans.—Section 512(a) of the Energy Policy Act of 1992 (42 U.S.C. 17012(a)) is amended—

(A) in paragraph (9)(B), by striking “or” at the end;

(B) in paragraph (10), by striking the period at the end and inserting “; or”;

(C) by adding at the end the following:

(ii) with grant funds received under this paragraph—

(1) to provide alternative fuel available to the public for a period of not less than 4 years;

(B) OPERATION OF ALTERNATIVE FUEL STATIONS.—Facilities constructed or upgraded with grant funds received under this subsection—

(A) provide alternative fuel available to the public for a period of not less than 4 years;

(B) establish a marketing plan to advance the sale and use of alternative fuels;
(1) Amortization.—The repayment of a loan received under this section shall be amortized over the expected life of the infrastructure project that is being financed with the proceeds of the loan.

(2) Interest rate.—The annual interest rate of a loan received under this section shall be fixed at not more than 5 percent.

(c) Authorization of Appropriations.—

There are authorized to be appropriated such sums as are necessary to carry out this section.

(3) Regulations.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this subsection.

SA 4792. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title III under the heading "DEFENSE, Air Force", up to $20,000,000 may be available for the procurement of Radiation Hardened Microelectronics (HX5000).

SA 4793. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title III under the heading " PROCUREMENT, MARINE CORPS", up to $9,500,000 may be available for the procurement of the Laser Perimeter Awareness System to improve antiterrorism and force protection functions at key Marine Corps operating locations.

SA 4794. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. Of the amount appropriated or otherwise made available by title VI under the heading "DEFENSE HEALTH PROGRAM", up to $500,000 may be available for the Coordination of International Neuromuscular Research Group (CINRG).

SA 4795. Mr. REID (for himself, Mr. ROCKEFELLER, Mr. KERRY, Mr. OBAMA, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. DURBAN, Mr. SCHUMER, Ms. STABENOW, Mr. JOHNSTON, and Mr. DORGAN) proposed an amendment to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of the appropriate place add the following:

SECTION I. SHORT TITLE, ETC.

(a) Short Title.—This Section may be cited as the "Tax Extension Relief Act of 2006".

(b) Reference.—Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents for this Act is as follows:

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SEC. 102. EXTENSION AND MODIFICATION OF NEW MARKETS TAX CREDIT.

(a) Extension.—Section 45D(f)(1)(B) is amended by striking "2007" and inserting "2007 and 2008".

(b) Regulations Regarding Non-Metropolitan Counties.—Section 45D(i) is amended by striking the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting "and", and by adding at the end the following new paragraph: "(6) which ensure that non-metropolitan counties receive a proportional allocation of qualified equity investments."

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 103. ELECTION TO DEDUCT STATE AND LOCAL GENERAL SALES TAXES.

(a) In General.—Section 164(b)(5)(I) is amended by striking "2006" and inserting "2008".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 104. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) Extension.—

(1) In General.—Section 1(b)(1)(B) is amended by striking "2005" and inserting "2007".

(2) Conforming Amendment.—Section 45(b)(1)(D) is amended by striking "2005" and inserting "2007".

(b) Effective Date.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2005.

(c) Increase in Rates of Alternative Incremental Credit.—

(1) in General.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended by—

(A) by striking "2.65 percent" and inserting "3 percent",

(B) by striking "3.2 percent" and inserting "4 percent", and

(C) by striking "3.75 percent" and inserting "5 percent".

(2) Effective Date.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2006.

(d) Alternative Simplified Credit for Qualified Research Expenses.—

(1) In General.—Subparagraph (a)(1) of section 41 (relating to base amount) is amended by redesignating subparagraphs (6) and (7), respectively, and by inserting after paragraph (6) the following new paragraph:

"(7) ELECTION OF ALTERNATIVE SIMPLIFIED CREDIT.—

"(A) In General.—At the election of the taxpayer, the credit determined under subparagraph (a)(1) shall be equal to 12 percent of so much of the qualified research expenses for the taxable year as exceed 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.

"(B) Special Rule in Case of No Qualified Research Expenses in Any of 3 Preceding Taxable Years.—

"(i) taxpayers to which subparagraph applies.—The credit under this paragraph shall be determined under subparagraph (a)(1) if the taxpayer has no qualified research expenses in any one of the 3 taxable years preceding the taxable year for which the credit is being determined.

"(ii) Credit Rate.—The credit determined under this subparagraph shall be equal to 6 percent of the qualified research expenses for the taxable year for which the credit is being determined.

"(C) Election.—An election under this paragraph shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary. An election under this paragraph may not be made for any taxable year to which an election under paragraph (4) applies.

"(D) Coordination with Election of Alternative Incremental Credit.—

"(i) in General.—Subsection (4)(a)(4)(B) (relating to election) is amended by adding at the end the following: "An election under this paragraph may not be made for any taxable year to which an election under paragraph (5) applies.".

(2) Transition Rule.—In the case of an election under section 41(c)(4) of the Internal Revenue Code made by the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by subsection (c)) for such year.

(3) Effective Date.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2006.

SEC. 105. WORK OPPORTUNITY TAX CREDIT AND WELFARE-TO-WORK CREDIT.

(a) In General.—Sections 51(c)(4)(B) and 51A(c) are each amended by striking "2005" and inserting "2007".

(b) Eligibility of Ex-Residents Determined Without Regard to Family Income.—Paragraph (4) of section 51 is amended by striking "and", and adding at the end of subparagraph (A), by inserting "and", and by striking "at the time of the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by subsection (c)) for such year.

(c) Effective Date.—The amendments made by this subsection shall apply to amounts paid or incurred after December 31, 2006.

SEC. 106. CONGRESSIONAL RECORD

The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A. Section 51 is amended by inserting after subsection (d) the following new subsection:

"(e) Consolidation of Work Opportunity Credit With Welfare-to-Work Credit.—

"(1) in General.—Section 51(d)(9) is amended by striking "201" and inserting "2007".

"(2) Long-Term Family Assistance Recipient.—The term "long-term family assistance recipient" means any individual who is certified by the designated local agency—

"(A) as being a member of a family receiving assistance under a "long-term family assistance program" as defined in section 32(c)(2)(B)(i)(II) for at least 18 months ending on the hiring date, and

"(B) as being a member of a family re- ceiving such assistance for a maximum of 48 months beginning after August 5, 1997, and

"(ii) as having a hiring date which is not more than two years after the end of the earliest such 18-month period, or

"(C) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by the Federal government (or a State) on maximum period such assistance is payable to a family, and

"(ii) as having a hiring date which is not more than two years after the date of such cessation.

"(3) Increased Credit For Long-Term Family Assistance Recipients.—

Section 51 is amended by inserting after subsection (d) the following new subsection:

"(e) Credit For Second-Year Wages For Employment Of Long-Term Family Assistance Recipients.—

"(1) In General.—With respect to the employment of a long-term family assistance recipient—

"(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

"(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, the amount of the qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed $10,000 per year.

SEC. 107. EXTENSION AND MODIFICATION OF QUALIFIED ZONE ACADEMY BONDS.

(a) In General.—Paragraph 1 of section 1397E(e) is amended by striking "2006", and inserting, in place thereof, "2005", "2006", and "2007".

(b) Special Rules Relating To Expendi- tures, Arbitrage, and Reporting.—

"(1) In General.—Section 1397E is amended—

"(a) in subsection (d)(1), by striking "and" at the end of subparagraph (C)(ii), by striking the period at the end of subsection (D) and inserting "and", and by adding at the end the following new subparagraph:

"(E) the issue meets the requirements of subsections (f), (g), and (h), respectively, and by inserting after subsection (d) the following new subsections:

"(1) Special Rules Relating To Expendi- tures.—

SEC. 108. WORK OPPORTUNITY TAX CREDIT REPEAL.
“(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the issuer reasonably expects—

(A) that 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified purposes with respect to qualified zone academies within the 5-year period beginning on the date of issuance of the qualified zone academy bond,

(B) a binding commitment with a third party to spend at least 10 percent of the proceeds of the issue will be incurred within the 6-month period beginning on the date of issuance of the qualified zone academy bond, and

(C) each purpose will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related purposes will continue to proceed with due diligence.

(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance of the bond if an extension has been obtained under paragraph (2), by the close of the extended period, the issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 1412.

“(g) SPECIAL RULES RELATING TO ARBITRAGE.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the issuer satisfies the arbitrage requirements of section 1418 with respect to proceeds of the issue.

(h) REPORTING.—Issuers of qualified academy zone bonds shall submit reports similar to the reports required under section 1415(e).

(2) CONFORMING AMENDMENTS.—Sections 54(f)(1)(B)(i) and 1400N(f)(1)(B)(ii) are each amended by striking “section 1397E(i)” and inserting “section 1397E(g)(1)”.

(c) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2005.

(2) The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act pursuant to allocations of the national zone academy bond limitation for calendar years after 2005.

SEC. 108. ABOVE-THE-LINE DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(c) of title 26 shall be amended by striking “or 2005” and inserting “2005, 2006, or 2007”.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. 109. EXTENSION AND EXPANSION OF EXPENSING OF BROWNFIELDS REMEDIATION COSTS.

(a) EXTENSION.—Section 198(h) of section 199 is amended by striking “2005” and inserting “2005, 2006, or 2007”.

(b) EXPANSION.—Section 198(d)(1) (defining hazardous substance) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “and”, and by adding at the end the following new subparagraph:

“(C) any petroleum product (as defined in section 6621(a)(3)).

(c) EFFECTIVE DATE.—The amendments made by this subsection shall apply to expenditures paid or incurred after December 31, 2005.

SEC. 110. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATIONS.—

(1) IN GENERAL.—Subsection (f) of section 1400A is amended by striking “2005” both places it appears and inserting “2007”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2005.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking “2005” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2005.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking “2006” each place it appears and inserting “2008”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking “2010” and inserting “2012”, and

(ii) by striking “2010” in the heading thereof and inserting “2012”.

(B) Section 1400B(g)(2) is amended by striking “2010” and inserting “2012”.

(3) EFFECTIVE DATES.—

(A) EXTENSION.—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2005.

(B) CONFORMING AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(c) TIME FOR FILING REPORTS, ETC.—

(A) IN GENERAL.—Subsection (c) of section 2504 is amended by striking “2005” and inserting “2007”.

(B) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2005.

SEC. 111. INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Subsection (A) of section 1397E(l) is amended—

(1) by striking “2005” and inserting “2007”;

(2) by striking “2006” and inserting “2008”;

(3) by striking “2005” and inserting “2007”;

(4) by striking “2006” and inserting “2008”; and

(5) by striking “2005” and inserting “2007”.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. 112. ACCELERATED DEPRECIATION FOR BROWNFIELDS REHABILITATION PROPERTY ON INDIAN RESERVATIONS.

(a) IN GENERAL.—Subsection (f) of section 168 is amended by striking “2005” and inserting “2007”.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2005.

SEC. 113. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY.

(a) IN GENERAL.—Subsection (g) of section 179 is amended—

(1) in the heading by striking “2010” and inserting “2012”;

(2) in the definition of “qualified property” inserted by section 179(e)(4)(B) for purposes of section 179(e)(4)(B) (defining qualified research costs) by striking “2010” and inserting “2012”;

(3) in the heading by striking “2012” and inserting “2014”;

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2005.

SEC. 114. CREDIT OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 6752(f)(1) is amended by striking “2006” and inserting “2007”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles brought into the United States after December 31, 2005.

SEC. 115. PARITY IN APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 9812(b)(3) is amended by striking “2006” and inserting “2007”.

(b) AMENDMENT TO THE EMPLOYER RETIREMENT INCOME SECURITY ACT OF 1974.—Section 712(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185(c)) is amended by striking “2006” and inserting “2007”.

SEC. 116. CORPORATE DONATIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH AND OF COMPUTER TECHNOLOGY AND EQUIPMENT.

(a) EXTENSION OF COMPUTER TECHNOLOGY AND EQUIPMENT DONATION.—

(1) IN GENERAL.—Subsection 170(e)(6)(G) is amended by striking “2005” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made in taxable years beginning after December 31, 2005.

(b) EXPANSION OF CHARITABLE CONTRIBUTIONS ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(1) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(A) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting “or assembled” after “constructed”.

(B) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by striking “or assembled” after “constructed” and “or assembling” after “construction”.

(2) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(A) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(B) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) is amended by inserting “or assembled” after “constructed” and “or assembling” after “construction”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. 117. AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 223(b) are each amended by striking “2005” each place it appears in the text and headings and inserting “2007”.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 223(b) is amended—

(A) in the text by striking “or 2004” each place it appears and inserting “2005, 2006, or 2007”;

(B) in the heading by striking “or 2004” and inserting “2005, 2006, or 2007”.

(2) Subparagraph (A) of section 223(b)(4) is amended by striking “2004” and inserting “2004, 2005, and 2006”.

(c) TIMING FOR FILING REPORTS, ETC.—
(1) The report required by section 220(j)(4) of the Internal Revenue Code of 1986 to be made on August 1, 2005, shall be treated as timely if made before the close of the 90-day period beginning on the date of the enactment of this Act.

(2) The determination and publication required by section 220(j)(5) of such Code with respect to New York Liberty Zone governmental units shall be treated as timely if made before the close of the 120-day period beginning on the date of the enactment of this Act. If the determination under paragraph (1) of this section is that 2005 is a cut-off year under section 220(i) of such Code, the cut-off date under such section 220(i) shall be the last day of such 120-day period.

SEC. 118. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARITIME AND INLAND WATERS.

(a) In General.—Section 613A(c)(6)(H) is amended by striking “2006” and inserting “2008”.

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

SEC. 119. AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) In General.—For purposes of section 30A of the Internal Revenue Code of 1986, a domestic corporation shall be treated as a qualified domestic corporation to which such section applies if such corporation—

(1) is an existing credit claimant with respect to American Samoa, and

(2) elected the application of section 936 of such Code as relates to such section 30A (and so much of section 936 of such Code as relates to such section 30A) for any period beginning on or after January 1, 2006.

(b) Special Rules for Application of Section.—The following rules shall apply in applying section 30A of the Internal Revenue Code of 1986 for purposes of this section:

(1) Amount of Credit.—Notwithstanding section 30A(a)(1) of such Code, the amount of the credit determined under section 30A(a)(1) of such Code for any taxable year shall be the amount determined under section 30A(d)(1) of such Code, except that section 30A(d)(1) shall be applied without regard to paragraph (3) thereof.

(2) Separate Application.—In applying section 30A(a)(3) of such Code in the case of a corporation treated as a qualified domestic corporation by reason of this section, section 30A of such Code (and so much of section 936 of such Code as relates to such section 30A) shall be applied separately with respect to American Samoa.

(3) Foreign Tax Credit Allowed.—Notwithstanding section 30A(c) of such Code, the provisions of section 938(c) of such Code shall not apply with respect to the credit allowed by reason of this section.

(c) Definitions.—For purposes of this section, any term which is used in this section which is also used in section 30A or 936 of such Code shall have the same meaning given such term by such section 30A or 936.

(d) Application of Section.—Notwithstanding section 30A(b) or 936(b) of such Code (and so much of section 936 of such Code as relates to this section) shall apply to the first two taxable years of a corporation to which subsection (a) applies which begin after December 31, 2005, and before January 1, 2008.

SEC. 120. RESTRUCTURING OF NEW YORK LIBERTY ZONE TAX CREDITS.

(a) In General.—Part I of subsection (b) of chapter 1400L of section 1400L of the Internal Revenue Code of 1986 is amended by redesignating section 1400L as 1400K and by adding at the end the following new section:

"SEC. 1400L. NEW YORK LIBERTY ZONE TAX CREDIT.

"(a) In General.—In the case of a New York Liberty Zone governmental unit, there shall be allowed as a credit against any taxes imposed for any payroll period by section 3402 for which such governmental unit is liable under such section 3403 an amount equal to such of the qualifying project expenditure amount allocated under subsection (b)(3) to such governmental unit for the calendar year as is equal to such governmental unit to such period under subsection (b)(4).

(b) QUALIFYING PROJECT EXPENDITURE AMOUNT.—For purposes of this section—

(1) In General.—The term ‘qualifying project expenditure amount’ means, with respect to any calendar year, the sum of—

(A) the amount paid by reason of this section.

(2) APPLICABLE LIMIT.—For purposes of clause (1), the applicable limit for any calendar year is—

(I) the lesser of—

(i) such excess, or

(ii) the qualifying project expenditure amount for such calendar year, reduced by an amount allocated to such governmental unit under this subparagraph for all preceding calendar years.

(3) ALLOCATION TO PAYROLL PERIODS.—Excess of the aggregate amount allocated to a New York Liberty Zone governmental unit which has been allocated a portion of the qualifying project expenditure amount under paragraph (3) for a calendar year may be allocated to such payroll periods beginning in such calendar year as such governmental unit determines appropriate.

(c) CARRYBACK OF UNALLOCATED ALLOCATIONS.—(1) In General.—Except as provided in paragraph (2), if the amount allocated under subsection (b)(3) to a New York Liberty Zone governmental unit for any calendar year exceeds the aggregate taxes imposed by section 3402 for which such governmental unit is liable under section 3403 for periods beginning in such year, such excess shall be carried to the succeeding calendar year and added to the allocation of such governmental unit for such succeeding calendar year. No amount may be carried under the preceding sentence to a calendar year after 2025.

(2) Reallocation.—New York Liberty Zone governmental units do not use an amount allocated to it under subsection (b)(3) within the time prescribed by the Governor of the State and the Mayor of the City of New York. New York, then such amount shall after such time be treated for purposes of subsection (b)(3) in the same manner as if it had never been allocated.

(d) Definitions and Special Rules.—For purposes of this section—

(1) Credit Period.—The term ‘credit period’ means the 15-year period beginning on January 1, 2007.

(2) New York Liberty Zone Governmental Unit.—The ‘New York Liberty Zone governmental unit’ means—

(A) the State of New York,

(B) the City of New York, New York, and

(C) any agency or instrumentality of such State or City.

(3) Treatment of Funds.—Any expenditure for a qualifying project taken into account for purposes of this section shall be considered State and local funds for the purpose of any Federal program.

(4) Treatment of Credit Amounts for Purposes of Withholding Taxes.—For purposes of this title, a New York Liberty Zone governmental unit shall be treated as having paid to the Secretary, on the day on which wages are paid to employees, an amount equal to the credit allowed to such entity under subsection (a) with respect to such wages, but only if such governmental unit deducts and withholds wages for such payroll period under section 3401 (relating to wage withholding).

(e) Reporting.—The Governor of the State of New York and the Mayor of the City of New York, New York, shall jointly submit to the Secretary an annual report—

(1) which certifies—

(A) the qualifying project expenditure amount for the calendar year, and

(B) the amount allocated to each New York Liberty Zone governmental unit under subsection (b)(3) for the calendar year,

(2) includes such other information as the Secretary may require to carry out this section.

(f) Guidance.—The Secretary may prescribe such guidance as may be necessary or appropriate to ensure compliance with the purposes of this section.
“(g) TERMINATION.—No credit shall be allowed under subsection (a) for any calendar year after 2026.”.

(b) TERMINATION OF CERTAIN NEW YORK LIBERTY ZONE BENEFITS.—

(1) SPECIAL ALLOWANCE AND EXPENDING.—Section 1400K(b)(2)(A)(v), as redesignated by subsection (a), is amended by striking “the termination date” and inserting “the date of the enactment of the Tax Relief and Health Care Act of 2006 or the termination date if pursuant to a binding contract in effect on such enactment date”.

(2) LEASISHOLD.—Section 1400K(c)(2)(B), as so redesignated, is amended by striking “before January 1, 2007” and inserting “before the date of the enactment of the Tax Relief and Health Care Act of 2006 or before January 1, 2007, if pursuant to a binding contract in effect on such enactment date”.

(c) CONFORMING AMENDMENTS.—

(1) Section 38(c)(3)(B) is amended by striking “section 1400L(a)” and inserting “section 1400K(a)”.

(2) Section 168(k)(2)(D)(i) is amended by striking “section 1400L(c)(2)” and inserting “section 1400K(c)(2)”.

(3) The table of sections for part I of subchapter Y of chapter 1 is amended by striking “1400L” and inserting “1400K”. (d) EFFECTIVE DATE.—

(1) I N GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to periods beginning after December 31, 2006.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall take effect as if included in section 303 of the Job Creation and Worker Assistance Act of 2002.

 SEC. 121. EXTENSION OF BONUS DEPRECIATION FOR CERTAIN QUALIFIED GULF OPPORTUNITY ZONE PROPERTY.

(a) In GENERAL.—Subsection (d) of section 1400N is amended by adding at the end the following new paragraph:

“(6) on such enactment date property.—

“(A) In general.—In the case of any specified Gulf Opportunity Zone extension property

(i) substantially all of the use of which in one or more specified portions of the GO Zone, and

(ii) which is—

(I) nonresidential real property, or

(II) personal property which is placed in service by the taxpayer on or before December 31, 2009, or

(III) in the case of a taxpayer who places a building described in subparagraph (I) in service on or before December 31, 2009, property described in section 186(h)(2)(A)(i) if substantially all of the use of such property is in such building and such property is placed in service by the taxpayer not later than 90 days after such building is placed in service.

“(B) Personal Property.—For purposes of this paragraph, the term ‘specified portions of the GO Zone’ means those portions of the GO Zone which are in any county or parish which is identified by the Secretary as being a county or parish in which hurricanes occurring during 2005 damaged (in the aggregate) more than 40 percent of the total acres in such county or parish which were occupied (determined according to the 2000 Census).”

(b) EXTENSION NOT APPLICABLE TO INCREASED ALLOWANCE EXPENDING.—Paragraph (2) of section 1400N(e) is amended by inserting “without regard to subsection (d)(6)” after the civil sector.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 101 of the Gulf Opportunity Zone Act of 2005.

 SEC. 122. AUTHORITY FOR UNDERCOVER OPERATIONS.

Paragraph (d) of section 7608(c) (relating to application of section) is amended by striking “2007” both places it appears and inserting “2008”.

 SEC. 123. DISCLOSURES OF CERTAIN TAX RETURN INFORMATION.

(a) DISCLOSURES TO FACILITATE COMBINED EMPLOYMENT TAX REPORTING.—

(1) IN GENERAL.—Subparagraph (B) of section 6103(h)(5) (relating to termination) is amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to disclosures after December 31, 2006.

(b) DISCLOSURES RELATING TO TERRORIST ACTIVITIES.—

(1) I N GENERAL.—Clause (iv) of section 6103(h)(3)(C) and subparagraph (E) of section 6103(h)(7) are each amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to disclosures after December 31, 2006.

(c) DISCLOSURES RELATING TO STUDENT LOANS.—

(1) I N GENERAL.—Subparagraph (D) of section 6103(h)(13) (relating to termination) is amended by striking “2006” and inserting “2007”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to requests made after December 31, 2006.

 TITLE II.—OTHER TAX PROVISIONS

 SEC. 201. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO THE SPECIFIED PORTIONS OF THE GO ZONE.

(a) In GENERAL.—Subsection (d) of section 199 (relating to definitions and special rules) is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (7) the following new paragraph:

“(8) TREATMENT OF ACTIVITIES IN PUERTO RICO.—

“(A) In general.—In the case of any taxpayer with gross receipts for any taxable year from sources within the Commonwealth of Puerto Rico, the portion of the minimum tax credit determined under subsection (b) attributable to the adjusted net minimum tax for taxable years before the 3rd taxable year immediately preceding such taxable year.

