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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, it is through an experience of Your grace that joy surges in us this morning. For life and strength, for work and friends, for every gift Your goodness sends, we praise You, loving God. May this be a day dedicated to gladness. Chase from our hearts all gloomy thoughts. Make us glad with the sheer delight of being alive. We are uplifted by Zephaniah's assurance that in spite of everything that we do or fail to do, You sing over us with gladness—Zephaniah 3:17. And that motivates us to accept the Psalmist's admonition as our motto today: ''Serve the Lord with gladness.''—Psalm 100:2.

May the Senators and all of us who work with them grasp the opportunities and meet the challenges this day holds with divinely inspired gladness. You are our God, the Sovereign of this Nation, our Lord and Savior. Amen.

PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. ALLARD. Mr. President, this morning the Senate will be in a period of morning business until 10:30 a.m. By previous consent, the Senate will then begin consideration of H.R. 434, the African trade bill. It is the hope of the majority leader that the Senate can complete action on the bill prior to the close of business on Friday. Therefore, Senators are encouraged to work with the bill managers if they intend to offer amendments. The Senate may also consider any legislative or executive items cleared for action during today's session of the Senate.

I thank my colleagues for their attention.

I note the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

REPUBLICAN CONGRESSIONAL CAMPAIGN COMMITTEE ADS

Mr. CONRAD. Mr. President, I rise this morning to respond to a series of ads that are being run in my State by the National Republican Congressional Campaign Committee. These ads are false. They are what can only be charitably termed misleading, and they diminish the credibility of the National Republican Congressional Campaign Committee.

That is not just my conclusion, Mr. President. That is the conclusion of the major newspaper of my State, the Fargo Forum, which has written an editorial in which it says:

Politics is often a down and dirty business, but the National Republican Congressional Campaign Committee's early TV ads 13 months before the election, and even before State Republicans have an endorsed congressional candidate, are a new low in the campaign gutter. They're false on every level. Decent North Dakota Republicans should tell the national group to clean up its act.

Well, amen to that because the National Republican Congressional Campaign Committee ought to be ashamed of the ads they are running in North Dakota. They are claiming that Democrats are raiding the Social Security trust fund here in Washington. They must have forgotten they are in control in the House of Representatives and they are in control in the Senate. It is not Democrats who are determining the spending priorities in the House of Representatives. The Republicans are in control. They are deciding the budget outcome in the House of Representatives. If ever there was a case of the pot calling the kettle black, this is it because we know that the majority party themselves are, in fact, raiding Social Security.

That is not just the conclusion of the senior Senator from North Dakota. That is the conclusion of the Washington Post which had a major news story with the headline ''GOP Spending Bills Tap Social Security Surplus.'' It is the Republican Party's plan that is tapping the Social Security surplus.

For them to then run ads claiming the Democrats are doing it is just a giant diversionary tactic. They are trying to avoid responsibility for what they are doing. It is not only the Washington Post that has made this point. We also have the Congressional Budget Office. The Congressional Budget Office, which they control, has sent a letter which says very clearly that the Republican spending plans have tapped Social Security for $18 billion. In other words, they are raiding the Social Security accounts for $18 billion. That is their plan, that is their responsibility, and to avoid accountability apparently they have decided, or their campaign consultants have decided, that the best defense is an offensive attack.

So in my State of North Dakota, 13 months before the election, they are running ads that the major newspaper in my State says are ''a new low in the campaign gutter. They are false on

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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every level.'' And, indeed, they are. They are false on every level. The people of America who are being subjected to these ads ought to know exactly what is going on and who is doing what with respect to the budget of the United States.

One of the things I find most ironic is that the National Republican Congressional Campaign Committee which is sponsoring these ads are the very same folks who sponsored a constitutional amendment a number of years ago that had as its base that they would raid the Social Security trust fund in order to balance the budget. These folks who trumpeted this constitutional amendment to balance the budget had as a definition of a balanced budget the raiding of the Social Security trust fund.

Now they have the chutzpah to come before the American people and run ads saying the Democrats are raiding the Social Security trust fund surplus. And the Democrats are not in control. We don't control the U.S. House of Representatives. We don't control the Senate.

Again, the major newspaper in my State has called these ads false on every level.

Maybe it is helpful to review the record of who has done what with respect to budget policy.

I am on the Budget Committee. I am on the Finance Committee. I am known in the Budget Committee as the ''deficit hawk.''

I have been involved in every effort to get our fiscal house in order. I believe deeply in the need for fiscal discipline. That is primarily why I ran for the Senate. I saw back when I ran in 1986 that things were running amuck; that the deficits were growing; that we were getting deeper in debt, and this country was in real trouble. I believed then and I believe now that it is threatening the national security of the United States.

If we go back and review the record of the Reagan years, he inherited a deficit of about $80 billion. Very quickly, under Reaganomics the deficit exploded up to over $200 billion a year. In fact, during this time we tripled the national debt. This trickle-down economics was a disaster.

Then we saw in the Bush years, again, the deficit took off like a scalded cat. It went from $150 billion a year up to $290 billion a year.