“(B) FIRST-IN, FIRST-OUT ORDERING RULE.—For purposes of subparagraph (A), credits shall be treated as if inserted on a first-in, first-out basis.

“(C) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as if it were allowed under subsection (c).

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by striking “and 34” and inserting “and 34, 53(e)(3), and 53(e)(4)”.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “or 53(e)” after “section 35”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

 SEC. 202. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY SHARED WITHAMT REFUNDABLE AFTER PERIOD OF YEARS.

(a) In GENERAL.—Section 53 (relating to credit for prior year minimum tax liability) is amended by adding at the end the following new subsection:

“(e) SPECIAL RULE FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS.—

“(1) In general.—If an individual has a long-term unused minimum tax credit for any taxable year beginning before January 1, 2013, the amount determined under subsection (c) for such taxable year shall not be less than the AMT refundable credit amount for such taxable year.

“(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1)—

“(A) IN GENERAL.—The term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount equal to the greater of—

“(i) the lesser of—

“(I) $5,000, or

“(II) the amount of long-term unused minimum tax credit for such taxable year, or

“(ii) 20 percent of the amount of such credit.

“(B) PHASINGOUT OF AMT REFUNDABLE CREDIT AMOUNT.—

“(i) IN GENERAL.—In the case of an individual whose adjusted gross income for any taxable year exceeds the threshold amount (within the meaning of section 151(d)(3)(C)), the AMT refundable credit amount determined under subparagraph (A) for such taxable year shall be reduced by the applicable percentage (within the meaning of section 151(d)(3)(B)).

“(ii) ADJUSTED GROSS INCOME.—For purposes of clause (i), adjusted gross income shall be determined without regard to sections 911, 931, and 932.

“(iii) LONG-TERM UNUSED MINIMUM TAX CREDITS.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘long-term unused minimum tax credit’ means, with respect to any taxable year, the portion of the minimum tax credit determined under subsection (b) attributable to the adjusted net minimum tax for taxable years before the 3rd taxable year immediately preceding such taxable year.

“(B) FIRST-IN, FIRST-OUT ORDERING RULE.—For purposes of subparagraph (A), credits shall be treated as if inserted on a first-in, first-out basis.

“(C) CREDIT REFUNDABLE.—For purposes of this title (other than this section), the credit allowed by reason of this subsection shall be treated as if it were allowed under subsection (c).

“(D) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—Every corporation making a return under subsection (a) shall furnish to each person whose name is set forth in such return a written statement setting forth such information as the Secretary may by regulations prescribe.

“(E) STATEMENTS TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Section 6039 is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by inserting after subsection (a) the following new subsection:

“(D) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REPORTED.—Every corporation making a return under subsection (a) shall furnish to each person whose name is set forth in such return a written statement setting forth such information as the Secretary may by regulations prescribe. The written statement required under the preceding sentence shall be furnished to such person on or before January 31 of the year following the calendar year in which the return is filed.”
(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by adding after section 179A the following new section:

SEC. 179E. ELECTION TO EXPENSE ADVANCED MINE SAFETY EQUIPMENT.

(1) IN GENERAL. —The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 205. MINE RESCUE TEAM TRAINING CREDIT.

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding after title V the following new title:

SEC. 45N. MINE RESCUE TEAM TRAINING CRED-
IT.

SEC. 206. WHISTLEBLOWER CREDIT.

(a) AWARDS TO WHISTLEBLOWERS.—

(1) IN GENERAL.—Section 7623 (relating to expenses of detection of underpayments and fraud) is amended by striking “and” at the end of paragraph (29), and inserting “other than interest, additions to tax, and additional amounts resulting from the action (including any related actions) or from any settlement or compromise.”

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2005.

SEC. 207. FUNDING FOR-ed.

(a) IN GENERAL.—The Secretary proceeds with any administrative or judicial action described in subsection (a) based on information brought to the Secretary’s attention by an individual, such individual shall, subject to paragraph (2), receive as an award at least 15 percent but not more than 30 percent of the collected proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement or compromise.

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2008.
proceeds (including penalties, interest, additions to tax, and additional amounts) resulting from the action (including any related actions) or from any settlement in response to such action, into account the significance of the individual’s information and the role of such individual and any legal representative of such individual in contributing to such action.

“(B) NONAPPLICATION OF PARAGRAPH WHERE INDIVIDUAL IS ORIGINAL SOURCE OF INFORMATION.—Subparagraph (A) shall not apply if the information resulting in the initiation of the action described in paragraph (1) was originally provided by the individual described in paragraph (1).

“(3) REDUCTION IN OR DENIAL OF AWARD.—If the Whistleblower Office determines that the claim for an award under paragraph (1) or (2) is brought by or on behalf of a recipient who planned and initiated the actions that led to the underpayment of tax or actions described in subsection (a)(2), then the Whistleblower Office may appropriately reduce such award. If such individual is convicted of criminal conduct arising from the role described in the preceding sentence, the Whistleblower Office shall revoke the award.

“(4) APPEAL OF AWARD DETERMINATION.—Any determination regarding an award under paragraph (1), (2), or (3), may, within 30 days of such determination, be appealed to a court of federal appeals. Any proceeding to enforce a court order may be appealed to the Court of Federal Claims.

“(5) APPLICATION OF THIS SUBSECTION.—This subsection shall apply with respect to any action—

(A) against any taxpayer, but in the case of any individual, only if such individual’s gross income exceeds $200,000 for any taxable year subject to such action, and

(B) if the tax, penalties, interest, additions to tax, and additional amounts in dispute exceed $2,000,000.

“(6) ADDITIONAL RULES.—

(A) NO CONTRACT NECESSARY.—No contract with the Internal Revenue Service is necessary for any individual to receive an award under this subsection.

(B) REPRESENTATION.—Any individual described in paragraph (1) or (2) may be represented by counsel.

“(C) SUBMISSION OF INFORMATION.—No award may be made under this subsection based on information submitted by a taxpayer unless such information is submitted under penalty of perjury.

“(D) NO CONTRACT NECESSARY FOR REPRESENTATION OF TAXPAYER.—(A) In general.—Section 7434A(b) (relating to proceedings which may be assigned to special trial judges) is amended by striking “and” and “the” at the end of paragraph (4), by redesignating paragraph (5) as paragraph (6), and by inserting after paragraph (4) the following new paragraph:

“(5) any proceeding under section 7628(b)(4), and

“(B) CONFORMING AMENDMENT.—Section 7434A(c) is amended by striking “or” and “and” in subsection (4).

“(C) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to general rule defining adjusted gross income) is amended by inserting after paragraph (20) the following new paragraph:

“(21) attornel’s fees relating to awards to whistleblowers.—Any deduction allowable under this chapter for attorney fees and court costs paid by, or on behalf of, the taxpayer in connection with any award under section 7628(b)(4) (relating to awards to whistleblowers). The preceding sentence shall not apply to any deduction in excess of the amount includable in the taxpayer’s gross income for the taxable year on account of such award.”.

(b) WHISTLEBLOWER OFFICE.
by adding at the end the following new sub-
section: 

(‘‘f) FRIVOLOUS SUBMISSIONS, ETC.—Notwith-standing any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-commit-
promise or installment agreement submitted under this section or section 6159 meets the require-
ments of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.—’’.

(c) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

‘‘Sec. 6702. Frivolous tax submissions.’’.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to submis-
sions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 208. ADDITION OF MENINGOCOCCAL AND HUMAN PAPILLOMAVIRUS VACCINES TO LIST OF TAXABLE VACCINES.

(a) MENINGOCOCCAL VACCINE.—Section 4122A(13)(C) is amended by inserting ‘‘human papillomavirus vaccine’’ before the semicolon at the end of the section.

(b) HUMAN PAPILLOMAVIRUS VACCINE.—Section 4122A(13)(C), as amended by subsection (a), is amended by inserting at the end the following new subparagraph:

‘‘(F) Any vaccine against the human papillomavirus.’’.

(c) EFFECTIVE DATE.—(1) SALES, ETC.—The amendments made by this subsection shall apply to sales and uses on or after the first day of the first month which begins more than 4 weeks after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraphs (1) and (2) of section 4131 of the Internal Revenue Code of 1986, in the case of sales on or before the effective date described in such para-
graph for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 209. CLARIFICATION OF TAXATION OF CERTAIN SETTLEMENT FUNDS MADE PERMANENT.

(a) IN GENERAL.—Subparagraph (3) of section 3525(b)(2) of the Tax Increase Prevention and Reconciliation Act of 2005, as amended by section 201 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by inserting ‘‘and before August 31, 2010’’ before ‘‘such date’’. 

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 201 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 210. MODIFICATION OF ACTIVE BUSINESS DEFENSE SECTION UNDER SECTION 355 MADE PERMANENT.

(a) IN GENERAL.—Subparagraphs (A) and (D) of section 355(b)(3), as amended by section 209 of the Tax Increase Prevention and Reconciliation Act of 2005, are each amended by striking ‘‘or qualified zone domestic trade’’ and all that follows and inserting ‘‘qualified zone domestic trade, or the United States, or a vessel operating in or qualified zone domestic trade, or the United States, or the Central Intelligence Agency, or the Defense Intelligence Agency, or the National Geospatial-Intelligence Agency’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in section 209 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 212. CAPITAL GAINS TREATMENT FOR CERTAIN SELF-CREATED MUSICAL WORKS MADE PERMANENT.

(a) IN GENERAL.—Section 1221(b)(3) of the Internal Revenue Code of 2006, as amended by section 204 of the Tax Increase Prevention and Reconciliation Act of 2005, and before January 1, 2011.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 204 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 213. REDUCTION IN MINIMUM VESSEL TON-
NAGE WHICH QUALIFIES FOR TON-
NAGE TAX.

(a) IN GENERAL.—Section 206 of the Tax In-
crease Prevention and Reconciliation Act of 2005, as amended by striking ‘‘10,000 (6,000, in the case of taxable years beginning December 31, 2005, and ending before January 1, 2011)’’ and inserting ‘‘6,000’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 205 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 214. MODIFICATION OF SPECIAL ARBITRAGE RULE FOR CERTAIN FUNDS MADE PERMANENT.

(a) IN GENERAL.—Section 206 of the Tax In-
crease Prevention and Reconciliation Act of 2005, as amended by striking ‘‘as of November 1, 2005’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 205 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 215. GREAT LAKES DOMESTIC SHIPPING TO NOT DISQUALIFY VESSEL FROM TONNAGE TAX.

(a) IN GENERAL.—Section 1355(a), as amended by section 205 of the Tax Increase Prevention and Reconciliation Act of 2005, is amended by striking ‘‘and before August 31, 2009’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section 205 of the Tax Increase Prevention and Reconciliation Act of 2005.

SEC. 216. USE OF QUALIFIED MORTGAGE BONDS TO FINANCE RESIDENCES FOR VETERANS WITH REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.

(a) IN GENERAL.—Section 1343(c)(2) relating to loans to veterans to years requirement is amended by striking ‘‘and’’ and substituting ‘‘and’’ at the end of sub-
paragraph (B), by adding ‘‘and’’ at the end of sub-
paragraph (C), and by inserting after sub-
paragraph (C) the following new subpara-
graph:

‘‘(D) the case of bonds issued after the date of the enactment of this paragraph and before January 1, 2008, financing of any residence for a veteran (as defined in section 101 of title 38, United States Code), if such veteran has not previously qualified for and received such financing by reason of this subparagraph.’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 217. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY CERTAIN EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subparagraph (A) of section 121(d)(9) (relating to exclusion of gain from sale of principal residence) is amended by striking ‘‘duty’’ and all that follows and inserting ‘‘duty—’’.

(1) as a member of the uniformed services, 
(2) as a member of the Foreign Service of the United States, or 
(3) as an employee of the intelligence community;’’.

(b) EMPLOYER OF INTELLIGENCE COMMUNITY DEFINED.—Subparagraph (C) of section 121(d)(9) is amended by redesignating clause (ii) as clause (iv) and inserting after clause (iii) the following new clause:

‘‘(iv) EMPLOYEE OF INTELLIGENCE COMMUNITY.—The term ‘employee of the intelligence community’ means an employee—’’.

(I) the Office of the Director of National Intelligence, 
(II) the Central Intelligence Agency, 
(III) the National Security Agency,
(IV) the Defense Intelligence Agency,
(V) the National Geospatial-Intelligence Agency,
(VI) the National Reconnaissance Office,
(VII) the Department of Energy, and the Coast Guard,
(VIII) any of the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Investigation, the Department of Treasury, the Department of Homeland Security concerned with the analyses of foreign intelligence information,
IX) the Bureau of Intelligence and Research of the Department of State, or
X) any of the elements of the Department of Justice, the Office of Intelligence concerned with the analyses of foreign intelligence information,

(c) Special Rule.—Subparagraph (C) of section 121(d)(9), as amended by subsection (b), is amended by adding at the end the following new clause:

(vi) Special Rule Relating to Intelligence Community.—An employee of the intelligence community shall not be treated as serving on qualified extended duty unless such duty is at a duty station located outside the United States.

(d) Conforming Amendment.—The heading for section 121(d)(9) is amended to read as follows:

UNIFORMED SERVICES, FOREIGN SERVICE, ARMED FORCES.

(e) Effective Date.—The amendments made by this section shall apply to sales or exchanges after the date of enactment of this Act and before January 1, 2011.

SEC. 218. TREATMENT OF COKE AND COKE GAS.

(a) Nonapplication of Phasout.—Section 493(g)(2) is amended by adding at the end the following new subparagraph:

"(D) Nonapplication of Phasout.—Subsection (b)(1) shall not apply.

(b) Clarification of Qualifying Facility.—The term "qualifying facility," as defined in section 493(f), is amended by inserting the following: "(other than from petroleum based products)" after "coke or coke gas".

(c) Effective Date.—The amendments made by this section shall apply to sales or exchanges after the date of enactment of this Act and before January 1, 2012.

SEC. 219. SALE OF PROPERTY BY JUDICIAL OFFICERS.

(a) In General.—Section 1048(b) (relating to the sale of property to comply with conflict-of-interest requirements) is amended—

(i) by inserting—

(A) in subparagraph (A), by inserting "or a judicial officer", after "an officer or employee of the executive branch"; and

(B) in subparagraph (B), by inserting "judicial officer", after "any statute, regulation, rule;"

(ii) in paragraph (2)—

(A) in subparagraph (A), by inserting "judicial officer", after "any Federal conflict of interest statute, regulation, rule;" and

(B) in subparagraph (B), by inserting after "the Director of the Office of Government Ethics", the following: "the term "judicial officer", in case of conflict of interest between employees, or by the Judicial Council of the United States (or its designee), in the case of judicial officers;" and

(iii) in paragraph (3)—

(A) in subparagraph (C), by inserting "judicial officer", after "the ultimate vendor, then the Secretary"; and

(B) Judicial Officer Defined.—Section 1048(b) is amended by adding at the end the following new paragraph:

"(A) Judicial Officer Defined.—The term "judicial officer" means the Chief Justice of the United States, the Associate Justices of the Supreme Court, and the judges of the United States Courts of appeals, United States district courts, United States courts of military jurisdiction, and the United States Court of Appeals for the Armed Forces, and any court created by Act of Congress, the judges of which are entitled to hold office during good behavior."

(c) Information Returns Relating to Mortgage Insurance.—Section 6050H (relating to returns relating to mortgage interest received in trade or business from individual) is amended by adding at the end the following new subsection:

"(B) Returns Relating to Mortgage Insurance Premiums.—(1) In General.—The Secretary may prescribe, by regulations, that any person who, in the course of a trade or business, receives from any individual premiums for mortgage insurance aggregating $600 or more for any calendar year, shall make a return with respect to each such individual. Such return shall be in such form and manner as the Secretary may prescribe, and shall contain such information as the Secretary may prescribe.

(2) Statement to be Furnished to Individuals with Respect to Whom Information Is Required.—Every person required to make a return under paragraph (1) shall furnish to each individual with respect to whom a return is made a written statement showing such information as the Secretary may prescribe. Such written statement shall be furnished no later than the end of the calendar year following the calendar year for which the return under paragraph (1) was required to be made.

(3) Special Rules.—For purposes of this subsection:

(A) rules similar to the rules of subsection (c) shall apply, and

(B) the term "mortgage insurance premium means—

(i) mortgage insurance provided by the Veterans Administration, the Federal Housing Administration, or the Rural Housing Administration, and

(ii) private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4081), as in effect on the date of the enactment of this subsection).

(4) Effective Date.—The amendments made by this section shall apply to amounts paid or accrued after December 31, 2006.

SEC. 221. MODIFICATION OF REFUNDS FOR KEROSENE USED IN AVIATION.

(a) In General.—Paragraph (4) of section 4221(d)(3) (relating to nontaxable uses of diesel fuel and kerosene) is amended to read as follows:

"(4) Refunds for Kerosene Used in Aviation.

(A) Kerosene Used in Commercial Aviation.—In the case of kerosene used in commercial aviation (as defined in section 4083(b)) (other than supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) shall not apply to so much of the tax imposed by section 4081 or 4083, as the case may be, as is attributable to—

(i) the leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

(ii) so much of the rate of tax specified in section 4081(c) or 4081(a)(2)(A)(iii), as the case may be, as does not exceed 4.3 cents per gallon.

(B) Kerosene Used in Noncommercial Aviation.—In the case of kerosene used in aviation that is not commercial aviation (as so defined) (other than any use which is exempt from the tax imposed by section 4081(c) other than by reason of a prior imposition of tax), paragraph (1) shall not apply to—

(i) any tax imposed by section 4081(c), and

(ii) so much of the tax imposed by section 4081 as is attributable to—

(i) the leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

(ii) so much of the rate of tax specified in section 4081(a)(2)(A)(iii) as does not exceed the rate specified in section 4081(a)(2)(C)(ii).

(3) Payments to Ultimate, Registered Vendor.—

(i) In General.—With respect to any kerosene used in aviation (other than kerosene referred to in clause (ii) or kerosene to which paragraph (5) applies), if the ultimate purchaser of such kerosene waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary...
shall pay the amount which would be paid under paragraph (1) to such ultimate vendor, but only if such ultimate vendor—

(I) is registered under section 4101, and

(ii) Payments for Kerosene Used in Non-Commercial Aviation.—The amount which would be paid under paragraph (1) with respect to any kerosene to which subparagraph (B) applies shall be paid only to the ultimate vendor of such kerosene. A payment shall be made to the ultimate vendor if such vendor, after December 31, 2004, and before October 1, 2005, an amount equal to the aggregate amount of tax imposed on such fuel under section 4941 or 4081 of the Internal Revenue Code of 1986 as the case may be, reduced by any payment to the ultimate vendor under section 6427(l)(5)(C) of such Code (as in effect on the day before section 6427(l)(5)(C) was redesignated by subsection (d) of section 6427(l)(9)(A)).

(I) is registered under section 4101, and

(ii) meets the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1), and

which a payment has been made by the Secretary under section 6427(l), and

(c) and inserting after subsection (a) the following new subsection:

(2) Use on a Farm for Farming Purposes.—For purposes of paragraph (1), kerosene shall be treated as used on a farm for farming purposes if such kerosene is used for farming purposes (as defined in section 6420(c)(3) of the Internal Revenue Code of 1986) in carrying on a trade or business on a farm situated in the United States. For purposes of the preceding sentence, rules similar to the rules of section 6420(c)(4) of such Code shall apply.

(d) Time for Filing Claims.—No claim shall be allowed under paragraph (1) unless the ultimate purchaser files such claim before the date that is 3 months after the date of the enactment of this Act.

(e) No Double Benefit.—No amount shall be paid under paragraph (1) or section 6427(l)(1) of the Internal Revenue Code of 1986 with respect to any kerosene described in paragraph (1) to the extent that such amount is in excess of the tax imposed on such kerosene under section 4041 or 4081 of such Code, as the case may be.

(f) Applicable Laws.—For purposes of this subsection, rules similar to the rules of section 6427(l)(1) of the Internal Revenue Code of 1986 shall apply.

§§ 1202 and 1203.—

SEC. 1202. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) In General.—Part I of chapter P of chapter 1 is amended by adding at the end the following:

SEC. 1203. DEDUCTION FOR QUALIFIED TIMBER GAIN.

(a) In General.—In the case of a taxpayer which elects the application of this section for a taxable year, there shall be allowed a deduction against gross income equal to 60 percent of the lesser of—

(i) the taxpayer’s qualified timber gain for such year,

(ii) the net capital gain for such year.

(b) Qualified Timber Gain.—For purposes of this section, the term ‘qualified timber gain’ means, with respect to any taxpayer for any taxable year, the excess (if any) of—

(i) the sum of the taxpayer’s gains described in subsections (a) and (b) of section 631 for such year, over

(ii) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(iii) the amount of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(iv) the amount of the deduction allowed under section 1203(b) for such year.

(c) Effective Date.—

(1) IN GENERAL.—The amendments made by this section apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR FILING CLAIMS.—In the case of any gain described in section 1203, the requirements of subparagraph (A), (B), or (D) of section 6416(a)(1) shall apply to such claim as if the provisions of paragraph (1) were not enacted after the date of the enactment of this Act.

(3) Certain Sales.—In the case of a reduction of the net capital gain under this section, the term ‘qualified capital gain’ means, with respect to any taxpayer for any taxable year, the excess (if any) of—

(i) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(ii) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(iii) the amount of the deduction allowed under section 1203(b) for such year.

(d) Effective Date.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) Certain Sales.—In the case of a reduction of the net capital gain under this section, the term ‘qualified capital gain’ means, with respect to any taxpayer for any taxable year, the excess (if any) of—

(i) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(ii) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(iii) the amount of the deduction allowed under section 1203(b) for such year.

(3) Certain Sales.—In the case of a reduction of the net capital gain under this section, the term ‘qualified capital gain’ means, with respect to any taxpayer for any taxable year, the excess (if any) of—

(i) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(ii) the sum of the taxpayer’s deductions described in subsections (a) and (b) of section 631 for such year, over

(iii) the amount of the deduction allowed under section 1203(b) for such year.
SEC. 223. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) IN GENERAL.—In the case of a taxpayer who holds a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined based on subsection (b) with respect to such credit allowance dates during such year on which the taxpayer holds such bond.

(b) AMOUNT OF CREDIT.—The amount of the credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of the annual credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

(b) the outstanding face amount of the bond.

(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate for which the Secretary or the Secretary’s designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term ‘credit allowance date’ means—

(A) March 15,

(B) June 15,

(C) September 15, and

(D) December 15.

Such term also includes the last day on which the bond is outstanding.

(5) ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

(6) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

(2) the sum of the credits allowable under this part (other than subpart C and this section).

(7) RURAL RENAISSANCE BOND.—For purposes of this section—

(1) IN GENERAL.—The term ‘rural renaissance bond’ means any bond issued as part of an issue if—

(A) the bond is issued by a qualified issuer,

(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred in 1 or more qualified projects,

(C) the qualified issuer designates such bond for purposes of this section and the bond is in respects—

(i) the issue meets the requirements of subsections (e) and (h),

(ii) the issue fulfills the requirements of subsection (e), and

(iii) the issue shall be treated as a qualified project unless it is part of an issue that is not qualified.

(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

(A) IN GENERAL.—The term ‘qualified project’ means 1 or more projects described in subparagraph (B) located in a rural area.

(B) PROJECT.—A project described in this subparagraph is—

(i) a water or waste treatment project,

(ii) a school,

(iii) a community facility project, including hospitals, fire and police stations, and nursing and assisted-living facilities,

(iv) a value-added or renewable energy facility project for agricultural producers or farmer-owned entities, including any project to promote the production, processing, or retail sale of ethanol (including fuel at least 85 percent of the volume of which consists of ethanol), biodiesel, animal waste, biomass, raw commodities, or wind as a fuel,

(v) a distance learning or telemedicine project,

(vi) a rural utility infrastructure project, including electric or telephone system,

(vii) a project to expand broadband technology,

(viii) a rural teleworks project, and

(ix) any project described in any preceding clause carried out by the Delta Regional Authority.

(2) QUALIFIED PROJECT.—For purposes of this paragraph—

(i) any project described in subparagraph (B)(iv) for a farmer-owned entity may be considered a qualified project regardless of whether the facility is located in a rural or nonrural area,

(ii) any project for a farmer-owned entity which is a facility described in subparagraph (B)(iv) for agricultural producers may be considered a qualified project if such entity—

(A) is located in a rural area, and

(B) is a qualified project as described in section 223.

(3) DETERMINATION.—The annual credit determined based on the portion of the 3-month period ending on a credit allowance date of such bond, the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 90 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of paragraph (3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

(4) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond unless the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

(5) MAXIMUM TERM.—In the case of a rural renaissance bond, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following 3-month period. Such term shall be—

(A) the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 90 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of paragraph (3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

(6) RURAL REnaissance BOND LIMITATION.—There is a rural renaissance bond limitation of $300,000,000.

(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate.

(3) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

(4) SPECIAL RULES RELATING TO EXPENDITURES.—

(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

(i) that 95 percent or more of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond, the proceeds of which are to be spent for 1 or more qualified projects within the 6-month period beginning on the date of issuance of such bond. Such projects may be completed within the 5-month period beginning on the date of issuance of such bond and the proceeds from the sale of the issue will be spent with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

(B) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to comply with the 5-year period is due to reasonable cause and the related projects will continue to proceed with due diligence.

(C) FAILURE TO SPEND REQUIRED AMOUNT OF PROCEEDS.—If 95 percent or more of the proceeds from the sale of any such issue are not expended by the close of the
Section 224. REDUCTION OF DEDUCTION FOR TRAVEL, REIMBURSEMENT, SPOUSE, ETC., ACCOMPANYING TAXPAYER ON BUSINESS TRAVEL.

(a) In General.—Subsection (m) of section 274 (relating to additional limitations on travel expenses) is amended by adding at the end the following new paragraph:

"(1) IN GENERAL.—The amendment made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act and before January 1, 2010.

(b) Effective Date.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act and before January 1, 2010.

SEC. 225. TECHNICAL CORRECTIONS.

(a) Technical Correction Relating to Look-Through Treatment of Payments Between Related Controlled Foreign Corporations Under the Foreign Personal Holding Company Rules.—

(1) IN GENERAL.—(A) The first sentence of section 954(c)(8)(A), as amended by section 103(b) of the American Jobs Creation and Reconciliation Act of 2005, is amended by striking "which is not subpart F income" and inserting "which is not subpart F income nor interests in such conduct with the conduct of a trade or business in the United States".

(b) Section 954(c)(6)(A), as so amended, is amended by inserting the following: "The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph.".

(b) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

TITLES III—SURFACE MINING CONTROL AND RECLAMATION ACT AMENDMENTS OF 2006

SEC. 301. SHORT TITLE.

This title may be cited as the "Surface Mining Control and Reclamation Act Amendments of 2006."
411(h)(3) in accordance with section 411(h)(2), for grants to States and Indian tribes under section 402(g)(6); and

(ii) the amounts allocated under section 402(g)(1), (2), (3), or (4) for each fiscal year shall be in addition to amounts appropriated from the fund during the fiscal year.

(b) EXCEPTIONS.—Notwithstanding paragraph (3), the amount distributed under this subsection for the first 4 fiscal years beginning on and after October 1, 2007, shall be equal to the following percentage of the amount otherwise required to be distributed:

(1) Fiscal Years 2008–2009—Funds allocated or expended by the Secretary under paragraphs (2), (3), or (4) for the reclamation of eligible land and water pursuant to section 405 may receive and retain, without regard to the 3-year limitation referred to in paragraph (1)(D), up to 30 percent of the total of the grants made annually to the State under paragraphs (1) and (5) if those amounts are deposited into an acid mine drainage abatement fund established under State law, from which amounts (together with all interest earned on the amounts) are expended by the State for the treatment of the effects of acid mine drainage in a comprehensive manner within qualified hydrologic units affected by coal mining practices.

(A) by striking “35” and inserting “31.5”;

(B) by striking “15” and inserting “13.5”;

(C) by striking “16 cents” and inserting “9 cents”.

(b) DURATION.—Effective September 30, 2007, section 402(b) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1223(b)) is amended—

(A) by striking “5” and inserting “35”;

(B) by striking “15” and inserting “13.5”;

and

(C) by striking “9 cents” and inserting “8 cents”.

(c) ALLOCATION OF FUNDS.—Section 402(g) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1223(g)) is amended—

(1) in paragraph (1)—

(A) by striking “except for grants awarded during fiscal years 2006, 2007, and 2010 to the extent not expended within 5 years” after “this paragraph”; and

(B) by striking in any area, under paragraphs (2), (3), (4), or (5) and inserting “under paragraph (5)”;

(2) by striking paragraph (2) and inserting:

(A) In making the grants referred to in paragraph (2), the Secretary shall ensure strict compliance by the States and Indian tribes with the priorities described in section 403(a), until a certification is made under section 401(a); and

(ii) any payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund; and

(ii) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in

(i) required premiums; and

(ii) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund.

(ii) the amount the trustees of the Combined Benefit Fund estimate will be expended from the fund for the fiscal year in which the transfer is made, reduced by—

(i) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in

(ii) required premiums; and

(ii) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund.

The transfers referred to in paragraph (5) are

(A) TRANSFERS TO 1992 AND 1993 PLANS.—A transfer to the United Mine Workers of America Combined Benefit Fund is made by the Secretary to the United Mine Workers of America Benefit Fund equal to the amount that the trustees of the Combined Benefit Fund estimate will be expended from the fund for the fiscal year in which the transfer is made, reduced by—

(i) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in

(ii) required premiums; and

(ii) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund.

The transfers referred to in paragraph (5) are

(A) TRANSFERS TO 1992 AND 1993 PLANS.—A transfer to the United Mine Workers of America Combined Benefit Fund is made by the Secretary to the United Mine Workers of America Benefit Fund equal to the amount that the trustees of the Combined Benefit Fund estimate will be expended from the fund for the fiscal year in which the transfer is made, reduced by—

(i) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in

(ii) required premiums; and

(ii) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund.

The transfers referred to in paragraph (5) are

(A) TRANSFERS TO 1992 AND 1993 PLANS.—A transfer to the United Mine Workers of America Combined Benefit Fund is made by the Secretary to the United Mine Workers of America Benefit Fund equal to the amount that the trustees of the Combined Benefit Fund estimate will be expended from the fund for the fiscal year in which the transfer is made, reduced by—

(i) the amount the trustees of the Combined Benefit Fund estimate the Combined Benefit Fund will receive during the fiscal year in

(ii) required premiums; and

(ii) payments paid by Federal agencies in connection with benefits provided by the Combined Benefit Fund.
Health Benefit Plan established after July 20, 1992, by the parties that are the settlors of the 1992 UMWA Benefit Plan referred to in subparagraph (B) (referred to in this subparagraph as the ‘Plan’), in an amount equal to the excess (if any) of—

(i) the amount that the trustee of the Plan at that time will be expended from the Plan during the next calendar year, to provide benefits no greater than those provided by the Plan as of December 31, 2006; over

(ii) the amount that the trustee estimated the Plan will receive during the next calendar year in payments paid by Federal agencies in connection with benefits provided by the Plan.

Such excess shall be calculated by taking into account only those beneficiaries actually enrolled in the Plan as of December 31, 2006, who are eligible to receive benefits under the Plan on the first day of the calendar year for which the transfer is made.

(D) INDIVIDUALS CONSIDERED ENROLLED.—For purposes of subparagraph (C), any individual who was eligible to receive benefits from the Plan as of the date of enactment of this subsection, even though benefits were not being paid to such individual pursuant to a settlement agreement approved by order of a bankruptcy court entered on or before September 30, 2006, may be considered to be actually enrolled in the Plan and shall receive benefits from the Plan beginning on December 31, 2006.

(ii) PAYMENT.—If, for any fiscal year, the amount of a transfer under subparagraph (A), (B), or (C) of paragraph (2) is more or less than the amount required to be transferred under that subparagraph, the Secretary shall appropriately adjust the amount transferred under that subparagraph for the next fiscal year.

(iii) ADDITIONAL AMOUNTS.—

(A) PREVIOUSLY CREDITED INTEREST.—Notwithstanding any other provision of law, any interest credited to the fund that has not previously been transferred to the Combined Benefit Fund referred to in paragraph (2)(A) under this section—

(i) shall be held in reserve by the Secretary until such time as necessary to make the payments under subparagraphs (A) and (B) of subsection (i)(1), as described in clause (ii); and

(ii) in the event that the amounts described in subsection (i)(1) are insufficient to make the maximum payments described in subparagraphs (A) and (B) of subsection (i)(1), shall be used by the Secretary to supplement the payments so that the maximum amount permitted under those paragraphs is paid.

(B) PREVIOUSLY ALLOCATED AMOUNTS.—All amounts allocated under subsection (g)(2) before the date of enactment of this subparagraph, in amounts described in section 406, but not appropriated before that date, shall be available to the Secretary to make the transfers referred to in paragraph (2).

(C) ACCURACY OF PREVIOUSLY CREDITED INTEREST.—The Secretary shall—

(i) consult with the trustees of the plans described in paragraph (2) at reasonable intervals; and

(ii) notify Congress if a determination is made that the amounts held in reserve under subparagraph (A) are insufficient to meet future requirements under subparagraph (A)(ii).

2. ADDITIONAL RESERVE AMOUNTS.—In addition to amounts in reserve for purposes of subparagraph (A), there is authorized to be appropriated such sums as may be necessary for transfer to the fund to carry out the purposes of subparagraph (A)(ii).

3. INAPPLICABILITY OF CAP.—The limitation described in subsection (i)(3)(A) shall not apply to payments made from the reserve fund under this paragraph.

4. LIMITATIONS.—

(A) AVAILABILITY OF FUNDS FOR NEXT FISCAL YEAR.—The transfers under subparagraphs (B) and (C) of paragraph (2) for a calendar year only if the Secretary determines, using actuarial projections under the Plan, that the Combined Benefit Fund referred to in paragraph (2)(A), that amounts will be available under paragraph (1), after the transfer, for the next fiscal year for making the transfer under paragraph (2)(A).

(B) RATE OF CONTRIBUTIONS OF OBLIGORS.—

(i) IN GENERAL.—

(A) RATE.—A transfer under paragraph (2)(C) shall not be made for a calendar year unless the persons that are obligated to contribute to the plan referred to in paragraph (2)(C) on the date of the transfer are obligated to make the contributions at rates that are no less than those in effect on the date which is 30 days before the date of enactment of this subsection.

(ii) APPLICATION.—The contributions described in clause (i) shall be applied first to the provision of benefits to those plan beneficiaries who are not described in paragraph (2)(C)(i).

(iii) INITIAL CONTRIBUTIONS.—

(A) IN GENERAL.—From the date of enactment of the Surface Mining Control and Reclamation Act Amendments of 2006 through December 31, 2006, persons that, on the date of enactment of this Act, are obligated to contribute to the plan referred to in paragraph (2)(C) shall be obligated, collectively, to make contributions equal to the amount described in paragraph (2)(C), less the amount actually transferred due to the operation of subparagraph (C).

(B) FISHERY ENROLLMENT.—Calendar year 2006 is the first calendar year for which contributions are required under this clause.

(C) AMOUNT OF CONTRIBUTION FOR 2007.—

(I) FUNDING.—Except as provided in clause (IV), the amount described in paragraph (2)(C) for calendar year 2006 shall be calculated as if paragraph (2)(C) had been in effect during 2006.

(IV) LIMITATION.—The contributions required under this clause for calendar year 2007 shall not exceed the amount necessary for solvency of the plan described in paragraph (2)(C) as of December 31, 2006 and taking into account all assets held by the plan as of that date.

(D) EVIDENCE OF ANNUAL CONTRIBUTION OBLIGATION.—Required under clause (ii) shall be divided among the persons subject to the obligation, and applied uniformly, based on the hours worked for which contributions referred to in clause (i) would be owed.

(E) PHASE-IN OF TRANSFERS.—For each of calendar years 2008 through 2010, the transfers referred to subparagraphs (B) and (C) of paragraph (2) shall equal the following amounts:

(1) For calendar year 2008, the Secretary shall make transfers equal to 25 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

(2) For calendar year 2009, the Secretary shall make transfers equal to 50 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

(3) For calendar year 2010, the Secretary shall make transfers equal to 75 percent of the amounts that would otherwise be required under subparagraphs (B) and (C) of paragraph (2).

3. FUNDING.—

(A) IN GENERAL.—Subject to paragraph (3), out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the plans described in subsection (h)(2) such sums as are necessary to pay the following amounts:

(B) TO THE COMBINED FUND (AS DEFINED IN SECTION 9706(H)(3)(A) OF THE INTERNAL REVENUE CODE OF 1986 AND REFERRED TO IN THIS PARAGRAPH AS THE ‘COMBINED FUND’), the amount that the trustees of the Combined Fund estimate to be the unpaid net amounts maintained by the Combined Fund for the fiscal year to provide benefits for beneficiaries who are unassigned beneficiaries as a result of the application of section 9706(b)(1) of the Internal Revenue Code of 1986, subject to the following limitations:

(i) For fiscal year 2008, the amount paid under this subparagraph shall equal—

(I) the amount described in paragraph (A); minus

(II) the amounts required under section 9706(b)(3)(A) of the Internal Revenue Code of 1986.

(ii) For fiscal year 2009, the amount paid under this subparagraph shall equal—

(I) the amount described in paragraph (A); minus

(II) the amounts required under section 9706(b)(3)(B) of the Internal Revenue Code of 1986.

(iii) For fiscal year 2010, the amount paid under this subparagraph shall equal—

(I) the amount described in paragraph (A); minus

(II) the amounts required under section 9706(b)(3)(C) of the Internal Revenue Code of 1986.

(C) TO THE COMBINED FUND, $9,000,000 on October 1, 2007, $9,000,000 on October 1, 2008, and $9,000,000 on October 1, 2009 (which amounts shall not be exceeded) to provide a refund of any premium (as described in section 9706(a) of the Internal Revenue Code of 1986) paid on or before September 7, 2000, to the Combined Fund, paid in the premium calculated at the rate of 7.5 percent per year, on a proportional basis and to be paid not later than 60 days after the date on which each payment to the Combined Fund, to those signatory operators (to the extent that the Combined Fund has not previously returned the premium amounts to the operators), or any related person to the operators (as defined in section 9701(c) of the Internal Revenue Code of 1986), or their heirs, successors, or assigns who have been denied the refunds as the result of final judgments or settlements if—

(i) prior to the date of enactment of this paragraph, the signatory operator (or any related person to the operators) or any related person to the operators (as defined in section 9701(c) of the Internal Revenue Code of 1986) paid on or before September 7, 2000, the signatory operator (or any related person to the operators) had paid to the Combined Fund any premium amount that had not been refunded.

(2) PAYMENTS TO STATES AND INDIAN TRIBES.—Subject to paragraph (3), out of any

...
is amended by adding at the end the following:

"(i) There are authorized to be appropriated to the Secretary of Agriculture, from amounts in the Treasury other than amounts in the fund, such sums as may be necessary to carry out this section."

SEC. 315. LIENS.
Section 411 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1240a) is amended in the last sentence by striking "— whom the owner prior to May 2, 1977" and inserting "— or whom the owner prior to May 2, 1977, or whom the owner before the first Senate.
SEC. 318. EXTENSION OF LIMITATION ON APPLICATION OF PROHIBITION ON ISSUANCE OF PERMIT.

Section 503(c) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1290(c)) is amended by striking the last sentence.

SEC. 319. TRIBAL REGULATION OF SURFACE COAL MINING AND RECLAMATION OPERATIONS.

(a) In General.—Section 710 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1290(c)) is amended by adding at the end the following:

"(1) TRIBAL REGULATORY AUTHORITY.—

"(A) TRIBAL REGULATORY PROGRAM.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, an Indian tribe may apply for, and upon approval of a tribal program under section 503 regulating in whole or in part surface coal mining and reclamation operations on reservation land under the jurisdiction of the Indian tribe using the procedures of section 504(e).

"(ii) REFERENCES TO STATE.—For purposes of this subsection and the implementation and administration of a tribal program under title V, any reference to a 'State' in this Act shall be considered to be a reference to a 'tribe'.

"(B) Employees of Tribal Regulatory Authority.—Any employee of a tribal regulatory authority shall not be eligible for a per capita distribution of any proceeds from coal mining operations conducted on Indian reservation lands under this Act.

"(C) SOVEREIGN IMMUNITY.—To receive primary regulatory authority under section 504(e), an Indian tribe shall waive sovereign immunity for purposes of sections 520 and 523.

"(D) Judicial Review.—

"(i) Civil Actions.—

"(I) IN GENERAL.—After exhausting all tribal remedies with respect to a civil action arising under a tribal program approved under section 504(e), an interested party may file a petition for judicial review of the civil action in the United States District Court for the circuit in which the surface coal mining operation named in the petition is located.

"(II) Scope of Review.—For purposes of section 520, the United States circuit court shall review findings of fact under clause (i) using a clearly erroneous standard.

"(E) Criminal Actions.—Any criminal action arising under section 518 with respect to surface coal mining or reclamation operations on Indian reservation lands shall be brought in—

"(i) the United States District Court for the District of Columbia; or

"(ii) the United States district court in which the criminal activity is alleged to have occurred.

"(F) Grants.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), grants for developing, administering, and enforcing an approved tribal program shall be provided to an Indian tribe in accordance with section 765.

"(ii) To Indian Tribes.—A grant under subsection (A) of the Federal share of the costs of developing, administering, and enforcing an approved tribal program shall be 100 percent.

"(6) Report.—Not later than 18 months after the date on which a tribal program is approved under subsection (e) of section 504, the Secretary shall submit to the appropriate committees of Congress a report, developed in cooperation with the applicable Indian tribe, that includes a recommendation of the Secretary on whether primary regulatory authority under that subsection should be expanded to include additional Indian lands.

"(b) Conforming Amendment.—Section 710(i) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1290(i)) is amended by striking "except" and all that follows through "section 503".

Subtitle B—Coal Industry Retiree Health Benefits

SEC. 321. CERTAIN RELATED PERSONS AND SUCCESSIONS IN INTEREST RELIEVED OF LIABILITY IF PREMIUMS PREPAID.

(a) Combined Benefit Fund.—

"(1) IN GENERAL.—Section 9704 of the Internal Revenue Code of 1986 (relating to liability of assigned operators) is amended by adding at the end the following new subsection:

"(i) PREPAYMENT OF PREMIUM LIABILITY.—

"(A) IN GENERAL.—If—

"(I) a payment meeting the requirements of paragraph (3) is made to the Combined Benefit Fund by or on behalf of—

"(aa) any assigned operator to which this subsection applies, or

"(bb) any person to any assigned operator described in clause (i), and

"(II) the common parent of the controlled group of corporations described in paragraph (2) is jointly and severally liable for any premium under this section which but for this subsection would be required to be paid by the assigned operator or related person, then such common parent and each other person shall be liable for such premium.

"(2) ASSIGNED OPERATORS TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any assigned operator if—

"(i) the assigned operator (or a related person to the assigned operator)—

"(aa) made contributions to the 1950 UMWA Benefit Plan and the 1974 UMWA Benefit Plan for employment during the period covered by the 1988 agreement; and

"(bb) is not a controlled group operator,

"(ii) the assigned operator (and all related persons to the assigned operator) are not actively engaged in the production of coal as of July 1, 2005, or

"(iii) the assigned operator was, as of July 20, 1992, a member of a controlled group of corporations described in subparagraph (B).

"(B) CONTROLLED GROUP OF CORPORATIONS.—A controlled group of corporations is described in this subparagraph if the common parent of such group is a corporation the shares of which are publicly traded on a United States exchange.

"(C) COORDINATION WITH REPEAL OF ASSIGNMENTS.—A person shall not fail to be treated as an assigned operator solely because the person ceases to be an assigned operator by reason of section 9706(h)(1) if the person otherwise meets the requirements of this subsection and is liable for the payment of premiums under section 9706(h)(3).

"(D) CONTROLLED GROUP.—For purposes of this subsection, the term 'controlled group of corporations' has the meaning given such term by section 52(a).

"(3) REQUIREMENTS.—A payment meets the requirements of this paragraph if—

"(A) the amount of the payment is not less than the present value of the total premium liability under this chapter with respect to the Combined Benefit Fund of the assigned operators or related persons described in paragraph (1) or their assigns, as determined by the operator's or related person's enrolled actuary (as defined in section 7701(a)(39)) using actuarial methods and assumptions each of which is reasonable and which are reasonable in the aggregate as determined by such enrolled actuary;

"(B) such enrolled actuary files with the Secretary of Labor a signed actuarial report containing—

"(i) the date of the actuarial valuation applicable to the report; and

"(ii) a statement by the enrolled actuary signed with the report that the report is based on the actuary's knowledge, the report is complete and accurate and that in the actuary's opinion the actuarial assumptions used in the report are reasonably related to the experience of the actuary and reasonable expectations; and

"(C) 90 calendar days have elapsed after the report required by subparagraph (B) is filed with the Secretary of Labor, and the Secretary of Labor has not notified the assigned operator in writing that the requirements of this paragraph have not been satisfied.

"(4) USE OF PREPAYMENT.—The Combined Benefit Fund shall—

"(A) establish and maintain an account for each assigned operator or related person by, or on whose behalf, a payment described in paragraph (3) was made.

"(B) credit such account with such payment (and any earnings thereon), and

"(C) use all amounts in such account exclusively to pay premiums that would (but for this subsection) be required to be paid by the assigned operator.

Upon termination of the obligations for the premium liability of any assigned operator or related person for which such account is maintained, all funds remaining in such account (and earnings thereon) shall be refunded to such person as may be designated by the common parent described in paragraph (1)(B).

(b) Individual Employer Plans.—Section 9711(c) of the Internal Revenue Code of 1986 (relating to joint and several liability) is amended to read as follows:

"(c) Joint and Several Liability of Related Persons.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each related person of a last signatory operator to which subsection (a) or (b) applies shall be jointly and severally liable with the last signatory operator for the provision of health care coverage described in subsection (a) or (b).

"(2) Liability Limited if Security Provided.—

"(A) Security meeting the requirements of paragraph (3) is provided by or on behalf of—

"(i) any last signatory operator which is an assigned operator described in section 9704(j)(2), or

"(ii) any related person to any last signatory operator described in clause (i), and

"(B) the common parent of the controlled group of corporations described in section 9704(j)(2)(B) is jointly and severally liable for the provision of health care coverage described in subsection (a) or (b).
“(i) is in the form of a bond, letter of credit, or cash escrow;

“(ii) is provided to the trustees of the 1992 UMWA Benefit Plan by the last signatory operator under this section, determined by using the average cost of such operator’s liability during the prior 5 calendar years;

“(b) the security is in addition to any other security required under any other provision of this title; and

“(c) the security remains in place for 5 years.

“(4) REFUNDS OF SECURITY.—The remaining amount of any security provided under this subsection shall be refunded to the last signatory operator as of the earlier of—

“(A) the termination of the obligations of the last signatory operator under this section, or

“(B) the end of the 5-year period described in paragraph (4)(C).

“(c) General Special Transfer.—(1) Internal Revenue Code.—Section 9712(d)(4) of the Internal Revenue Code of 1986 (relating to joint and several liability) is amended by adding at the end the following new sentence: ‘‘The provisions of section 9711(c)(3) shall apply to any last signatory operator described in such section (without regard to whether security is provided under such section, a payment is made under section 9704(h), or both) and if security meeting the requirements of sections 9711(c)(3) is provided, the common parent described in section 9711(c)(3)(B) shall be exclusively responsible for any liability for premiums under this section which, but for this sentence, would otherwise be paid by the last signatory operator or any related person.’

“(d) Successor in Interest.—Section 9703(c) of the Internal Revenue Code of 1986 (relating to terms relating to operators) is amended by adding at the end the following new paragraph:

“(B) Successor in Interest.—

“(A) Safe Harbor.—The term ‘successor in interest’ shall not include any person who—

“(i) is an unrelated person to an eligible seller described in section 9703(b)(1)(B), or

“(ii) purchases for fair market value assets, or all of the stock, of a related person to such seller, in a bona fide, arm’s-length sale.

“(B) Unrelated Person.—The term ‘unrelated person’ means a purchaser who does not bear a relationship to the eligible seller described in section 9703(b)(1)(B) or to a related person to such assigns to such operator.’

“(e) Effective Date.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

“SEC. 232. TRANSFERS TO FUNDS; PREMIUM RELIEF.

“(a) Combined Fund.—

“(1) Federal Transfers.—Section 9705(b) of the Internal Revenue Code of 1986 (relating to transfers from Abandoned Mine Reclamation Fund) is amended—

“(A) by inserting— ‘‘(h) transfers from the Combined Fund to public funding. ‘‘Section 9705(e)(3)(A) of such Code is amended by adding after the following new sentence: ‘‘(ii) Subject to Public Funding. ‘‘Section 9705(e)(3)(A) of such Code is amended by adding at the end the following new sentence: ‘‘(ii) Subject to Public Funding. ‘‘Section 9705(e)(3)(A) of such Code is amended by adding at the end the following new paragraph: ‘‘(C) Applicable Percentage.—Section 9706(2)(C) of such Code (relating to annual adjustments) is amended by adding after the following new subparagraph:

“(2) Premium Adjustments.—Section 9706(b) of the Internal Revenue Code of 1986 (relating to assignment of eligible beneficiaries) is amended by adding after the following new subparagraph:

“(3) Assignments and Reassignment.—Section 9706 of the Internal Revenue Code of 1986 (relating to assignment of eligible beneficiaries) is amended by adding after the following new subparagraph:

“(4) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

“(b) Assignments.—As of October 1, 2007.—

“(1) In General.—Subject to the premium obligation set forth in paragraph (3), the Commissioner of Social Security shall—

“(A) revoke all assignments to persons other than 1988 agreement operators for purposes of assessing premiums for plan years beginning before October 1, 2007, and

“(B) make no further assignments to persons other than 1988 agreement operators, except that no individual who becomes an unassigned beneficiary by reason of subparagraph (A) may be assigned to a 1988 agreement operator.

“(c) Reassignment Upon Purchase.—This subsection shall not be construed to prohibit the reassignment under subsection (b)(2) of any eligible beneficiary.
projected future cost to the 1992 UMWA Beneficiaries' Plan of providing health benefits for eligible and potentially eligible beneficiaries attributable to the 1988 last signatory operator.

"(C) If the amounts transferred under subsection (a)(3) are less than the amounts required to be transferred to the 1992 UMWA Beneficiaries' Plan under paragraphs (h) and (i) of section 402 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232), the payment of an additional backstop premium by the last signatory operator which is equal to such operator's share of the amounts required to be so transferred but which is not transferred, determined as a basis of the number of eligible and potentially eligible beneficiaries attributable to the operator.".

(B) CONFORMING AMENDMENTS.—Section 9712(d) of such Code is amended—

(i) in paragraph (2)(B), by striking "prefunding" and inserting "backstop"; and

(ii) in paragraph (3), by striking "paragraph (1)(B)" and inserting "paragraph (1)(A)".

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to fiscal years beginning on or after October 1, 2010.

SEC. 422. OTHER PROVISIONS.

(a) BOARD OF TRUSTEES.—Section 9702(b) of the Internal Revenue Code of 1986 (as amended by section 402(h)(8) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232), the payment of an additional backstop premium by the last signatory operator which is equal to such operator's share of the amounts required to be so transferred but which is not transferred, determined as a basis of the number of eligible and potentially eligible beneficiaries attributable to the operator.

"(B) 2 individuals who represent employers who were members of the BCOA on the enactment date and who have been designated by the employees who were members of the BCOA on the enactment date and who have been designated as the largest number of eligible beneficiaries under section 9706(b)."

(3) SPECIAL RULE.—If the BCOA ceases to exist, any trustee or successor under paragraph (2) shall be designated by the 3 employers who were members of the BCOA on the enactment date and who have been designated as the largest number of eligible beneficiaries under section 9706(b).

(b) ENFORCEMENT OF OBLIGATIONS.—(1) FAILURE TO PAY PREMIUMS.—Section 9707(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) PREMIUMS FOR ELIGIBLE BENEFICIARIES.—There is hereby imposed a penalty on the failure of any assigned operator to pay any premium required to be paid under section 9704 with respect to any eligible beneficiary.

(2) CONTRIBUTIONS REQUIRED UNDER THE MINING LAWS.—There is hereby imposed a penalty on the failure of any person to make a contribution required under section 402(h)(5)(B)(ii) of the Surface Mining Control and Reclamation Act of 1977 to a plan referred to in section 402(h)(2)(C) of such Act. For purposes of applying this section, each such required monthly contribution for the hours worked of any individual shall be treated as if it were a premium required to be paid under section 9704 with respect to an eligible beneficiary.

(2) CIVIL ENFORCEMENT.—Section 9721 of such Code is amended to read as follows:

"(f) CIVIL ENFORCEMENT.—(1) The provisions of section 430 of the Employee Retirement Income Security Act of 1974 shall apply, in the same manner as any claim arising out of an obligation to pay withdrawal liability under subtitle E of title IV of such Act, to any claim arising out of an obligation to pay any amount required to be paid by this chapter; or

(2) arising out of an obligation to pay any amount required by section 402(h)(5)(B)(ii) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1232(h)(5)(B)(ii))."

SA 4786. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

"(a) Of the amount appropriated or otherwise made available by title IV under the heading "Research, Development, Test and Evaluation, Air Force", up to $8,000,000 may be available for Military-Standard-1760 (MIL-STD-1760) integration for the internal weapons bays of B-2 aircraft.

SA 4787. Mr. VOINOVICH (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

"(a) Of the amount appropriated or otherwise made available by title IV under the heading "Research, Development, Test and Evaluation, Army", $1,000,000 may be available for the Portable Battery Operated Solid-State Electrochemical Oxygen Generator project for the purpose of developing a field-portable oxygen generation device to enable the quick administration of oxygen to members of the Armed Forces wounded in action.

SA 4788. Mr. ISAKSON submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

"(a) Of the amount appropriated or otherwise made available by title IV under the heading "Research, Development, Test and Evaluation, Army", up to $1,000,000 may be available for environmental management and compliance information.

SA 4789. Mr. DEWINE (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

"(a) Of the amount appropriated or otherwise made available by title IV under the heading "Research, Development, Test and Evaluation, Navy", $1,000,000 may be available for the Carrier Replacement Program for that purpose.

SA 4801. Mr. DEWINE (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

"(a) Of the amount appropriated or otherwise made available by title IV under the heading "Research, Development, Test and Evaluation, Navy", $1,000,000 may be available for the Carrier Replacement Program for that purpose.

SA 4802. Mr. KENNEDY (for himself, Mr. REID, Mr. BIDEN, Mr. LEVIN, Mr. REED, Mr. LAUTENBERG, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 150, line 24, insert before the period the following: ""Provided, That Director of National Intelligence shall, utilizing amounts appropriated by this heading, prepare by not later than October 1, 2008, a new National Intelligence Estimate on Iraq with an assessment by the intelligence community of critical political, economic, and security trends in Iraq, which shall address such matters as the Director of National Intelligence considers appropriate, including (1) an assessment whether Iraq is in or is descending into civil war and the actions that would be required or recommended under conditions promoting civil war, including sectarianism, (2) an assessment whether Iraq is
succeeding in standing up effective security forces, and the actions that will increase the chances of that occurring, including an assessment of (A) the extent to which militias are provided for the Iraqi government, and the extent to which the Government of Iraq has developed and implemented a credible plan to disband and reintegrate militias into government security forces and is working to obtain a political commitment from political parties to ban militias, (3) an assessment of (A) the extent of the threat from violent extremist-related terrorism, including al Qaeda, in and from Iraq, (B) the extent to which terrorism in Iraq has exacerbated or transformed in the region and given the conflict, (C) the extent to which terrorism in Iraq has increased the threat to United States persons and interests around the world, and (D) actions to reduce the terrorist threat, (4) an assessment whether Iraq is succeeding in creating a stable and effective unity government, the likelihood that changes to the constitution will be made to address concerns of the Sunni community, and the actions that will increase the chances of that occurring, (5) an assessment (A) whether Iraq is succeeding in rebuilding its economy and creating economic prosperity for Iraqis, (B) the likelihood that economic reconstruction in Iraq helps or hinders the chances of success in Iraq, and (C) the extent to which economic rebuilding the Iraqi government on foreign aid to meet its domestic economic needs, and (C) the actions that will increase the chances of that occurring, (6) a description of the optimistic, most likely, and pessimistic scenarios for the stability of Iraq through 2007, (7) an assessment whether, and in what ways, the large-scale presence of multinational forces in Iraq helps or hinders the chances of success in Iraq, and (8) an assessment of the extent to which the situation in Iraq is affecting relations with Iran, Saudi Arabia, Turkey, and other countries in the region:

Resolved further, That, not later than October 1, 2006, the Director of National Intelligence shall submit to Congress the National Intelligence Estimate prepared under the preceding proviso, together with an unclassified summary of the National Intelligence Estimate: Provided further, That if the Director of National Intelligence is unable to submit the National Intelligence Estimate by the date specified in this proviso, the Director shall submit to Congress, not later than that date, a report setting forth the reasons for being unable to do so.

SA 4803. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

At the end of title VIII, add the following:

SEC. 8109. No funds appropriated or otherwise made available to the Department of Defense under title VI under the heading “DEFENSE HEALTH PROGRAM” may be obligated or expended unless, during the period beginning on October 1, 2006, and ending on September 30, 2007, the cost sharing requirements established pursuant to paragraph (6) of section 1074a of title 10, United States Code, for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) of such section do not exceed amounts as follows:

(1) In the case of generic agents, $3.
(2) In the case of formulary agents, $9.

SEC. 8108. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; as follows:

On page 238, after line 24, add the following:

TITLE X—ELIMINATION OF FRAUD IN GOVERNMENT CONTRACTING

SEC. 10001. SHORT TITLE.

This title may be cited as the “Honest Leadership and Accountability in Contracting Act of 2006”.

Subtitle A—Elimination of Fraud and Abuse

SEC. 10011. PROHIBITION OF WAR PROFITEERING AND FRAUD.

(a) PROHIBITION.—

(1) In general.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

"§ 1030. War profiteering and fraud. (a) War profiteering. (1) In general.—Whoever, in any manner involving a contract or the provision of goods or services, directly or indirectly, in connection with the war or military action knowingly and willfully—

(A) executes or attempts to execute a scheme or artifice to defraud the United States or the entity having jurisdiction over the area in which such activities occur;

(B) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; or

(C) makes or uses any materially false statement or representation, or makes or uses any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; or

(D) materially overvalues any good or service with the specific intent to defraud the United States or the entity having jurisdiction over the area in which such activities occur; or

shall be fined not more than $20,000, or for a term of not more than 5 years, or both.

(b) Effective date.—The revised regulations provided in this section shall be made enforceable under this title;

(c) Submission of individual audits.—The head of each executive agency shall maintain a list of audit reports issued after the date of the enactment of this Act, and shall be modified to include—

"(B) if such person derives profits or other proceeds from the offense, not more than twice the gross profits or other proceeds;"

(b) EXTRATERRITORIAL JURISDICTION.—Section 1074(a)(1)(C) of title 10, United States Code, is amended by inserting “1030” after “1032”.

(c) CRIMINAL FORFEITURE.—Section 983(a)(2)(B) of title 18, United States Code, is amended by striking “or 1030” and inserting “1030, or 1039”.

(d) TREATMENT UNDER MONEY Laundering OFFENSE.—Section 1956(c)(7)(D) of title 18, United States Code, is amended by inserting the following:—", section 1039 (relating to war profiteering and fraud after "liquidating agent of financial institution")

SEC. 10012. SUSPENSION AND DEBARMENT OF UNETHICAL CONTRACTORS.

(a) In general.—Not later than 90 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall be revised to provide that no prospective contractor shall be considered to have a satisfactory record of integrity and business ethics if it:

(1) has exhibited a pattern of overcharging the Government under Federal contracts; or

(2) has exhibited a pattern of failing to comply with the law, including tax, labor and employment, environmental, antitrust, and consumer protection laws.

(b) Effective date.—The revised regulations provided in this section shall apply with respect to all contracts for which solicitations are issued after the date that is 90 days after the date of the enactment of this Act.

SEC. 10013. DISCLOSURE OF AUDIT REPORTS.

(a) DISCLOSURE OF INFORMATION TO CONGRESS.—

(1) In general.—The head of each executive agency shall maintain a list of audit reports issued by the agency during the calendar year that precedes the calendar year of the date of enactment of this Act.

(b) Identification of significant contractors.—The head of an executive agency shall maintain a list of audit reports issued by the agency during the calendar year that precedes the calendar year of the date of enactment of this Act.

(c) Discharge of information to Congress.—The head of each executive agency shall maintain a list of audit reports issued by the agency during the calendar year that precedes the calendar year of the date of enactment of this Act.
(A) information on instances in which any major contractor has been fined, paid penalties or restitution, settled, plead guilty to, or had judgments entered against it in connection with allegations of improper conduct; and

(B) information on all sole source contract awards in excess of $2,000,000 entered into by an executive agency; and

(2) PUBLICLY AVAILABLE WEBSITE.—The information required by paragraph (1) shall be made available through the publicly available website of the Federal Procurement Data System.

Subtitle B—Contract Matters

Part 1—Competition in Contracting

SEC. 10021. PROHIBITION ON AWARD OF MONOPOLISTIC CONTRACTS.

(a) CIVILIAN AGENCY CONTRACTS.—Section 303H(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 239h(d)) is amended by adding at the end the following new paragraph:

"(4)(A) No task or delivery order contract in an amount estimated to exceed $100,000,000 (including all options) may be awarded to a single contractor unless the head of the agency determines in writing that—

(1) because of the size, scope, or method of performance of the requirement, it would not be practical to award multiple task or delivery order contracts;

(2) the task orders expected under the contract are so integrally related that only a single contractor can reasonably perform the work; or

(3) for any other reason, it is necessary in the public interest to award the contract to a single contractor.

(B) The head of the agency shall notify Congress within 30 days of any determination under subsection (a) to award a contract as provided in subsection (a)."

(b) DEFENSE CONTRACTS.—Section 2304a(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) No task or delivery order contract in an amount estimated to exceed $1,000,000 (including all options) may be awarded to a single contractor unless the head of the executive agency determines in writing that—

(1) because of the size, scope, or method of performance of the requirement, it would not be practical to award multiple task or delivery order contracts;

(2) the task orders expected under the contract are so integrally related that only a single contractor can reasonably perform the work; or

(3) for any other reason, it is necessary in the public interest to award the contract to a single contractor.

(B) The head of the agency shall notify Congress within 30 days of any determination under subparagraph (A)(i) or (A)(ii)."

SEC. 10022. COMPETITION IN MULTIPLE AWARD CONTRACTS.

(a) REGULATIONS REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Federal Acquisition Regulation shall be revised to require competition in the purchase of goods and services by each executive agency pursuant to multiple award contracts.

(b) CONTENT OF REGULATIONS.—(1) The regulations required under subsection (a) shall provide, with respect to a contractor, means any subsidiary, parent, affiliate, joint venture, or other entity related to the contractor.

(A) waivers the requirement on the basis of a determination that—

(i) one of the circumstances described in paragraphs (1) through (4) of section 303J(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 233(b)) applies to such individual purchase; or

(ii) a statute expressly authorizes or requires that the purchase be made from a specified source.

(2) justifies the determination in writing.

(3) For purposes of this subsection, an individual purchase of goods or services is made from a competitive source if—

(A) notice is given to the contractors that the purchase is subject to procedures that—

(i) require fair notice of the intent to make such purchase; and

(ii) for purposes of paragraphs (2) and (3), all contractors responding to the notice are afforded a fair opportunity to make an offer;

(B) the head of the executive agency determines in writing that—

(i) notice was given to the contractors that the purchase is subject to procedures that—

(ii) would be placed in a position to affect such individual purchase; or

(iii) amendments to the procedures required by paragraphs (2) and (3) are made;

(C) any other indefinite delivery, indefinite quantity contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 309(b)(3) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)(3));

(D) a multiple award task order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303K through 303L of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259 through 262) that—

(i) is for the purchase of goods or services;

(ii) is to be provided to all contractors offering such goods or services; and

(iii) is not made pursuant to a contract or order that is to be performed in whole or in part in the same manner or for the same purpose as another contract or order;

(E) a multiple award contract for the performance of any inherently governmental function;

(F) a contract for the performance of any inherently governmental function; and

(G) a contract for the performance of any inherently governmental function.

(b) DEFENSE CONTRACTS.—Section 2304d(c) of title 10, United States Code, is amended by inserting "with a value of less than $1,000,000 after "task or delivery order".

Part 2—Contract Personnel Matters

SEC. 10031. CONTRACTOR CONFLICTS OF INTEREST.

(a) PROHIBITION ON CONTRACTS RELATING TO INHERENTLY GOVERNMENTAL FUNCTIONS.—The head of an agency may not enter into a contract for the performance of any inherently governmental function.

(b) PROHIBITION ON CONTRACTS FOR CONFLICT OF INTEREST.

(1) PROHIBITION.—The head of an agency may not enter into a contract for the performance of acquisition functions closely associated with inherently governmental functions with any entity unless the head of the agency determines in writing that—

(A) the entity or any natural or legal person (including any entity related to such an entity) with which the entity has a continuing business relationship, such as a joint venture or contract, has a separate ongoing business relationship with the contractor, or has a reverse role with the contractor; or

(B) the entity or any natural or legal person (including any entity related to such an entity) will be responsible for performing any of the work under a contract which the contractor may enter into or perform in order to aid the head of the agency in the exercise of the entity's governmental functions.

(2) RELATED ENTITY DEFINED.—In this subsection, the term "related entity"—

(A) has a separate ongoing business relationship, such as a joint venture or contract, with any of the contractors to be overseen; or

(B) has a reverse role with the contractor.

(3) EXCEPTIONS.—In this subsection, the term "related entity"—

(A) does not apply to a contractor or subcontractor to whom the head of the head of the agency is required to report; or

(B) has a reverse role with the contractor.

(4) FORMATION OF CONTRACTS.—The head of an agency shall determine in writing whether any entity related to a contractor is a related entity in accordance with this subsection.

(5) EFFECTIVE DATE AND APPLICABILITY.—This section shall take effect on the date of the enactment of this Act and shall apply to contracts entered into on or after such date;
(2) any task or delivery order issued on or after such date under a contract entered into before, on, or after such date; and
(3) any decision on or after such date to ex-
ercise or extend an option or otherwise extend a con-
tact for the performance of a function relating to contract oversight regardless of whether such contract was entered into before, on, or after such date.
SEC. 1002C. ELIMINATION OF REVOLVING DOOR BETWEEN FEDERAL PERSONNEL AND FORMER EMPLOYERS.
(a) ELIMINATION OF LOopholes ALLowing FORMER FEDERAL OFFICIALS TO ACCEPT COMPENSATION FROM CONTRACTORS OR RELATED ENTITIES.—
(1) IN GENERAL.—Paragraph (1) of subsection (d) of section 27 of the Office of Fed-
eral Procurement Policy Act (41 U.S.C. 423) is amended—
(A) by striking “or consultant” and inserting “consultant, lawyer, or lobbyist”;
(B) by striking “one year” and inserting “two years”;
(C) in subparagraph (C), by striking “person-
ally made for the Federal agency” and inserting “participated personally and sub-
stantially in”;
(2) DEFINITION.—Paragraph (2) of such sub-
section is amended to read as follows:—
“‘(2) For purposes of paragraph (1), the term ‘personally made for the Federal agency’ includes any division, affiliate, subsidiary, parent, joint venture, or other related entity of a contractor.”;
(b) AWARD OF GOVERNMENT CONTRACTS TO FORMER EMPLOYERS.—Such section is further amended by adding at the end the following new subsection:
“(1) PROHIBITION ON INVOLVEMENT BY CERTAIN FORMER CONTRACTOR EMPLOYEES IN PROCUREMENTS.—A former employee of a contractor who becomes an employee of the Federal Government shall not be personally and substantially involved with any Federal agency procurement involving the employee’s former employer, including any division, affiliate, subsidiary, parent, joint venture, or other related entity of the former employer, for a period of two years beginning on the date on which the employee leaves the em-
ployment of the contractor unless the des-
ignated agency ethics officer for the agency determines in writing that the government’s interest in the former employee’s participa-
tion in a particular procurement outweighs any appearance of impropriety.”;
(c) FEDERAL PROCUREMENT OFFICERS TO DISCLOSE JOB OFFERS MADE TO RELATIVES.—Subsection (c)(1) of such section is amended by inserting after “‘that official’” the following:—’‘or for a rel-
ative of that official (as defined in section 3101 of title 5, United States Code),’’;
(d) ADDITIONAL CRIMINAL PENALTIES.—
(1) CRIMINAL PENALTIES.—Whoever en-
gages in conduct constituting a violation of—
“(A) subsection (a) or (b) for the purpose of either—
“(i) exchanging the information covered by such subsection for anything of value, or
“(ii) obtaining or giving anyone a competi-
tive advantage in the award of a Federal agency procurement contract; or
“(B) subsection (c) or (d); shall be imprisoned for not more than 5 years, fined as provided under title 18, Uni-
ted States Code, and
(2) REGULATIONS.—Such section is further amended by adding at the end the following new subsection:
“(j) REGULATIONS.—The Director of the Of-
fice of Government Ethics, in consultation with the Administrator, shall—
“(1) develop regulations to carry out and ensure the enforcement of this section; and
“(2) monitor and investigate individual and agency compliance with this section.”.
Subtitle C—Other Personnel Matters
SEC. 10041. MINIMUM REQUIREMENTS FOR POL-
ITICAL APPOINTEES HOLDING PUBL-
IC CONTRACTING AND SAFETY POS-
ITIONS.
(a) IN GENERAL.—A position specified in sub-
section (b) may not be held by any polit-
ical appointee until that appointee meet the re-
quirements of subsection (c).
(b) SPECIFIED POSITIONS.—A position speci-
fied in this subsection is any position as fol-
 lows:
(1) a public contracting position.
(2) a public safety position.
(c) MINIMUM REQUIREMENTS.—An individual shall not, with respect to such position, be considered to meet the requirements of this subsection unless such individual—
(1) has academic, management, and leader-
ship credentials in one or more areas rele-
vant to such position;
(2) has a superior record of achievement in one or more areas relevant to such position;
(3) has training and expertise in one or more areas relevant to such position; and
(4) has not, within the 2-year period ending on the date of such individual’s nomination for or appointment to such position, been a lobbyist for any entity or other client that is subject to the authority of the agency within which, if appointed, such individual would serve.
(d) POLITICAL APPOINTEE.—For purposes of this section, the term “political appointee” means any individual:
(1) who is employed in a position listed in sec-
tions 3532 through 3536 of title 5, United States Code (relating to the Executive Schedule);
(2) who is a limited term appointee, limited emergency appointee, or noncareer ap-
pointee in the Senior Executive Service; or
(3) who is employed in the executive branch of the Government in a position which has been excepted from the competitive service by reason of its policy-determining, policy-
making, or policy-advocating character.
(e) PUBLIC CONTRACTING POSITION.—For purposes of this section, the term “public contracting position” means the following:
(1) The Administrator for Federal Procure-
ment Policy.
(2) The Administrator of the General Serv-
ces Administration.
(3) The Chief Acquisition Officer of any ex-
ecutive agency, as appointed or designated pursuant to section 16 of the Office of Fed-
(4) The Under Secretary of Defense for Ac-
quisition, Technology, and Logistics.
(5) Any position (not otherwise identified under any of the preceding provisions of this subsection) that involves government procurement and pro-
curement policy, as identified by the head of each employing agency in consultation with the Office of Personnel Management.
(f) PUBLIC SAFETY POSITION.—For purposes of this section, the term “public safety position” means the following:
(1) The Director of the Office of Homeland Security.
(2) The Assistant Secretary for Preparedness and Re-
covery, Department of Homeland Security.
(3) Each regional director of the Federal Emergency Management Agency, Depart-
ment of Homeland Security.
(5) The Director of the Office of Immig-
ration and Customs Enforcement, Department of Homeland Security.
(6) The Assistant Secretary for Public Health Emergency Preparedness, Depart-
ment of Health and Human Services.
(7) The Assistant Administrator for Solid Wastes, Office of Solid Waste and Emergency Response, Environ-
mental Protection Agency.
(g) PUBLICATION OF POSITIONS.—Beginning not later than 30 days after the date of the en-
actment of this Act, the head of each agency shall maintain on a public website a current list of all public con-
tracting positions and public safety positions within such agency.
(h) COORDINATION WITH OTHER REQUIRE-
MENTS.—The requirements set forth in sub-
section (c) shall be in addition to, and not in lieu of, any requirements that might other-
wise apply with respect to any particular po-

tion.
(i) DEFINITIONS.—In this section:
(1) The term “agency” means an Executive agency (as defined by section 105 of title 5, United States Code).
(2) The terms “limited term appointee”, “limited emergency appointee”, and “noncareer appointee” have the meanings given such terms in section 3312 of title 5, United States Code.
(3) The term “Senior Executive Service” has the meaning given such term by section 2101a of title 5, United States Code.
(4) The term “competitive service” has the meaning given such term by section 2102 of title 5, United States Code.
(5) The terms “lobbyist” and “client” have the respective meanings given them by sec-
(j) CONFORMING AMENDMENT.—Section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a)) is amended by striking “non-career employee as”.
SEC. 10042. PROTECTION OF CERTAIN DISCLOS-
URES OF INFORMATION BY FED-
ERAL EMPLOYEES.
(a) CLARIFICATION OF DISCLOSURES COV-
ERED.—Section 3101 of title 5, United States Code, is amended—
(1) in subparagraph (A)—
(2) in subparagraph (B)—
(3) in subparagraph (C); and
(4) in subparagraph (D).
(b) COMMUNICATION OF INFORMATION.
(1) The term “improperly utilizes” means an Executive
(2) For purposes of paragraphs (2) and (3), the
terms “communication of information” and “knowledgeable individual” mean the respective meanings given them by section 3102 of title 5, United States Code.
(3) by striking “term ‘knowledgeable individual’ means an Executive
(4) For purposes of this section, the term “knowledgeable individual” has the meaning given such term by section 2103 of title 5, United States Code.
(5) by adding at the end the following:
“‘(5) The terms ‘lobbyist’ and ‘client’ have the respective meanings given them by subsection 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602).’”;
(6) by adding at the end the following:
“(j) CONFORMING AMENDMENT.—Section 16(a) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(a)) is amended by striking “non-career employee as”.
SEC. 10042. PROTECTION OF CERTAIN DISCLOS-
URES OF INFORMATION BY FED-
ERAL EMPLOYEES.
(a) CLARIFICATION OF DISCLOSURES COV-
ERED.—Section 3101 of title 5, United States Code, is amended—
(1) in subparagraph (A)—
(2) in subparagraph (B)—
(3) in subparagraph (C);
(4) in subparagraph (D); and
(5) by adding at the end the following:
“(i) is made by an employee or applicant of information required by law or Executive
order to be kept secret in the interest of national defense or the conduct of foreign affairs that the employee or applicant reasonably believes is direct and specific evidence of—

"(1) any violation of any law, rule, or regulation;

"(2) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

"(3) a false statement to Congress on an issue of material fact; and

"(i) it is made to—

"(I) a member of a committee of Congress;

"(II) the General Accounting Office; or

"(III) an employee of Congress who has the appropriate security clearance and is authorized to receive information of the type disclosed.

"(b) COVERED DISCLOSURES.—Section 2302(a)(2) of title 5, United States Code, is amended—

1. in subparagraph (B)(ii), by striking “and” at the end;

2. in subparagraph (C)(iii), by striking the period at the end and inserting “; and”; and

3. by inserting the following:

   "(D) ‘‘disclosure’’ means a formal or informal communication or transmission, but does not include other Member of Congress;

   "(E) ‘‘employee’’ means an employee of the Government;

   "(F) ‘‘employee of Congress’’ means—

   (i) an employee of the House of Representatives;

   (ii) an employee of the Senate;

   (iii) an employee of the Clerk of the House of Representatives or the Secretary of the Senate; and

   (iv) an employee of an executive agency or unit thereof the principal function of which is to conduct foreign intelligence or counterintelligence activities.

   (G) ‘‘national security’’ means—

   (i) the national defense or foreign policy of the United States;

   (ii) a military or national space program;

   (iii) a vital and specific danger to public health or safety; or

   (iv) and inserting after clause (x) the following:

   (X) a protective order issued by a court of competent jurisdiction involving other protected activity (as defined by such order).

   (H) ‘‘nonDisclosure policy’’ means—

   (i) a written policy or procedure pertaining to the protection of national security.

   (ii) an Executive order not in conflict with such statutory provision.

   (I) ‘‘nonDisclosure policy, forms, and agreements’’ means—

   (i) as defined in Executive Order No. 12958; section 7211 (gov- erning disclosures to Congress); section 1034 of title 10 (governing disclosure to Congress by members of the military); section 2302(b)(1) (governing disclosures of illegality, waste, fraud, abuse, or public health or safety threats); the Intelligence Identities Protection Act of 1962 (50 U.S.C. 421 et seq.) (governing identification expense; confiden- tial Government agents); and the statutes which protect against disclosures that could compromise national security, including sections 601 and 602 of title 18 and section 4(b) of the Subversive Activity- es Control Act of 1950 (50 U.S.C. 783(b)).

   (J) the for- mal or informal communication or transmission, but does not include (i) the employee; (ii) the employee of Congress; and (iii) the employee of the executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities.

   (K) ‘‘protection Board’’ means any entity established or authorized under this section.

   (L) ‘‘protection Board or court judgment’’ means—

   (i) a judgment of the Special Counsel or the Merit Systems Protection Board, and any reviewing court.

   (M) ‘‘protection Board or any reviewing court’’ means—

   (i) the Special Counsel or the Merit Systems Protection Board, and any reviewing court.

   (N) ‘‘protection Board or court judgment’’ means—

   (i) a Board or any reviewing court

   (ii) an assessment of a civil penalty not to exceed $1,000; or

   (ii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (i).

   (O) in any case in which the Board finds that an employee has committed a prohibited personnel practice under paragraph (8) or (9) of section 2302(b), the Board shall impose disciplinary action if the employee’s decision to take, fail to take, or threaten to take or fail to take a personnel action, unless that employee demonstrates, by preponderance of evidence, that the employee would have taken, failed to take, or threatened to take or fail to take the same personnel action, in the absence of such protected activity.

   (b) TECHNICAL AND CONFORMING AMEND- MENT.—The table of sections for chapter 77 of title 5, United States Code, is amended by inserting after the item relating to section 7702 the following:

   "7702a. Actions relating to security clearances.

   (a) In any appeal relating to the suspension, revocation, or other determination relating to a security clearance or access determination, the Special Counsel or the Merit Systems Protection Board or any reviewing court—

   (1) shall determine whether paragraph (8) or (9) of section 2302(b) was violated;

   (2) may not order the President or the designee of the President to restore a security clearance or otherwise reverse a determination of clearance status or reverse an access determination, giving great weight to the Board or court judgment.

   (b) If, in any final judgment, the protection Board or court declares that any suspension, revocation, or other determination with regards to a security clearance or access determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall conduct a review of that suspension, revocation, access determination, or other determination, giving great weight to the Board or court judgment.

   (2) Not later than 30 days after any Board or court decision described under clause (1), the affected agency shall issue an unclassified report to the congressional committees of jurisdiction (with a classified annex if necessary), detailing the circumstances of the agency’s security clearance suspension, revocation, other determination, or access determination. A report under this paragraph on any proposed agency action with regards to the security clearance or access determination.

   (c) An allegation that a security clearance or access determination was revoked or suspended in retaliation for protected disclosure shall receive expedited review by the Office of Special Counsel, the Merit Systems Protection Board, and any reviewing court.

   (d) For purposes of this section, correc- tive action may not be ordered if the agency demonstrates by a preponderance of the evidence that it would have taken the same personnel action in the absence of such disclose- ment.

   (e) EXCLUSION OF AGENCIES BY THE PRESI- DENT.—Section 2302(a)(2)(c) of title 5, United States Code, is amended by striking clause (ii) and inserting the following:

   "(ii)(I) the Federal Bureau of Investiga- tion, the Office of the Director of National Intelligence, the Office of the Director of National Security Affairs, the National Security Agency, the Defense Intelligence Agency, the Na- tional Geospatial-Intelligence Agency, and the National Security Agency; and

   (II) any other executive agency or unit thereof the principal function of which is to conduct foreign intelligence or counterintelligence activities.

   (f) ATTORNEY FEES.—Section 1209(e)(1) of title 5, United States Code, is amended by striking “agency involved” and inserting “agency where the prevailing party is em- ployed or has applied for employment”.

   (g) DISCIPLINARY ACTION.—Section 1215(a)(3) of title 5, United States Code, is amended by adding at the end the following:

   "(3) A final order of the Board may im- pose disciplinary action consisting of remov- al, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, or reprimand; or

   "(iii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (i).

   (h) SPECIAL COUNSEL AMICUS CURIAE AP- PEARANCE.—Section 1212 of title 5, United States Code, is amended by adding at the end the following:

   (3) The Special Counsel is authorized to appear as amicus curiae in any action
brought in a court of the United States related to any civil action brought in connection with section 2302(b) (8) or (9), or subchapter III of chapter 73, or as otherwise authorized by law, the Special Counsel is authorized to present the views of the Special Counsel with respect to compliance with section 2302(b)(8) or (9) or subchapter III of chapter 73, to the court, and the court decisions would have on the enforce- ment of such provisions of law.

(2) During the 5-year period beginning on the effective date of this subsection, the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).

(1) Judicial Review.—(1) IN GENERAL.—Section 770b(b)(1) of title 5, United States Code, is amended to read as follows:

(b)(1) Except as provided in subpara- graph (B) and paragraph (2), a petition to re- view a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit.

Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

(2) During the 5-year period beginning on the effective date of this subsection, the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).

(2) During the 5-year period beginning on the effective date of this subsection, the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).

(1) Judicial Review.—(1) IN GENERAL.—Section 770b(b)(1) of title 5, United States Code, is amended to read as follows:

(b)(1) Except as provided in subpara- graph (B) and paragraph (2), a petition to re- view a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2).

(2) Petition captioned by Office of Personnel Management.—Section 770b(d) of title 5, United States Code, is amended to read as follows:

(d) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not inter- vene in a matter before the Board, the Direc- tor may not petition for review of a Board decision under this subsection.

(2) Petition captioned by Office of Personnel Management.—Section 770b(d) of title 5, United States Code, is amended to read as follows:

(d) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2). If the Director determines, in his discretion, that the Board erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not inter- vene in a matter before the Board, the Direc- tor may not petition for review of a Board decision under this subsection.

(1) Judicial Review.—(1) IN GENERAL.—Section 770b(b)(1) of title 5, United States Code, is amended to read as follows:

(b)(1) Except as provided in subpara- graph (B) and paragraph (2), a petition to re- view a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit.

Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

(2) During the 5-year period beginning on the effective date of this subsection, the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).

(1) Judicial Review.—(1) IN GENERAL.—Section 770b(b)(1) of title 5, United States Code, is amended to read as follows:

(b)(1) Except as provided in subpara- graph (B) and paragraph (2), a petition to re- view a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit.

Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

(2) During the 5-year period beginning on the effective date of this subsection, the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).

(2) INDIVIDUAL ACTION.—(2) A court of the United States shall have the right to appear in the proceeding before the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for review of a Board decision under this section at the discretion of the Court of Appeals.

(3) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—(j) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—Section 2302(c) of title 5, United States Code, is amended to read as follows:

(c) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—(j) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—Section 2302(c) of title 5, United States Code, is amended by inserting ‘‘, including how to make a lawful disclosure of information that is specifically required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign af- fairs to the Special Counsel, the Inspector General of an agency, Congress, or other agency employee designated to receive such disclosures’’ after ‘‘chapter 12 of this title’’.

(2) INDIVIDUAL ACTION.—Section 2302(c)(2) of title 5, United States Code, is amended by inserting ‘‘after a finding that a protected disclosure was a contribut- ing factor,’’ after ‘‘ordered if’’.

(3) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect 30 days after the date of the enactment of this Act.

SEC. 4006. ROYALTY RELIEF FOR PRODUCTION OF OIL AND GAS.

(a) PRICE THRESHOLDS.—Notwithstanding any other provision of law, the Secretary of the Interior shall place limitations based on market price on the royalty relief granted under any lease for the production of oil or gas on Federal land (including submerged land) entered into by the Secretary of the Interior on or after the date of enactment of this Act.

(b) CLARIFICATION OF AUTHORITY TO IMPOSE PRICE THRESHOLDS FOR CERTAIN LEASE SALES.—Congress reaffirms the authority of the Secretary of the Interior under section 302(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(b)(4)) to vary, based on the price of production from a lease, the suspension of royalties under any less than the market price on the royalty relief granted under any lease for the production of oil or gas on Federal land (including submerged land) entered into by the Secretary of the Interior under section 302(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(b)(4)) to vary, based on the price of production from a lease, the suspension of royalties under any less than the market price on the royalty relief granted under any lease for the production of oil or gas on Federal land (including submerged land) entered into by the Secretary of the Interior on or after the date of enactment of this Act.

SEC. 4007. ELIGIBILITY FOR NEW LEASES AND THE TRANSFER OF LEASES.

(a) DEFINITIONS.—In this section—

(1) COVERED LEASE.—The term ‘‘covered lease’’ means a lease for oil or gas produc- tion in the Gulf of Mexico that is—

(A) in existence on the date of enactment of this Act;

(B) issued by the Department of the Inter- nal Revenue or the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337(a)(1)(H)) to vary, based on the price of production from a lease, the suspension of royalties under any less than the market price on the royalty relief granted under any lease for the production of oil or gas on Federal land (including submerged land) entered into by the Secretary of the Interior on or after the date of enactment of this Act;

(C) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)); and

(D) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

(2) LESSEE.—The term ‘‘lessee’’ includes any person that controls, is controlled by, or is in common control with, a lessee.

(3) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of the Interior.

(b) ISSUANCE OF NEW LEASES.—

(1) IN GENERAL.—Beginning on the date that is 30 days after the date of enactment of this Act, the Secretary shall not issue any new lease that authorizes the production of
oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.)—

(A) any lessee that—
(i) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or
(ii) was issued a covered lease before the date the bill becomes law—
(a) a direct or indirect interest in, or who derives an interest from, the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), but transfers the covered lease to another person or entity (including a subsidiary or affiliate of the lessee) after the date of enactment of this Act;
(b) any other entity or person who has any direct or indirect interest in, or who derives any benefit from, a covered lease.

(2) MULTIPLE LESSEES.

(A) IN GENERAL.—For purposes of paragraph (1), if there are multiple lessees that own a share of a covered lease, the Secretary may implement separate agreements with each lessee with a share of the covered lease that modifies the payment responsibilities with respect to the share of the lessee to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), unless the lessee—

(1) renegotiates all covered leases of the lessee; and
(2) enters into an agreement with the Secretary to modify the terms of all covered leases of the lessee to include limitations on royalties, as determined by the Secretary, that do not constitute a covered lease with respect to any lessees that entered into the agreement.

(c) TRANSFERS.—A lessee or any other person who has any direct or indirect interest in, or who derives a benefit from, a lease shall not be eligible to obtain a new sale or transfer (including through a swap, spinoff, or other agreement) any covered lease, the economic benefit of any covered lease, or any other lease for the production of oil or natural gas in the Gulf of Mexico under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), unless the lessee—

(1) renegotiates all covered leases of the lessee; and
(2) enters into an agreement with the Secretary to modify the terms of all covered leases of the lessee to include limitations on royalties, as determined by the Secretary, that do not constitute a covered lease with respect to any lessees that entered into the agreement.

(2) PURPOSES.—The purposes specified in this paragraph are the competitive award of research projects in the following areas:

(A) Vehicle-Based Active Protection Systems against kinetic energy threats.
(B) Robotic Ground Systems.
(C) Command and Control of Unmanned Systems.
(D) Hybrid Electric Technologies.
(F) Vehicle Survivability Systems.
(G) Such other research activities as the Secretary of the Army may specify.

(c) OFFSET.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to $5,000,000 may be made available for the Virtual Training and Airspace Management Simulation for Unmanned Aerial Vehicles.

SA 4808. Mr. Nelson of Florida submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

“SEC. 8109. (a) ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to $5,000,000 may be made available for equipment for the National Guard and Reserve.

(b) SUPPLEMENT NOT SUPPLANT.—The amount provided under subsection (a) for the purpose specified in that subsection is in addition to any other amounts available in this title for that purpose.”

SA 4809. Mr. Leach submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

“SEC. 9012. (a) AVAILABILITY OF ADDITIONAL AMOUNT FOR NATIONAL GUARD AND RESERVE EQUIPMENT.—Of the aggregate amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY”, up to $5,000,000 may be made available for the Virtual Training and Airspace Management Simulation for Unmanned Aerial Vehicles.

(b) SUPPLEMENT NOT SUPPLANT.—The amount provided under subsection (a) for the purpose specified in that subsection is in addition to any other amounts available in this title for that purpose.”

SA 4810. Mrs. Murray submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

“SEC. 8109. Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1098 et seq.) is amended by adding at the end the following:

“SEC. 494. STUDENT LOAN DEFERMENT FOR CERTAIN MEMBERS OF THE ARMED FORCES.

Notwithstanding any other provision of this Act—

(1) a member of the Armed Forces serving in a combat operation or combat zone, as designated by the Secretary of Defense, or a member of a reserve component of the Armed Forces serving pursuant to a call or order to active duty for a period of more than 30 days, shall be eligible for a deferment of any loan made, insured, or guaranteed under this title, under which periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary of the Army in such manner as the Secretary of Defense determines, for 6 months after such period; and

(2) each institution of higher education that participates in the program under this Act to defer all such loan payments shall be entitled to a deferment of any loan made, insured, or guaranteed under this title, under which periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary of the Army in such manner as the Secretary of Defense determines, for 6 months after such period.

The amount of the reduction to be allocated to Alternative Infrared Space System (PE 0004443F).

SA 4811. Mrs. Murray submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

“SEC. 8109. (a) CHILD CARE FOR CERTAIN CHILDREN WITHOUT ACCESS TO MILITARY CHILD CARE.—

In general.—In any case where the children of a covered member of the Armed Forces are geographically dispersed and do not have practical access to a military child care center, the Secretary would otherwise provide access to

Chapter 88 of title 10, United States Code, and other applicable provisions of law.

(b) PROVIDE FOR MILITARY CHILD CARE.—(1) In general.—Funds may be provided under paragraph (1) in accordance with the provisions of section 1976 of title 10, United States Code, or by such other mechanisms as the Secretary considers appropriate.

(b) PRESERVATION OF SERVICES AND PROGRAMS.—The Secretary would otherwise provide for the attendance and participation of children in military child development centers and child care and development programs and activities under subsection (a) in a manner that preserves the scope and quality of child care and development programs and activities otherwise provided by the Secretary.

(c) ALLOCATION OF FUNDS.—Of the amounts appropriated by this Act, up to $25,000,000 may be available to carry out this section.

(d) DEFINITIONS.—In this section—

(1) the term ‘covered members of the Armed Forces’ means members of the Armed Forces on active duty, including members of the Reserves who are called or ordered to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, for Operation Enduring Freedom or Operation Iraqi Freedom;

(2) the term ‘military child development center’ means the center designated by the Secretary of Defense, under section 231 of the enactment referred to in section 205(a)(B) of title 10, United States Code, as the ‘Military Child Development Center’, to improve security and access for such children to the Department of Defense child care centers, as defined in section 212 of such title;

(3) the term ‘military child development center’ means the center designated by the Secretary of Defense, under section 231 of the enactment referred to in section 205(a)(B) of title 10, United States Code, as the ‘Military Child Development Center’, to improve security and access for such children to the Department of Defense child care centers, as defined in section 212 of such title;”
SEC. 8109. (a) AVAILABILITY OF ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES.—To assist communities making adjustments resulting from changes in the size or location of the military, the Secretary of Defense shall make payments to eligible local educational agencies that, during the period between the end of the school year preceding the fiscal year for which the payments are authorized and the beginning of the school year immediately preceding that school year, had (as determined by the Secretary of Defense in consultation with the Secretary of Education) an overall increase or reduction of—
(1) not less than 5 percent in the average daily attendance of military dependent students enrolled in the schools served by the eligible local educational agencies; or
(2) not less than 5 percent in the number of military dependent students enrolled in the schools served by the eligible local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2006, and June 30 of each of the next 2 fiscal years, the Secretary of Defense shall notify each eligible local educational agency for such fiscal year—
(1) that the local educational agency is eligible for assistance under this section; and
(2) of the amount of the assistance for which the eligible local educational agency qualifies, as determined under subsection (c).

(c) AMOUNT OF ASSISTANCE.—
(1) IN GENERAL.—The amount of the assistance for which the eligible local educational agency is eligible for assistance under this section shall be equal to the product obtained by multiplying—
(i) the per-student rate determined under subparagraph (B) for such fiscal year; by
(ii) the overall increase or reduction in the number of military dependent students enrolled in the schools served by the eligible local educational agencies, as determined under subsection (a).

(B) PER-STUDENT RATE.—For purposes of paragraph (1), the per-student rate for a fiscal year shall be equal to the product obtained by dividing—
(i) the amount of funds available for such fiscal year to provide assistance under this section; by
(ii) the sum of the overall increases and reductions, as determined under subparagraph (A)(ii), for all eligible local educational agencies for that fiscal year.

(d) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse assistance made available under this section for a fiscal year, not later than 30 days after the date on which the Secretary of Defense notified the eligible local educational agencies under subsection (b) for the fiscal year.

(e) OPERATIONAL MAINTENANCE, DEFENSE-WIDE.—The authority of the Secretary of Defense to provide financial assistance under this section shall expire on September 30, 2008.

(f) TERMINATION.—The authority of the Secretary of Defense to provide financial assistance under this section shall expire on September 30, 2008.

(g) FUNDING.—Of the amount appropriated or otherwise made available by title II under the term ‘‘Base Closure and Realignment, Defense-Wide’’ up to $15,000,000 may be available for the purpose of providing assistance under this section.

(h) TERMINATION.—The authority of the Secretary of Defense to provide financial assistance under this section shall expire on September 30, 2008.

(i) DEFINITIONS.—In this section:
(1) BASE CLOSURE PROCESS.—The term ‘‘base closure process’’ means the base closure and realignment process authorized by the Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) or any base closure and realignment process conducted after the date of the enactment of this Act under section 2867 of title 10, United States Code, or any other similar law enacted after that date.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term ‘‘eligible local educational agency’’ means—
(A) for which not less than 20 percent (as rounded to the nearest whole percent) of the students in average daily attendance in the schools served by the local educational agency during the preceding school year were military dependent students who were not enlisted military personnel and who are or have been impacted by war-related action described in subsection (c).

(B) for which not less than 5 percent in the number of military dependent students enrolled in the schools served by the eligible local educational agencies.

SEC. 8110. (a) CONGRESSIONAL RECORD.—Senate amendment to the bill approved by the Senate on Septembe 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

S 8660 CONGRESSIONAL RECORD — SENATE August 2, 2006
(b) GRANTS AUTHORIZED.—The Secretary of Defense is authorized to award grants to eligible local educational agencies for the additional education, counseling, and other needs of military dependent children who are affected by war or dramatic military decisions.
(c) DEFINITIONS.—In this section—
(1) LOCAL EDUCATIONAL AGENCY.—The term ‘‘eligible local educational agency’’ means a local educational agency that—
(A) had a number of military dependent children who were enrolled in schools served by the local educational agency during the school year preceding the school year for which the determination is made of—
(i) equalled or exceeded 20 percent of the number of all children in average daily attendance in the schools served by such agency during the preceding school year; or
(ii) was 1,000 or more, whichever is less; and
(B) is designated by the Secretary of Defense as impacted by—
(i) Operation Iraqi Freedom;
(ii) Operation Enduring Freedom;
(iii) the global rebasing plan of the Department of Defense;
(iv) the realignment of forces as a result of the base closure process;
(v) the official creation or activation of 1 or more military units; or
(vi) a change in the number of required housing units on a military installation, due to the Military Housing Privatization Initiative of the Department of Defense.
(2) LOCAL EDUCATIONAL AGENCY.—The term ‘‘local educational agency’’ has the meaning given in the term in section 9001 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).
(3) MILITARY DEPENDENT.—The term ‘‘military dependent child’’ means a child described in subparagraph (B) or (D)(i) of section 9000(a)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)(1)).
(4) USE OF FUNDS.—Grant funds provided under this section shall be used for—
(1) tutoring, after-school, and dropout prevention activities for military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B); (2) the alignment of teaching, including the hiring of a military-school liaison, and counseling on the needs of military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B); (3) counseling and other comprehensive support services for military dependent children with a parent who is or has been impacted by war-related action described in clause (i), (ii), or (iii) of subsection (c)(1)(B), including the hiring of a military-school liaison; and
(4) other basic educational activities associated with an increase in military dependent children.
(e) USE OF FUNDS.—Funds available to carry out this section are in addition to any funds made available to local educational agencies under section 822, 583 or 584 of this title, or under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703).

SA 4812. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending Sep­tember 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

S 8109. (a) CONGRESSIONAL RECORD.—Senate amendment to the bill approved by the Senate on Septembe 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:
8109. Of the amount appropriated or otherwise made available by title IV under the heading ‘Research, Development, Test and Evaluation, Army’ and available for the Future Medical Shelter System is hereby increased by $5,000,000.

(b) The amount appropriated or otherwise made available by title IV under the heading ‘Research, Development, Test and Evaluation, Army’ and available for Engineering and Manufacturing Development is hereby decreased by $5,000,000.

SA 4819. Mr. DODD (for himself, Mr. REED, Mr. INOUYE, Mrs. LINCOLN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

S. 8108. From funds available in this Act, an additional $6,700,000,000 may be available for equipment reset requirements resulting from continuing combat operations, including repair, depot, and procurement activities.

SA 4820. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

S. 8109. Of the amount appropriated or otherwise made available by title II under the heading ‘Operation and Maintenance, Marine Corps Reserve’, up to $2,500,000 may be available for Military Vehicle Acquisition.”
the heading “OPERATION AND MAINTENANCE, MARINE CORPS Reserve”, up to $3,500,000 may be available for the Individual First Aid Kit (IFAK).

SA 4825. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) FUNDING FOR LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.—Of the amount appropriated or otherwise made available by title IV under the heading “DEFENSE-PROPRIETED” for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (b) FUNDING FOR THE ESTABLISHMENT OF A PANEL OF EXPERTS TO DEVELOP TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.—

(1) OPERATION AND MAINTENANCE, ARMY, FUNDS.—Of the amount appropriated or otherwise made available by title II under the heading “OPERATION AND MAINTENANCE, ARMY”, up to $200,000 may be available for the establishment of a panel of experts to develop training curricula for family caregivers on care and assistance for members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom.

SEC. 827. Mr. BOND (for himself, Mr. Leahy, Mr. Lautenberg, Mr. Dorgan, Ms. Mikulski, Mr. Harkin, and Mr. Reid) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, is hereby increased by $500,000.

(b) AVAILABILITY.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, as increased by subsection (a), up to $500,000 may be available for a pilot program on troops to nurse teachers.

SA 4824. Mr. BAYH submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, is hereby increased by $5,000,000.

(b) AVAILABILITY.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE”, as increased by subsection (a), up to $5,000,000 may be available as follows:

(1) $1,000,000 for bioterrorism protection research (PE 00613814IP).

(2) $3,000,000 for advanced protective gear for small-arms threats (PE 00610101E).

(c) ADDITION.—The amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE” is hereby reduced by $5,000,000, with the unobligated balance of amounts available for Technical Studies, Support, and Analysis.
the heading “RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY,” as increased by subsection (a), $77,000,000 may be available for Advanced Conventional Strike Capabilities (SEE 662727N) for the Conventional Trident Modification Program.

(c) Offsetting.—The aggregate amount appropriated by this Act (other than the amount available under the Conventional Trident Modification Program) is hereby reduced by $77,000,000. The Secretary of Defense shall allocate the amount of the reduction in an appropriate manner across and among the accounts of the Department of Defense.

SA 4832. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___ NO DISBURSEMENT OF PAY TO MEMBERS OF CONGRESS IF APPROPRIATIONS ACTS NOT TIMELY PASSED.

(a) Restriction on Disbursement of Pay.—

(1) In General.—If, as of the first day of any fiscal year, any congressional committee or committee of conference has not completed all final appropriations acts necessary to provide appropriations for the entirety of that fiscal year, the Secretary of the Senate and the Chief Administrative Officer of the House of Representatives may not disburse net pay to any Member of Congress for any pay period beginning in that fiscal year before the date on which notice is provided under subsection (b)(2) that all such final appropriations acts have been passed.

(2) Disbursement After Passage.—The Secretary of the Senate and the Chief Administrative Officer of the House of Representatives shall disburse all amounts of net pay to Members of Congress not disbursed under paragraph (1) at the same time pay is disbursed for the first pay period beginning after the period to which paragraph (1) applies.

(b) Notice.—The President pro tempore of the Senate shall provide notice to the Secretary of the Senate, and the Speaker of the House of Representatives shall provide notice to the Chief Administrative Officer of the House of Representatives—

(1) of any restriction on disbursement of pay under subsection (a)(1), on the first day of the fiscal year to which the restriction applies; and

(2) of the passage by Congress of all final appropriations acts described in subsection (a)(1) with respect to that fiscal year, on the date that passage occurs.

(c) Rule of Construction.—Nothing in this section shall be construed to affect the authority of the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives relating to withholdings, deductions, or any other administrative function relating to paying as otherwise authorized by law.

(d) Effective Date.—This section shall take effect on January 3, 2007.

SA 4833. Mr. KENNEDY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) Army Support for University Research Initiatives.—Of the amount appropriated by title IV under the heading “Research, Development, Test and Evaluation, Navy,” $77,000,000 may be available for Program Element 0601103A for University Research Initiatives.

(b) Navy Support for University Research Initiatives.—Of the amount appropriated by title IV under the heading “Research, Development, Test and Evaluation, Navy,” up to $12,000,000 may be available for Program Element 0601103N for University Research Initiatives.

(c) Air Force Support for University Research Initiatives.—Of the amount appropriated by title IV under the heading “Research, Development, Test and Evaluation, Air Force,” up to $5,000,000 may be available free of Program Element 0601103P for University Research Initiatives.

(d) SMART National Defense Education Program.—Of the amount appropriated by title IV under the heading “Research, Development, Test and Evaluation, Defense-Wide,” up to $9,000,000 may be available for Program Element 0601103O for the SMART National Defense Education Program.

(e) DARPA University Research Program in Computer Science and Cybersecurity.—Of the amount appropriated by title IV under the heading “Research, Development, Test and Evaluation, Defense-Wide,” up to $6,000,000 may be available for Program Element 0601103Q for Advanced Research Projects Agency Program in Computer Science and Cybersecurity.

SA 4834. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) Study on Department of Defense Transition Assistance Programs.—

(1) Study Panel.—(A) The Secretary of Defense and the Secretary of Veterans Affairs shall jointly establish a panel to conduct a study on the Transition Assistance Program (TAP) and other reintegration services for members of the National Guard and the Reserves. The panel shall be established not later than 60 days after the date of the enactment of this Act.

(B) The panel shall consist of—

(1) up to 12 representatives of private organizations, and non-profit public and educational organizations;

(2) up to 12 representatives of members of the National Guard and the Reserves from the Federal civilian duty.

(C) Briefings and workshops presented by the Secretary of Defense and the Secretary of Veterans Affairs shall be available for the panel.

(2) Composition.—The panel established under paragraph (1) shall be composed of the following:

(A) Such officers or employees of the Department of Defense as the Secretary of Defense shall appoint to the panel.

(B) Such officers or employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs shall appoint to the panel.

(C) Such individuals from the private sector as the Secretary of Defense and the Secretary of Veterans Affairs shall jointly appoint to the panel from among individuals in the private sector who have expertise in the matters to be studied by the panel, including individuals with expertise in occupational and employment adjustment matters, psychologists, health professionals, and family specialists.

(3) Study Elements.—The panel established under paragraph (1) shall conduct a study on the following:

(A) Transition Assistance Program and other reintegration services for members of the National Guard and the Reserves, including means of improving the following under the Program:

(i) The Secretary of Veterans Affairs and the Secretary of Defense jointly consider appropriate policy changes to improve the Transition Assistance Program.

(ii) The Secretary of Veterans Affairs shall submit to the Secretary of Defense and the Secretary of the Army a report on the study to Congress, together with such comments on the report as the Secretary of the Army considers appropriate.

(B) The advisability of separate systems of pay for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces.

(C) The advisability of different eligibility for medical and dental care for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces; and

(D) The advisability of modification or improvement of other policies and practices relating to pay for members of the National Guard and the Reserves in order to improve the quality of life of such members while serving in the National Guard or Reserves.

(4) Report.—Not later than 120 days after the date of the enactment of this Act, the panel shall submit to the Secretary of Defense a report on the study conducted by the panel under this subsection. The report shall include the findings of the panel as a result of the study and such recommendations, including recommendations on the matters specified in paragraph (3), as the panel considers appropriate as a result of the study.

(5) Transmittal of Report.—Not later than 60 days after receipt of the report under paragraph (4), the Secretary of Defense and the Secretary of Veterans Affairs shall jointly transmit the report to Congress, together with such comments on the report as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate.

(b) Study on Other National Guard and Reserve Benefits.—

(1) Study Panel.—The Secretary of Defense shall establish a panel to conduct a study on the adequacy of current pay and benefits, including health care and other benefits, for members of the National Guard and the Reserves under the current policies and practices of the Armed Forces relating to the utilization of the National Guard and the Reserves. The panel shall be established not later than 60 days after the date of the enactment of this Act.

(2) Composition.—The panel established under paragraph (1) shall be composed of the following:

(A) Such officers or employees of the Department of Defense as the Secretary of Defense shall appoint to the panel.

(B) Such individuals from the private sector as the Secretary of Defense and the Secretary of Veterans Affairs shall jointly appoint to the panel from among individuals in the private sector who have expertise in the matters to be studied by the panel.

(C) Briefings and workshops presented by the Secretary of Defense and the Secretary of Veterans Affairs shall be available for the panel.

(D) The advisability of separate systems of pay for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces.

(E) The advisability of different eligibility for medical and dental care for members of the regular components of the Armed Forces and members of the reserve components of the Armed Forces; and

(F) The advisability of modification or improvement of other policies and practices relating to pay for members of the National Guard and the Reserves in order to improve the quality of life of such members while serving in the National Guard or Reserves.

(4) Report.—Not later than 120 days after the date of the enactment of this Act, the
SA 4835. Mrs. CLINTON (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) Certification on Disclosure of Personal Information.—Not later than 30 days after the date of any data security breach of the Department of Defense, the Secretary of Defense shall certify in writing to the congressional defense committees that each member of the Armed Forces or other individual whose personal information was compromised as a result of the breach has been provided with such comments on the report as the Secretary of Defense considers appropriate.

(b) Provision of Certain Services.—Upon request of any individual described in subsection (a), the Secretary shall provide to such individual, at no charge to such individual:

(1) credit monitoring services during the 1-year period beginning on the date of such request, and

(2) a copy of the credit report (as defined in section 603 of the Fair Credit Reporting Act) of each of the major credit bureaus, including Equifax, TransUnion, and Experian, once annually during the 2-year period ending on the date on which the credit monitoring services required by paragraph (1) terminate, which shall be in addition to any other credit report provided to such individual under law, whether at no cost to such individual or otherwise.

(c) Definitions.—In this section:

(1) The term “data security breach” means the unauthorized access or use of data in electronic or printed form that contains personal information.

(2) The term “personal information”, in the case of an individual, means the name, address, or telephone number of the individual in combination with any of the following:

(A) The Social Security Number of the individual.

(B) Any information regarding the medical history of the individual.

(C) The history of the individual’s service in the Armed Forces.

(D) Any other personally identifiable information of the individual that is not routinely part of the public record.

SEC. 8141. Mr. ALLEN (for himself and Mr. WARNER) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 8109. (a) Certification on Disclosure of Personal Information.—Not later than 30 days after the date of any data security breach of the Department of Defense, the Secretary of Defense shall certify in writing to the congressional defense committees that each member of the Armed Forces or other individual whose personal information was compromised as a result of the breach has been provided with such comments on the report as the Secretary of Defense considers appropriate.

(b) Provision of Certain Services.—Upon request of any individual described in subsection (a), the Secretary shall provide to such individual, at no charge to such individual:

(1) credit monitoring services during the 1-year period beginning on the date of such request, and

(2) a copy of the credit report (as defined in section 603 of the Fair Credit Reporting Act) of each of the major credit bureaus, including Equifax, TransUnion, and Experian, once annually during the 2-year period ending on the date on which the credit monitoring services required by paragraph (1) terminate, which shall be in addition to any other credit report provided to such individual under law, whether at no cost to such individual or otherwise.

(c) Definitions.—In this section:

(1) The term “data security breach” means the unauthorized access or use of data in electronic or printed form that contains personal information.

(2) The term “personal information”, in the case of an individual, means the name, address, or telephone number of the individual in combination with any of the following:

(A) The Social Security Number of the individual.

(B) Any information regarding the medical history of the individual.

(C) The history of the individual’s service in the Armed Forces.

(D) Any other personally identifiable information of the individual that is not routinely part of the public record.

SEC. 8142. Mr. KYL (for himself, Mr. WYDEN, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 8109. (a) Availability of Amounts Within Combat Vehicle and Automotive Technology.—Of the amount appropriated by title IV under the heading “RESEARCH, DEVELOPMENT, TEST AND EVALUATION; ARMY”—

(1) up to $5,000,000 may be available for Combat Vehicle and Automotive Technology (P.E. 06062601A) for appropriate purposes specified in subsection (b); and

(2) up to $10,000,000 may be available for Combat Vehicle and Automotive Technology (P.E. 06063005A) for appropriate purposes specified in subsection (b).

SEC. 8143. Mr. KENNEDY (for himself, Ms. COLLINS) submitted an amendment...
intended to be proposed by him to the bill H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, add the following:

SEC. 8109. (a) REPORTS TO CONGRESS AND NOTICE TO PARTIES IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense, information on funds available to the public, each year information as follows:

1. A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be used, the purpose of such earmark (if known), and the recipient of such earmark.
2. The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.
3. The total cost of administering all such earmarks.
4. An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:
   A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department;
   B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department;
   C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department;
   D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

(b) EARMARK DEFINED.—In this section, the term ‘‘earmark’’ means a provision of law, or a directive contained within a joint explanatory statement or report accompanying a conference report or bill (as applicable), that specifies the identity of an entity, program, project, or service, including a defense system, to receive assistance not requested by the President and the amount of the assistance to be so received.

SEC. 8110. Of the amount appropriated or otherwise made available by title IV under the heading ‘‘RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE’’, up to $3,000,000 may be available for Small and Medium Caliber Recoil Mitigation Technologies (PE M116402BB).

SEC. 8110. (a) REPORTS TO CONGRESS AND NOTICE TO PARTIES IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense, information on funds available to the public, each year information as follows:

1. A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be used, the purpose of such earmark (if known), and the recipient of such earmark.
2. The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.
3. The total cost of administering all such earmarks.
4. An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:
   A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department;
   B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department;
   C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department;
   D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

SEC. 8110. (a) REPORTS TO CONGRESS AND NOTICE TO PARTIES IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense, information on funds available to the public, each year information as follows:

1. A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be used, the purpose of such earmark (if known), and the recipient of such earmark.
2. The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.
3. The total cost of administering all such earmarks.
4. An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:
   A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department;
   B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department;
   C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department;
   D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

SEC. 8110. (a) REPORTS TO CONGRESS AND NOTICE TO PARTIES IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense, information on funds available to the public, each year information as follows:

1. A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be used, the purpose of such earmark (if known), and the recipient of such earmark.
2. The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.
3. The total cost of administering all such earmarks.
4. An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:
   A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department;
   B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department;
   C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department;
   D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

SEC. 8110. (a) REPORTS TO CONGRESS AND NOTICE TO PARTIES IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense, information on funds available to the public, each year information as follows:

1. A description of each earmark of funds made available to the Department of Defense by this Act, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be used, the purpose of such earmark (if known), and the recipient of such earmark.
2. The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.
3. The total cost of administering all such earmarks.
4. An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:
   A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department;
   B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department;
   C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department;
   D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

AUTHORITY FOR COMMITTEES TO MEET COMMITTEE ON ARMED SERVICES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the
Senate on August 2, 2006, at 2 p.m., in open session to continue to receive testimony on the future of military commissions in light of the supreme court decision in Hamdan v. Rumsfeld.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, August 2, 2006, at 5 p.m., in closed session, regarding overhead imagery systems.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, August 2, 2006, at 10 a.m. to mark up an original bill entitled “Credit Rating Agency Reform Act of 2006.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. STEVENS. 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 August 2, 2006, at 11:30 a.m., to purpose of this meeting is to consider the nominations of John Ray Correll, Mark Myers, and Druce Drass.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent that on Wednesday, August 2, 2006, at 9:30 a.m. the Committee on Environment and Public Works be authorized to hold an oversight hearing to discuss The Toxic Substances Control Act and the Chemicals Management Program at EPA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, August 2, 2006, at 9:30 a.m. to hold a hearing on nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 2, 2006, at 9:30 a.m. to hold a hearing on nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions meet in executive session during the session of the Senate on Wednesday, August 2, 2006, off the Senate floor at a time to be determined later.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet on Wednesday, August 2, 2006, at 10 a.m. for a hearing titled, “Iraq Reconstruction: Lessons Learned In Contracting and Procurement.”

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, August 2, 2006, at 9:30 a.m. in Room 405 of the Russell Senate Office Building to conduct a business meeting on S. 374, the Tribal Parity Act; S. 480, the Thomasina E. Jordan Indian Tribes of Virginia Federal Recognition Act of 2005; S. 660, the Lumber Recogni Act; S. 1459, the Indian Trust Reform Act of 2005; and S. 1535, the Cheyenne River Sioux Tribe Equitable Compensation Amendments Act of 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet and conduct a hearing on “The Authority to Prosecute Terrorists Under the War Crime Provisions of Title 18” on Wednesday, August 2, 2006, at 9:30 a.m. in Dirksen Senate Office Building Room 226.

Panel I: Steven Bradbury, Acting Assistant Attorney General, Office of Legal Counsel, Department of Justice, Washington, DC; General Richard B. Myers, Former Chairman, Joint Chiefs of Staff, Washington, DC; Major General Scott Black, The Judge Advocate General, United States Army, Washington, DC; Rear Admiral Bruce Macintosh, Director General, United States Navy, Washington, DC; Major General Jack Rives, the Judge Advocate General, United States Air Force, Washington, DC, and Brigadier General Kevin M. Sandkuhler, Director, Judge Advocate Division, United States Marine Corps, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. STEVENS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on August 2, 2006, at 2:30 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION, CIVIL RIGHTS, AND PROPERTY RIGHTS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary Subcommittee on the Constitution, Civil Rights and Property Rights be authorized to meet on Wednesday, August 2, 2006, at 2:30 p.m. to conduct a hearing on “Paying Your Own Way: Creating a Fair Standard for Attorney’s Fees Awards in Establishment Clause cases” in Room 226 of the Dirksen Senate Office Building.

Witness list

Rees Lloyd, Commander of District 21, The American Legion Department of California, Banning, CA; Marc Stern, Assistant Executive Director, American Jewish Congress, New York, NY; Mathew Staver, Founder and Chairman, Liberty Counsel, Interim Dean, Liberty University School of Law, Lynchburg, VA; Melissa Rogers, Visiting Professor of Religion and Public Policy, Wake Forest University Divinity School, Winston-Salem, NC; Shannon Woodruff, Senior Research Counsel, American Center for Law and Justice, Washington, D.C.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Forestry, Conservation and Rural Revitalization of the Committee on Agriculture, Nutrition and Forestry be authorized to conduct a hearing during the session of the Senate on August 2, 2006, at 9 a.m. in SR-326A, Senate Russell Building. The purpose of this subcommittee hearing will be to discuss S. 4200, the Forest Emergency Recovery and Research Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. REID. Mr. President, on behalf of Senator KENNEDY, I ask unanimous consent that the following be granted floor privileges during the consideration of H.R. 5691, the Department of Defense Appropriations bill, and any votes thereon: Tom Crowley, Navy detailee; and Rick Driscoll, State Department fellow.
The ACTING PRESIDENT pro tem. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator McCain’s legislative fellow, Navy LCDR Damien Christopher, be granted floor privileges during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mike Morrissey and Kevin Templin, fellows serving in Senator Cochran’s office, be granted floor privileges during the duration of the consideration of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that Melissa Babin and Claire Vinocur, interns in my office, be granted floor privileges during the debate on the Defense appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Madam President, I ask unanimous consent that Michael Wiest, a Navy fellow in the office of Senator Mikulski, be granted the privileges of the floor for the duration of consideration of H.R. 5631.

The PRESIDING OFFICER. Without obstruction, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that Mike Purdy, detailed to Senator Domencic’s office, be permitted floor privileges during this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent that Robin Tibaduiza, a legislative fellow, be allowed floor privileges during the National Defense Appropriations Act on behalf of Senator Harry Reid.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent that Justin Kalmbach, a legal intern in our office, be granted the privileges of the floor during the consideration of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, on behalf of Senator Kennedy I ask unanimous consent that his Navy detailee, Tom Crowley, and his State Department Fellow, Richard Driscoll, be granted full floor privileges during consideration of the Defense Appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

30TH ANNIVERSARY OF THE VICTORY OF UNITED STATES WINEMAKERS

Mr. FRIST. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration and the Senate now proceed to H. Con. Res. 399.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:


There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 399) was agreed to.

The preamble was agreed to.

THE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Nos. 566, 568 through 575, all postal naming bills, en bloc, that the bills be read a third time and passed, and the motions to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

LANE EVANS POST OFFICE BUILDING ACT

The bill (S. 2555) to designate the facility of the United States Postal Service located at 2633 11th Street in Rock Island, Illinois, as the “Lane Evans Post Office Building,” was ordered to a third reading, was read the third time, and passed, as follows:

S. 2555

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

SECTION 1. LANE EVANS POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 2633 11th Street in Rock Island, Illinois, shall be known and designated as the “Lane Evans Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the “Lane Evans Post Office Building”.

MAJOR GEORGE QUAMO POST OFFICE BUILDING ACT

The bill (S. 3613) to designate the facility of the United Postal Service located at 2361 New York Highway 43 in Avellini Park, New York, as the “Major George Quamo Post Office Building,” was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3613

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

SECTION 1. MAJOR GEORGE QUAMO POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 2951 New York Highway 43 in Avellini Park, New York, shall be known and designated as the “Major George Quamo Post Office Building”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the “Major George Quamo Post Office Building”.

COACH JOHN WOODEN POST OFFICE BUILDING ACT

The bill (H.R. 4311) to designate the facility of the United States Postal Service located at 215 West Industrial Park Road in Harrison, Arkansas, as the “Coach John Wooden Post Office Building,” was ordered to a third reading, was read the third time, and passed.

CAPTAIN GEORGE A. WOOD POST OFFICE BUILDING ACT

The bill (H.R. 4962) to designate the facility of the United States Postal Service located at 100 Pitcher Street in Utica, New York, as the “Captain George A. Wood Post Office Building,” was ordered to a third reading, was read the third time, and passed.

MORRIS W. MILTON POST OFFICE ACT

The bill (H.R. 5104) to designate the facility of the United States Postal Service located at 1750 16th Street South in St. Petersburg, Florida, as the “Milton W. Milton Post Office,” was ordered to a third reading, was read the third time, and passed.

EARL D. HUTTO POST OFFICE BUILDING ACT

The bill (H.R. 5107) to designate the facility of the United States Postal Service located at 1400 West Jordan Street in Pensacola, Florida, as the “Earl D. Hutto Post Office Building,” was ordered to a third reading, was read the third time, and passed.
The bill (H.R. 5540) to designate the facility of the United States Postal Service located at 217 South Southeast 2nd Street in Dimmitt, Texas, as the "Sergeant Jacob Dan Dones Post Office," was ordered to a third reading, was read the third time, and passed.

ESTATE TAX AND EXTENSION OF TAX RELIEF ACT OF 2006—MOTION TO PROCEED

Mr. Frist. Mr. President, I ask unanimous consent that the Senate now proceed to Calendar No. 562, H.R. 5970, the bill that relates to the death tax, extends the Bush tax cuts, and extends unemployment benefits for 26 weeks—tax, minimum wage increase, and other tax provisions.

The PRESIDING OFFICER. Is there objection?

Mr. Frist. Mr. President, I object on behalf of the Democratic leader.

The PRESIDING OFFICER. Objection is heard.

CLOTURE MOTION

Mr. Frist. Mr. President, I move to proceed to H.R. 5970, and I send a closure motion to the desk.

The PRESIDING OFFICER. The closure 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 motion to proceed to H.R. 5970, a bill to amend the Internal Revenue Code of 1986 to increase the unified credit against the estate tax to an exclusion equivalent of $5,000,000, to repeal the sunset provision for the estate and generation-skipping taxes, and to extend expired provisions, and for other purposes.

Bill Frist, Michael Crapo, Lamar Alexander, Richard C. Shelby, Sam Brownback, Saxby Chambliss, Chuck Hagel, Tom Coburn, Richard Burr, Orrin Hatch, Thad Cochran, John Ensign, David Vitter, Pat Roberts, Craig Thomas, Jeff Sessions, Jeff Sessions, Mel Martinez.

Mr. Frist. Mr. President, this vote will occur on Friday morning, unless changed by agreement, and we will announce the exact time for that vote as we get closer to it. In the meantime, I now withdraw the motion to proceed so we can refer to the Defense appropriations bill over the next 24 hours.

Again, I believe the two managers will be able to work together over the next 24 to 48 hours and finish the Defense bill prior to the cloture vote on Friday. Therefore, I now withdraw the motion to proceed to H.R. 5970.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. Frist. Mr. President, I will suggest the absence of a quorum where shortly while we work through a few remaining items of business before closing for the day.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. Frist. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. Frist. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 836 through 840, and all nominations on the Secretary's desk in the Air Force, Army, Marine Corps, and the Navy. Finally, I ask unanimous consent the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Lloyd J. Austin, III

IN THE NAVY

PN 1821 AIR FORCE nominations (87) beginning Gary L. Akins, and ending Glenn Zimmerman, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 2006.

PN 1853 ARMY nomination of David W. Wilson, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

PN 1854 ARMY nomination of Lisa M. Weide, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

PN 1855 ARMY nomination of Kerry K. King, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

PN 1856 ARMY nomination of Lawrence N. Pace, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

PN 1857 ARMY nomination of Yolanda Richardson, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

PN 1858 ARMY nominations (26) beginning Lt. Col. G. Arbour, and ending James M. Zarlengo, which nominations were received by the Senate and appeared in the Congressional Record of July 27, 2006.

IN THE MARINE CORPS C-PN

PN 1859 MARINE CORPS nomination of Robert J. Gallagher, which was received by the Senate and appeared in the Congressional Record of July 27, 2006.

IN THE NAVY

PN 1822 NAVY nomination of Ben M. Smith, which was received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1823 NAVY nomination of Sidney E. Hall, which was received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1824 NAVY nomination of Dawn M. Divano, which was received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1825 NAVY nomination of Michael J. Lavelle, which was received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1826 NAVY nomination of Gary C. Norman, which was received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1827 NAVY nominations (3) beginning Neal D. Agamalke, and ending David C. Kleiner, which nominations were received by the Senate and appeared in the Congressional Record of July 18, 2006.

PN 1837 NAVY nominations (20) beginning Gregory R. Bart, and ending Gregory J. Smith, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 2006.

PN 1838 NAVY nominations (55) beginning Rickie V. Adsice, and ending Michael J. Zerbo, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 2006.

PN 1839 NAVY nominations (88) beginning Anibal L. Acevedo, and ending Theresa M. Wood, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 2006.

PN 1840 NAVY nominations (4) beginning Thomas M. Dailey, and ending Toby C.
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 until Thursday, August 3, 2006, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 2, 2006:

THE JUDICIARY

KIRK D. NELSON, OF WYOMING, TO BE DISTRICT JUDGE FOR THE DISTRICT OF NEVADA, VICE ROBERT W. GIBBINS, RETIRED.

UNITED STATES SENTENCING COMMISSION

DARRYL LANGORNE FRIEDRICH, OF VIRGINIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF CALIFORNIA, VICE OLIVER W. WANGER, RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate Wednesday, August 2, 2006:

IN THE ARMY

J. GAVIN HIGGINS, OF MINNESOTA, TO BE DIRECTOR OF THE DEFENSE INTELLIGENCE AGENCY, VICE RICHARD A. CLARKE, RETIRED.

IN THE MARINE CORPS

UNITED STATES NAVY NOMINATIONS BEGINNING WITH CRISTAL B. CALER, AND ENDING WITH KIMBERLY J. AESCHLE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 2006.

IN THE NAVY

ARMY NOMINATION OF GEORGE E. BURGOYNE TO BE LIEUTENANT COLONEL.

IN THE MARINE CORPS

UNITED STATES NAVY NOMINATIONS BEGINNING WITH MATTHEW I. AKINS AND ENDING WITH GARY L. ACKINS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 2006.

IN THE NAVY

ARMY NOMINATION OF ROBERT J. GALLAGHER TO BE MAJOR GENERAL.

IN THE MARINE CORPS

UNITED STATES NAVY NOMINATIONS BEGINNING WITH CRISTAL B. CALER, AND ENDING WITH KIMBERLY J. AESCHLE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 2006.

IN THE MARINE CORPS

UNITED STATES NAVY NOMINATIONS BEGINNING WITH MATTHEW I. AKINS AND ENDING WITH GARY L. ACKINS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 2006.

IN THE NAVY

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IN THE MARINE CORPS

UNITED STATES NAVY NOMINATIONS BEGINNING WITH MATTHEW I. AKINS AND ENDING WITH GARY L. ACKINS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 2006.
PENSION PROTECTION ACT OF 2006

SPEECH OF HON. BETTY MCCOLLUM
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 2006

Ms. McCOLLUM of Minnesota. Mr. Speaker, I support final passage of this pension legislation because we must do something today to protect working families so that the pension promises that were made to them are honored. I am proud today to stand with the employees and groups who are in support of this legislation, including the Affiliated Unions of the Building and Construction Trades Department, AFL–CIO, International Association of Machinists, UNITE HERE, the United Brotherhood Carpenters and Joiners of America, and many others. And, I join with all of my Republican and Democratic colleagues from the Minnesota delegation in broad bipartisan support for this bill.

Without this legislation, Northwest Airlines, a major Minnesota-based employer and key player in the economic vitality of the region, will not be able to come out of bankruptcy with its pension plans intact. I support this legislation because it will help to ensure Northwest Airlines keeps flying and that their employees can keep working and ensure that their pensions are funded.

This bill is not perfect. In addition to much needed relief for airline employees, this bill includes provisions that will make it easier for working families to save for their retirements by encouraging automatic enrollment in retirement savings. It is critical that families are supported in their efforts to create a strong foundation of savings for their futures.

Working men and women have waited far too long for Congress to pass legislation to protect pension benefits and to honor the promise of pensions. Pension legislation should have been done many months ago. This Congress’s failure to act in a more timely way will potentially make worse current and future employer bankruptcies and will impact the strength of retirement benefits. It is shameful that this Republican Congress has put partisan politics ahead of the well-being of working men and women and those who have already retired.

I am concerned that this pension bill before us today has been introduced with no notice and there has been no opportunity for Members to review the provisions. Instead of bringing forward the bill that Congress has been working on now for more than a year, House Republicans have brought this bill forward.

It is outrageous that House Democrats were excluded in the conference committee negotiations between the House and the Senate. After missing three deadlines to complete their work, House Republicans, instead, were more interested in thinking of ways to attach their extreme tax cuts for America’s wealthiest onto what should have been clean, common sense, bipartisan legislation. Their tactics were so extreme that their colleagues in the Senate were unwilling to go along with it. So, here we are at the eleventh hour doing what we can to salvage pension legislation.

Today, I wish I were rising to support passage of a bill that will guarantee quick action to save the pensions of millions of workers; but instead, once again, partisan politics will slow down the much needed action on pension reform. Even with House passage of the bill, we can’t guarantee anything to America’s workers because this legislation was taken from the conference committee and now, it must pass the Senate with no changes in order for it to move to the President’s desk for his approval. If the Senate wants to change anything in the bill, American workers will have to continue to wait for Congress to act.

I do share some of the concerns expressed by my colleagues. There are some missed opportunities—including the failure to address executive compensation and provisions concerning the investment advice for those who have 401(k) plans and IRAS. The investment advice exemptions in the bill do not adequately protect against conflicted investment advice.

Despite some legitimate reservations voiced by groups I respect, this bill contains good provisions—important provisions that must be passed now so that employers can keep the pension promises made to their employees.

AMENDMENT PROCESS FOR H.R. 503—TO AMEND THE PROTECTION ACT TO PROHIBIT THE SHIPPING, TRANSPORTING, MOVING, DELIVERING, RECEIVING, POSSESSION, PURCHASING, SELLING, OR DONATION OF HORSES AND OTHER EQUINES TO BE LAUGHTERED FOR HUMAN CONSUMPTION, AND FOR OTHER PURPOSES

HON. DAVID DREIER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 2006

Mr. DREIER. Mr. Speaker, the Committee on Rules has announced that it may meet the week of September 4th to grant a rule which could limit the amendment process for floor consideration of the bill H.R. 503, to amend the Horse Protection Act to prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption, and for other purposes.

Any Member wishing to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment to the Rules Committee in room H–312 of the Capitol by 11 a.m. on Wednesday, September 6, 2006. A copy of the form used for submitting amendments to the Rules Committee is on the back of this letter. Members should draft their amendments to the bill as introduced on February 1, 2005.

Members are also encouraged to submit an electronic copy of the amendment either via the committee’s web page (http://www.rules.house.gov/amendment_form.asp) or by e-mailing an electronic copy of the amendment to rules.amendments@mail.house.gov. Anyone e-mailing an electronic copy of an amendment should include the bill number and amendment sponsor in the subject of the e-mail, as well as a copy of the summary in the body of the e-mail. Electronic submission of an amendment does not relieve a Member of filing the amendment with the committee as explained above.

Members should use the Office of Legislative Counsel to ensure that their amendments are drafted in the most appropriate format and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House. If you have any questions, please contact me or George Rogers at extension 5–9191.

PERSONAL EXPLANATION

HON. JULIA CARSON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 2006

Ms. CARSON. Mr. Speaker, I was unable to record my rolloc calls 421–423.

Had I been present, I would have voted “yes” on votes 421 and 423.

Had I been present, I would have voted “no” on vote 422.

HONORING FORMER MEMBER OF CONGRESS THOMAS J. MANTON

SPEECH OF HON. MAJOR R. OWENS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 2006

Mr. OWENS. Mr. Speaker, I would like to add my sentiments to the words that have been spoken already. I associate myself with the remarks that have been made about Tom Manton.

Tom Manton was a political leader in an adjacent county, the Borough of Queens. In the Borough of Brooklyn we had what we call a first-rate political machine, and in view of the fact that we have been discussing power-sharing and the Voting Rights Act, I remember dramatically seeing the difference between Brooklyn and Queens.

As a leader in Queens, Tom Manton believed in power-sharing. Minorities did not have to fight to get what they deserved in Queens. Harmony was not established only after a big battle was waged and the spoils were settled. In Brooklyn we had to battle for everything. We had to fight all the way.

This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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

HON. TOM DAVIS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 2006

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to honor Rosemary Foreman, who is retiring after contributing over thirty years of service to the Commonwealth of Virginia and the Republican Party. I have known Rosemary Foreman since my days in the Fairfax County Board of Supervisors when she was a congressional staffer for Congressman Stan Parrish.

Rosemary served as the first Community/Outreach Coordinator for the Virginia Attorney General’s Office’s Northern Virginia Regional Office, under Attorneys General Bob McDonnell, Jim Gilmore, Mark Earley, Jerry Kilgore, as well as interim Attorneys General Randy Baeles and Richard Cullen.

In this position, Rosemary leveraged her considerable interpersonal and communications skills to help the Attorney General educate the citizens of Northern Virginia on consumer protection and crime prevention.

Before joining the government of Virginia, Rosemary helped lead a number of political campaigns for state and congressional candidates in Northern Virginia and held political positions in several Congressional offices. Throughout her career, she earned a well-deserved reputation for her political acumen, tenacious advocacy and gracious constituent service.

In the course of developing a valued and impressive record of public and political service, Rosemary was a dedicated and loving wife to her husband E. David Foreman, Jr., and mother to her two children, Sheryl Olecheck and E. David Foreman III.

Mr. Speaker, in closing, I ask my colleagues to join me in applauding Rosemary Foreman and congratulating her on her retirement after a distinguished career dedicated to serving the citizens of Northern Virginia.

HONORING ROSEMARY FOREMAN
IN RETIREMENT

HON. BETTY MCCOLLUM
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 2006

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 5682) to exempt from certain requirements of the Atomic Energy Act of 1945 a proposed nuclear agreement for cooperation with India.

Ms. MCCOLLUM of Minnesota. Mr. Chairman, I rise today to express my concerns with the United States and India Nuclear Cooperation Promotion Act of 2006, H.R. 5682. While I intend to vote in support of this legislation, I do so with serious concerns that must be articulated to the Administration.

The President and the State Department failed to seriously consult with Congress prior to announcing the India partnership, and therefore left little room for Congress to either voice concern or make any substantial change to the proposed partnership. Without any serious Congressional discussions on the issue, the Administration felt it acceptable to announce last July that it would seek to bypass the global nonproliferation regime that has served to provide international security for decades. The White House’s tact acknowledgement that such a proposal would require legislative approval once again shows how this Administration lacks any respect for the balance of power guaranteed in Constitution, and the principle that Congress is an equal branch of government.

In the face of this serious lapse of judgment on the part of the Administration, the Committee on International Relations should be commended for its bipartisan work undertaken to strengthen this legislation, and improve upon the poor proposal the Administration originally proposed. Chairman HYDE and Ranking Member LANTOS took the serious concerns expressed by many members, both from the Hill and those not, into consideration and dramatically improved the bill before us, guaranteeing Congress the right to see the agreement prior to final Congressional approval. In addition, India will open its civilian nuclear facilities to the International Atomic Energy Agency for inspections, and should India perform any weapons tests in the future, all U.S. cooperation would cease, permanently. India must work with the U.S. to conclude a Fissile Material Cut-Off Treaty as well.

The overarching goal of this legislation, to increase positive diplomatic ties between the U.S. and India, is laudable. India is the world’s largest democracy, and is a growing economic and political influence not only in Southeast Asia, but in the greater global community. There is bipartisan agreement that India is a friendly and growing partner of the U.S. in many respects. When India joined the United States in the 1960s, seeking partnership and increased friendly relations with us, we rebuffed them. It was a mistake to do so then, and it would be a mistake to do so now and allow an opportunity to warm relations with India to slip by.

However, I have serious concerns that prior to such a civil nuclear agreement being forward, safeguards be in place to ensure that India does not use any of this technology to further its production of nuclear weapons. This legislation fails to ensure that India does not divert its domestic supply of enriched uranium to its weapons program, nor does it place Indian military facilities under IAEA inspections, all regrettable. In addition, despite the fact that the five current nuclear weapons states are believed to have suspended the production of fissile material, this proposed agreement does not force India to do the same and operate under these same guidelines.

I am extremely disturbed by recent media reports, however, that the Administration was aware of two Indian firms that had sold missile parts to Iran, but failed to inform Congress prior to this bill being debated before us. The fact that the Administration failed to present Congress on July 1 a mandated report regarding weapons suppliers to Iran and Syria, is a case of neglect, but the timing of this severe neglect of duty could not have been worse. The Administration, despite its assertions that India has an impeccable nonproliferation record, has deemed it proper to sanction the two companies, but did not feel that it would be prudent for Congress to know this information prior to this vote. This oversight demonstrates a serious lack of judgment on the part of the Administration, and calls into question all given assurances of security safeguards on the proposed nuclear deal. Had this information been available prior to this debate, I believe it would have greatly influenced not only the content of the legislation before us, but the outcome of the vote we are about to take.

I voted in favor of this legislation in Committee, and intend to support, this legislation now, in the hopes that the Administration will continue working to obtain assurances from the Indian government that there will be no transfer of nuclear technology, either deliberate or accidental, to either the Indian weapons program, or to rogue regimes who are attempting to develop weapons of mass destruction. I strongly urge the Administration to urge the Indian government voluntarily halt the production of fissile material.
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, August 3, 2006 may be found in the Daily Digest of today’s RECORD.
Daily Digest

Senate

Chamber Action
Routine Proceedings, pages S8561–S8669

Measures Introduced: Seven bills and two resolutions were introduced, as follows: S. 3773–3779 and S. Res. 546–547.

Measures Reported:
S. 2590, to require full disclosure of all entities and organizations receiving Federal funds, with an amendment in the nature of a substitute.

Measures Passed:
Recognizing United States Winemakers: Committee on Agriculture, Nutrition, and Forestry was discharged from further consideration of H. Con. Res. 399, recognizing the 30th anniversary of the victory of United States winemakers at the 1976 Paris Wine Tasting, and the resolution was then agreed to.

Lane Evans Post Office Building: Senate passed S. 2555, to designate the facility of the United States Postal Service located at 2633 11th Street in Rock Island, Illinois, as the “Lane Evans Post Office Building”.

Major George Quamo Post Office Building: Senate passed S. 3613, to designate the facility of the United States Postal Service located at 2951 New York Highway 43 in Averill Park, New York, as the “Major George Quamo Post Office Building”.

Coach John Wooden Post Office Building: Senate passed H.R. 4646, to designate the facility of the United States Postal Service located at 7320 Reseda Boulevard in Reseda, California, as the “Coach John Wooden Post Office Building”, clearing the measure for the President.

John Paul Hammerschmidt Post Office Building: Senate passed H.R. 4811, to designate the facility of the United States Postal Service located at 215 West Industrial Park Road in Harrison, Arkansas, as the “John Paul Hammerschmidt Post Office Building”, clearing the measure for the President.

Captain George A. Wood Post Office Building: Senate passed H.R. 4962, to designate the facility of the United States Postal Service located at 100 Pitcher Street in Utica, New York, as the “Captain George A. Wood Post Office Building”, clearing the measure for the President.

Morris W. Milton Post Office: Senate passed H.R. 5104, to designate the facility of the United States Postal Service located at 1750 16th Street South in St. Petersburg, Florida, as the “Morris W. Milton Post Office”, clearing the measure for the President.

Earl D. Hutto Post Office Building: Senate passed H.R. 5107, to designate the facility of the United States Postal Service located at 1400 West Jordan Street in Pensacola, Florida, as the “Earl D. Hutto Post Office Building”, clearing the measure for the President.

Wilfred Edward ‘Cousin Willie’ Sieg, Sr. Post Office: Senate passed H.R. 5169, to designate the facility of the United States Postal Service located at 1310 Highway 64 NW. in Ramsey, Indiana, as the “Wilfred Edward ‘Cousin Willie’ Sieg, Sr. Post Office”, clearing the measure for the President.

Sergeant Jacob Dan Dones Post Office: Senate passed H.R. 5540, to designate the facility of the United States Postal Service located at 217 Southeast 2nd Street in Dimmitt, Texas, as the “Sergeant Jacob Dan Dones Post Office”, clearing the measure for the President.

Department of Defense Appropriations Act: Senate continued consideration of H.R. 5631, making appropriations for the Department of Defense for the fiscal year ending September 30, 2007, taking action on the following amendments proposed thereto:
Adopted:

Stevens (for Cochran) Modified Amendment No. 4758, to require a report assessing the Depleted Uranium Sensing and Treatment for Removal program of the Department of Defense. Pages S8571–72

Stevens (for Menendez) Amendment No. 4759, to make available from Other Procurement, Army, up to $2,600,000 for the Virtual Interactive Combat Environment for the New Jersey National Guard. Pages S8571–72

Stevens (for Lugar) Amendment No. 4770, to make available from Other Procurement, Navy, up to $3,000,000 for the Man Overboard Identification System program. Pages S8571–72

Stevens (for Carper) Amendment No. 4772, to provide that none of the funds appropriated or otherwise made available by this Act may be obligated or expended to provide award fees to any defense contractor for performance that does not meet the requirements of the contract. Pages S8571–72

Kyl Amendment No. 4778 (to Amendment No. 4775), to provide $1,829,000,000 for the Army National Guard for the construction of 370 miles of triple-layered fencing, and 500 miles of vehicle barriers along the southwest border. Pages S8567–70, S8574

By 94 yeas to 3 nays (Vote No. 220), Sessions Modified Amendment No. 4775, to provide $1,829,100,000 for the Army National Guard for the construction of 370 miles of triple-layered fencing, and 461 miles of vehicle barriers along the southwest border, as amended. Pages S8566–67, S8572, S8579–81

Salazar Modified Amendment No. 4776, to provide that, of the amount appropriated or otherwise made available by title II for the Air Force for operation and maintenance, up to $10,000,000 may be available for an interoperable communications capability for the United States Northern Command. Pages S8585–87, S8590

Stevens (for Smith/Wyden) Amendment No. 4778, to make available from Research, Development, Test and Evaluation, Navy, up to $2,000,000 for the Advanced Airship Flying Laboratory. Pages S8590–91

Stevens (for Dayton) Amendment No. 4773, to make available from additional appropriations for Operation and Maintenance, Army National Guard, up to $6,700,000 for the pilot program of the Army National Guard on the reintegration of members of the National guard into civilian life after deployment. Pages S8590–91

Stevens (for Lott/Lieberman) Modified Amendment No. 4760, to make available $2,000,000 from Research, Development, Test and Evaluation, Army for the Parafoil Joint Precision Air Drop System. Pages S8590–91

Stevens (for Conrad) Amendment No. 4796, to make available from Research, Development, Test and Evaluation, Air Force, up to $6,000,000 for Military-Standard–1760 integration for the internal weapons bays of B–52 aircraft. Pages S8590–91

Stevens (for Frist) Amendment No. 4771, to modify the notice and wait period applicable to modifications of certain contracts for national defense purposes. Pages S8590–91

By a unanimous vote of 97 yeas (Vote No. 221), Dodd Amendment No. 4819, to make available an additional $6,700,000,000 to fund equipment reset requirements resulting from continuing combat operations, including repair, depot, and procurement activities. Pages S8596–98

Stevens (for Byrd) Amendment No. 4803, to require reports on the recommendations of the Defense Science Board regarding the management of the biometrics program of the Department of Defense. Page S8599

Stevens (for Warner) Amendment No. 4779, to make available from Operation and Maintenance, Defense-Wide, an additional amount of up to $7,500,000 for the Joint Advertising, Market Research and Studies program. Page S8599

Stevens (for Inouye) Amendment No. 4766, to make available from Operation and Maintenance, Army, up to $500,000 for the United States Army Center of Military History to support a traveling exhibit on military experience in World War II. Page S8599

Stevens Amendment No. 4762, to require plans to procure medical countermeasures for treating forward deployed members of the Armed Forces against acute radiation syndrome and similar threats. Pages S8562–66, S8600

Stevens (for Bingaman) Amendment No. 4814, to make available from Research, Development, Test and Evaluation, Air Force, up to $1,500,000 for Commercialization and Industrialization of Adaptive Optics. Pages S8600–01

Stevens (for Sununu) Amendment No. 4829, to make available from Research, Development, Test and Evaluation, Navy, up to $1,000,000 for an integrated, low-cost, low-power Multibeam Side Scan Sonar System for Unmanned Underwater Vehicles. Pages S8600–01
Stevens (for Coleman) Modified Amendment No. 4792, to make available from Procurement of Munition, Air Force, up to $5,000,000 for the procurement of Radiation Hardened Microelectronics.

Pages S8600–01

Stevens (for Schumer/Coleman) Modified Amendment No. 4783, to provide that up to $9,000,000 of the amount appropriated or otherwise made available by chapter 2 of title IX for the Army for operation and maintenance and up to $2,000,000 of the amount appropriated or otherwise made available by such chapter for the Marine Corps for operation and maintenance may be made available for the procurement of hemostatic agents, including blood clotting bandages and invasive hemostatic agents, for use by members of the Armed Forces in the field.

Pages S8600–01

Rejected:

Durbin Modified Amendment No. 4781, to appropriate, with an offset, an additional $2,000,000 for Research, Development, Test and Evaluation, Army for the improvement of imaging for traumatic brain injuries. (By 54 yeas to 43 nays (Vote No. 222), Senate tabled the amendment.)

Pending:

Kennedy Amendment No. 4802, to require a new National Intelligence Estimate on Iraq.

Pages S8582, S8599

During consideration of this measure today, Senate also took the following action:

Chair sustained a point of order that Reid Amendment No. 4795, to provide for the extension and modification of certain tax relief provisions, other tax provisions, and Surface Mining Control and Reclamation Act amendments, violated rule XVI of the Standing Rules of the Senate, which prohibits legislation on an appropriation bill.

Chair sustained a point of order that Dorgan Amendment No. 4805, to improve Federal contracting and procurement by eliminating fraud and abuse and improving competition in contracting and procurement and by enhancing administration of Federal contracting personnel, violated rule XVI of the Standing Rules of the Senate, which prohibits legislation on an appropriation bill.

Chair sustained a point of order that Kyl Amendment No. 4806, to prohibit the suspension of royalties under certain circumstances, to clarify the authority to impose price thresholds for certain leases, to limit the eligibility of certain lessees for new leases, and to restrict the transfer of certain leases, violated rule XVI of the Standing Rules of the Senate, which prohibits legislation on an appropriation bill.

Pages S8587–90, S8599

Chair sustained a point of order that Cornyn Modified Amendment No. 4768, to provide emergency supplemental appropriations for border security and immigration reform, violated rule XVI of the Standing Rules of the Senate, which prohibits legislation on an appropriation bill.

Pages S8574–78, S8599

A unanimous-consent agreement was reached providing for further consideration of the bill at 9:30 a.m., on Thursday, August 3, 2006.

Page S8669

Estate Tax and Extension of Tax Relief Act: Senate began consideration of the motion to proceed to consideration of H.R. 5970, to amend the Internal Revenue Code of 1986 to increase the unified credit against the estate tax to an exclusion equivalent of $5,000,000, to repeal the sunset provision for the estate and generation-skipping taxes, and to extend expiring provisions.

A motion was entered to close further debate on the motion to proceed to consideration of the bill and, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, a vote on the motion to invoke cloture may occur on Friday, August 4, 2006.

Subsequently, the motion to proceed was withdrawn.

Pages S8668

Nominations Confirmed: Senate confirmed the following nominations:

3 Army nominations in the rank of general.
1 Marine Corps nomination in the rank of general.
1 Navy nomination in the rank of admiral.

Routine lists in the Air Force, Army, Marine Corps, Navy.

Page S8669

Nominations Received: Senate received the following nominations:

Roslynn Renee Mauskopf, of New York, to be United States District Judge for the Eastern District of New York.

Liam O’Grady, of Virginia, to be United States District Judge for the Eastern District of Virginia.

Lawrence Joseph O’Neill, of California, to be United States District Judge for the Eastern District of California.

Dabney Langhorne Friedrich, of Virginia, to be a Member of the United States Sentencing Commission for the remainder of the term expiring October 31, 2009.

Page S8669

Messages From the House:

Enrolled Bills Presented:

Executive Communications:

Executive Reports of Committees:

Additional Cosponsors:

Pages S8608–09

Pages S8609–10

Pages S8610–12
Committee Meetings

(Committees not listed did not meet)

FOREST EMERGENCY RECOVERY AND RESEARCH ACT

Committee on Agriculture, Nutrition, and Forestry: Subcommittee on Forestry, Conservation, and Rural Revitalization concluded a hearing to examine H.R. 4200, to improve the ability of the Secretary of Agriculture and the Secretary of the Interior to promptly implement recovery treatments in response to catastrophic events affecting Federal lands under their jurisdiction, including the removal of dead and damaged trees and the implementation of reforestation treatments, to support the recovery of non-Federal lands damaged by catastrophic events, to revitalize Forest Service Experimental Forests, after receiving testimony from Lynn Scarlett, Deputy Secretary of the Interior; Mark Rey, Under Secretary of Agriculture for Natural Resources and Environment; Oregon State Senator Charlie Ringo, Beaverton; Alan Thompson, Ravalli County Commissioner, Hamilton, Montana, on behalf of the National Association of Counties; Sue Kupillas, Communities for Healthy Forests, Roseburg, Oregon; Jim Crouch, Jim Crouch and Associates, Russellville, Arkansas, on behalf of Ouachita Timber Purchasers Group, Ozark-St. Francis Renewable Resource Council, and the Lake States Federal Timber Purchasers Group; John A. Helms, University of California, Berkeley, on behalf of the Society of American Foresters; James R. Karr, University of Washington, Seattle; Robert L. Krepps, St. Louis County Land Commissioner, Duluth, Minnesota; and Leah W. MacSwords, Kentucky State Forester, Frankfort, on behalf of the National Association of State Foresters.

CAPITOL VISITOR CENTER

Committee on Appropriations: Subcommittee on Legislative Branch resumed hearings to examine the progress of Capitol Visitor Center construction, receiving testimony from Alan M. Hantman, Architect, and Doug Jacobs, Capitol Visitor Center Project Architect, both of the Office of the Architect of the Capitol, and Bernard L. Ungar, Director, and Terrell Dorn, Director, both of Physical Infrastructure Issues, Government Accountability Office.

Hearing recessed subject to the call.

MILITARY COMMISSIONS: HAMDAN V. RUMSFELD

Committee on Armed Services: Committee concluded hearings to examine the status of military commissions in light of the Supreme Court decision in Hamdan v. Rumsfeld, after receiving testimony from Alberto R. Gonzales, Attorney General of the United States, Department of Justice; and Gordon R. England, Deputy Secretary of Defense.

OVERHEAD IMAGERY SYSTEMS

Committee on Armed Services: Committee met in closed session to discuss overhead imagery systems.

BUSINESS MEETING

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported an original bill to improve ratings quality for the protection of investors and in the public interest by fostering accountability, transparency, and competition in the credit rating agency industry.

VETERANS’ HOUSING NEEDS

Committee on Banking, Housing, and Urban Affairs: Subcommittee on Housing and Transportation concluded a hearing to examine Federal and local efforts to meet the housing needs of veterans, after receiving testimony from Mark Johnston, Acting Deputy Assistant Secretary of Housing and Urban Development for Special Needs; Keith Pedigo, Director, Loan Guaranty Service, and Peter H. Dougherty, Director, Homeless Veterans Programs, both of the Department of Veterans Affairs; Cheryl Beversdorf, National Coalition for Homeless Veterans, Washington, D.C.; and Barbara Banaszynski, Volunteers of America, Louisville, Kentucky.

BUSINESS MEETING

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the nominations of Charles D. Nottingham, of Virginia, to be a Member of the Surface Transportation Board, and Sean T. Connaughton, of Virginia, to be Administrator of the Maritime Administration, both of the Department of Transportation, Robert L. Sumwalt
III, of South Carolina, to be a Member of the National Transportation Safety Board; Jay M. Cohen, of New York, to be Under Secretary of Homeland Security for Science and Technology; Nathaniel F. Wienecke, of New York, to be an Assistant Secretary of Commerce, and a promotion list for National Oceanic and Atmospheric Administration.

CHEMICALS MANAGEMENT PROGRAM

Committee on Environment and Public Works: Committee concluded an oversight hearing to examine the implementation of the Toxic Substances Control Act and the chemicals management program of the Environmental Protection Agency, after receiving testimony from James B. Gulliford, Assistant Administrator, Office of Prevention, Pesticides and Toxic Substances, Environmental Protection Agency; John B. Stephenson, Director, Natural Resources and Environment, Government Accountability Office; William K. Rawson, Latham and Watkins, LLP, and Gail Charnley, HealthRisk Strategies, both of Washington, D.C.; Lynn R. Goldman, Johns Hopkins University Bloomberg School of Public Health, Baltimore, Maryland; Michael P. Walls, American Chemistry Council, Arlington, Virginia; Michael P. Wilson, University of California Center for Occupational and Environmental Health, Berkeley.

BORDER SECURITY


NOMINATION

Committee on Foreign Relations: Committee concluded a hearing to examine the nomination of John C. Rood, of Arizona, to be an Assistant Secretary of State for International Security and Non-Proliferation, after the nominee, who was introduced by Senator Cochran, testified and answered questions in his own behalf.

IRAQ RECONSTRUCTION

Committee on Homeland Security and Governmental Affairs: Committee concluded a hearing to examine the status of Iraq reconstruction, focusing on contracting and procurement issues, after receiving testimony from Stuart W. Bowen, Jr., Special Inspector General for Iraq Reconstruction.

NOMINATIONS

Committee on Health, Education, Labor, and Pensions: Committee ordered favorably reported the nominations of Carmel Borders, of Kentucky, Donald D. Deshler, of Kansas, and Timothy Shanahan, of Illinois, each to be a Member of the National Institute for Literacy Advisory Board, Mark R. Abbott, of Oregon, John T. Bruer, of Missouri, Patricia D. Galloway, of Washington, Jose-Marie Griffiths, of Pennsylvania, Karl Hess, of Illinois, Thomas N. Taylor, of Kansas, and Richard F. Thompson, of California, each to be a Member of the National Science Board, National Science Foundation, Josiah Bunting III, of Rhode Island, Robert S. Martin, of Texas, Wilfred M. McClay, of Tennessee, Manfredi Piccolomini, of New York, Kenneth R. Weinstein, of the District of Columbia, Mary Habeck, of Maryland, and Jay Winik, of Maryland, each to be a Member of the National Council on the Humanities, Victoria Ray Carlson, of Iowa, Chad Colley, of Florida, Lisa Mattheiss, of Tennessee, and John R. Vaughn, of Florida, each to be a Member of the National Council on Disability, Katherine M.B. Berger, of Virginia, Karen Brosius, of South Carolina, Ioannis N. Miaoulis, of Massachusetts, Christina Orr-Cahall, of Florida, and Kevin Owen Starr, of California, each to be a Member of the National Museum and Library Services Board, Arthur F. Rosenfeld, of Virginia, to be Federal Mediation and Conciliation Director, and Wilma B. Liebman, of the District of Columbia, to be a Member, Peter Schaumber, of the District of Columbia, to be a Member, and Ronald E. Meisburg, of Virginia, to be General Counsel, all of the National Labor Relations Board.

BUSINESS MEETING

Committee on Indian Affairs: Committee ordered favorably reported the following bills: S. 374, to provide compensation to members of the Cheyenne River Sioux Tribe Equitable Compensation Act to provide compensation to the Lower Brule and Crow Creek Sioux Tribes of South Dakota for damage to tribal land caused by Pick-Sloan projects along the Missouri River, with an amendment in the nature of a substitute; S. 660, to provide for the acknowledgement of the Lumbee Tribe of North Carolina; and S. 1535, to amend the Cheyenne River Sioux Tribe Equitable Compensation Act to provide compensation to members of the Cheyenne River Sioux Tribe.
Tribe for damage resulting from the Oahe Dam and Reservoir Project, with an amendment in the nature of a substitute.

WAR CRIME PROVISIONS
Committee on the Judiciary: Committee concluded a hearing to examine the authority to prosecute terrorists under the war crime provisions of Title 18, including S. 2453 to establish procedures for the review of electronic surveillance programs, and 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, after receiving testimony from Steven G. Bradbury, Acting Assistant Attorney General, Office of Legal Counsel, Department of Justice; General Richard B. Myers, former Chairman, Joint Chiefs of Staff; and Major General Scott C. Black, USA, Judge Advocate General, United States Army; Rear Admiral Bruce MacDonald, USN, Judge Advocate General, United States Navy; Major General Jack L. Rives, USAF, Judge Advocate General, United States Air Force; and Brigadier General Kevin M. Sandkuhler, USMC, Staff Judge Advocate to the Commandant, United States Marine Corps.

ATTORNEY’S FEES
Committee on the Judiciary: Subcommittee on the Constitution, Civil Rights, and Property Rights concluded a hearing to examine efforts to create a fair standard for attorney’s fee awards in establishment clause cases, focusing on S. 3696, to amend the Revised Statutes of the United States to prevent the use of the legal system in a manner that extorts money from State and local governments, and the Federal Government, and inhibits such governments’ constitutional actions under the first, tenth, and fourteenth amendments, after receiving testimony from Rees Lloyd, American Legion, Banning, California; Marc D. Stern, American Jewish Congress, New York, New York; Mathew D. Staver, Liberty University School of Law, Lynchburg, Virginia; Melissa Rogers, Wake Forest University Divinity School, Winston-Salem, North Carolina; and Shannon Demos Woodruff, American Center for Law and Justice, Virginia Beach, Virginia.

BUSINESS MEETING
Select Committee on Intelligence: Committee met in closed session and ordered favorably reported the nomination of Randall M. Fort, of Virginia, to be an Assistant Secretary of State for Intelligence and Research.
Committee recessed until Thursday, August 3.
sooner has received a message from the Senate transmitting its adoption of H. Con. Res. 467, in which case the House shall stand adjourned pursuant to that concurrent resolution until 2 p.m. on Wednesday, September 6, 2006.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, p. D 879)

H.R. 2977, to designate the facility of the United States Postal Service located at 306 2nd Avenue in Brockway, Montana, as the “Paul Kasten Post Office Building”. Signed on August 1, 2006. (Public Law 109–252)

H.R. 3440, to designate the facility of the United States Postal Service located at 100 Avenida RL Rodriguez in Bayamon, Puerto Rico, as the “Dr. Jose Celso Barbosa Post Office Building”. Signed on August 1, 2006. (Public Law 109–253)


H.R. 3934, to designate the facility of the United States Postal Service located at 80 Killian Road in Massapequa, New York, as the “Gerard A. Fiorenza Post Office Building”. Signed on August 1, 2006. (Public Law 109–255)

H.R. 4101, to designate the facility of the United States Postal Service located at 170 East Main Street in Patchogue, New York, as the “Lieutenant Michael P. Murphy Post Office Building”. Signed on August 1, 2006. (Public Law 109–256)

H.R. 4108, to designate the facility of the United States Postal Service located at 3000 Homewood Avenue in Baltimore, Maryland, as the “State Senator Verda Welcome and Dr. Henry Welcome Post Office Building”. Signed on August 1, 2006. (Public Law 109–257)

COMMITTEE MEETINGS FOR THURSDAY, AUGUST 3, 2006

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services: to hold hearings to examine Iraq, Afghanistan and the global war on terrorism; to be followed by a closed session in SR–222, 9:30 a.m., SH–216.


Committee on Energy and Natural Resources: business meeting to consider the nominations of Drue Pearce, of Alaska, to be Federal Coordinator for Alaska Natural Gas Transportation Projects, and John Ray Correll, of Indiana, to be Director of the Office of Surface Mining Reclamation and Enforcement, and Mark Myers, of Alaska, to be Director of the United States Geological Survey, both of the Department of the Interior, and other pending calendar business; to be followed by a hearing to examine S. 2589, to enhance the management and disposal of spent nuclear fuel and high-level radioactive waste, to ensure protection of public health and safety, to ensure the territorial integrity and security of the repository at Yucca Mountain, 10 a.m., SD–628.

Committee on Finance: to hold hearings to examine tax code reform issues, 10:30 a.m., SD–215.

Committee on Foreign Relations: to hold hearings to examine the nominations of Mary Martin Ourisman, of Florida, to be Ambassador to Barbados, and to serve concurrently and without additional compensation as Ambassador to St. Kitts and Nevis, Saint Lucia, Antigua and Barbuda, the Commonwealth of Dominica, Grenada, and Saint Vincent and the Grenadines, 11 a.m., SD–419.

Full Committee, to hold hearings to examine the nominations of Cesar Benito Cabrera, of Puerto Rico, to be Ambassador to the Republic of Mauritius, and to serve concurrently and without additional compensation as Ambassador to the Republic of Seychelles, Cindy Lou Courville, of Virginia, to be U.S. Representative to the African Union, with the rank of Ambassador, and Donald C. Johnson, of Texas, to be Ambassador to the Republic of Equatorial Guinea, 2:30 p.m., SD–419.

Committee on Homeland Security and Governmental Affairs: Subcommittee on Federal Financial Management, Government Information, and International Security, to hold hearings to examine financial management at the Department of Defense, focusing on the components of Financial Improvement and Audit Readiness Plan to improve the overall financial management health of the Department of Defense, including an understanding of other plans involved in improving the financial management infrastructure at the Department, 2:30 p.m., SD–342.

Committee on the Judiciary: business meeting to consider the nominations of Frances Marie Tydingco-Gatewood, to be Judge for the District Court of Guam, and Troy A. Eid, to be United States Attorney for the District of Colorado, Department of Justice, 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. 3001, to ensure that all electronic surveillance of United States persons for foreign intelligence purposes is conducted pursuant to individualized court-issued orders, to streamline the procedures of the Foreign Intelligence Surveillance Act of 1978, S. 2831, to guarantee the free flow of information to the public through a free and active.
press while protecting the right of the public to effective law enforcement and the fair administration of justice, S. 155, to increase and enhance law enforcement resources committed to investigation and prosecution of violent gangs, to deter and punish violent gang crime, to protect law-abiding citizens and communities from violent criminals, to revise and enhance criminal penalties for violent crimes, to reform and facilitate prosecution of juvenile gang members who commit violent crimes, to expand and improve gang prevention programs, S. 1845, to amend title 28, United States Code, to provide for the appointment of additional Federal circuit judges, to divide the Ninth Judicial Circuit of the United States into 2 circuits, S. 2679, 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, H.R. 1442, to complete the codification of title 46, United States Code, "Shipping", as positive law, H.R. 866, to make technical corrections to the United States Code, and other committee matters, 9:30 a.m., SD–226.

Select Committee on Intelligence: closed business meeting to consider pending calendar business, 10 a.m., SH–219.

House

No committee meetings are scheduled.
Next Meeting of the SENATE
9:30 a.m., Thursday, August 3

Senate Chamber

Program for Thursday: Senate will continue consideration of H.R. 5631, Department of Defense Appropriations Act.

Next Meeting of the HOUSE OF REPRESENTATIVES
4 p.m., Friday, August 4

House Chamber

Program for Friday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

Carson, Julia, Ind., E1625

Davis, Tom, Va., E1626

Dreier, David, Calif., E1625

McCollum, Betty, Minn., E1625, E1626

Owens, Major R., N.Y., E1625

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