That is the record of our friends on the other side of the aisle. They were in charge. They were in control. Reaganomics was carrying the day.

We saw headline after headline about how the Republicans in the House and the Senate in conjunction with boll weevil Democrats were passing Reaganomics and Reaganomics exploded the deficit and exploded the debt. That is the record.

When the Clinton administration came in in 1992, we passed a plan in 1993 that reduced the deficit—a 5-year budget plan. We can go back and check the record. It is not a matter of running television ads. It is a matter of fact. Facts are very clear.

The deficit under that 5-year plan declined each and every year. The deficit went down from $290 billion in the last year of the Bush administration to $255 billion. And each year that deficit was reduced in the 5 years of that budget plan.

By the way, we passed that budget plan without a single Republican vote—not one, not one. In 1997, we agreed on a bipartisan plan to finish the job.

There I commend our colleagues on the other side of the aisle because we did join together in 1997 for a balanced budget plan to finish the job. But the truth is most of the heavy lifting had been done by the 1993 plan. But we didn't have a single Republican vote—not one.

I heard another ad this morning, this time attacking Bill Bradley and AL GORE. This was run by some committee called the National Republican Council. I never heard of it. But they were running ads attacking Bill Bradley and AL GORE saying they had voted for increased spending and increased taxes.

Do you know they were here and they were fighting for the 1993 plan that eliminated this deficit? That is the fact. The fact is Federal spending in real terms, as measured as a percentage of our national income, is at its lowest level since 1974. Back in 1993 when we passed that plan, Federal spending was 22 percent of our national income. It is now down to 19 percent of our national income.

So the truth about Mr. Bradley, who voted for that 1993 plan, and the truth about Mr. GORE, who was Vice President and argued for that 1993 plan, is that in real terms they supported a reduction in Federal spending. That is the truth. That is the truth of the matter.

But I guess political consultants don't have to worry about the truth. They are more interested in scoring rhetorical points. They don't have to worry apparently about the factual record.

Let's look at the factual record. Here is the history going back 20 years in Federal receipts and Federal outlays.

The blue line shows expenditures of the Federal Government. The red line is the income of the Federal Government, the receipts. You can see during the Reagan years there was an enormous gap between the two. That is why we had these budget deficits because we were spending more than we were taking in.

In 1993, right here when we passed the plan, again, without a single Republican vote, that cut spending. You can see the blue line—the spending line—is coming down, and it raised revenue. Yes, it did. We raised taxes on the wealthiest 1 percent in this country; raised income taxes on the wealthiest 1 percent. And it was that combination of cutting spending and raising revenue that eliminated the deficit.

That is how we balanced the budget. Thank God we did. Thank God there was a Bill Bradley who was courageous enough to stand on this floor and cast a tough vote to get our fiscal house in order. Thank God there was an AL GORE as Vice President of the United States who had the courage to stand up and support a plan to get our fiscal house in order after the disasters of the Reagan and Bush administrations when it was all talk about fiscal responsibility and it was all deficits and debt. That is their legacy.

If we want to debate, I am ready to debate this anytime anywhere with anyone about what happened and when and what the results have been. But they have these smear ads running in my State and smear ads running nationally that distort the truth.

That is going to get a response because we are not going to allow people to tell falsehoods about what occurred. Too many people took real risks in order to get the fiscal house of our country back in order, and the record is abundantly clear about who did what.

This is the reality. In 1993, a 5-year budget plan was passed that worked, that cut spending in real terms, that raised revenue, and that balanced the budget. The result is a dramatically strengthened economy—the longest record of economic expansion in our history, and an economic performance that is the envy of the world.

The inflation rate is the lowest in 33 years. Here we went. In 1993, the plan was passed. Inflation came down. The unemployment rate is the lowest in 41 years. The central reason was the budget plan that was passed in 1993 that moved us toward a balanced budget and towards fiscal discipline to getting our fiscal house in order.

Debt held by the public is coming down dramatically. In 1993, the first year of the plan, publicly held debt in comparison with our gross domestic product was 50 percent. If we stay on the course that we have set now, we will have this debt down to 9 percent of our gross domestic product in 2009. We can eliminate publicly held debt in 15 years.

That is the course we are on. That is the course the Democrats established. That is the course which is the result of the 1993 plan that brought fiscal discipline back to this government and led to an incredible economic expansion.

Welfare caseloads: Another benefit of getting our fiscal house in order.

This is also not only a result of a good economy, but it is also a result of welfare reform, which in fairness I should say was done on a bipartisan basis. We had help from our Republican friends, and many of us felt strongly that welfare reform was required, and, indeed, it has produced incredibly positive results. Welfare caseloads are the lowest they have been in 29 years.

Republicans, this year, have engaged the Congress in a series of what I can

only call sort of baffling gimmicks, in order to try to make it look to the American people that they are not raiding Social Security.

They are running ads that the major newspaper in my State has described as ''a new low in the campaign gutter. They are false on every level.'' That is what the Republican Congressional Campaign Committee is instituting in my State. The facts show something quite different.

The Congressional Budget Office says the non-Social Security surplus for the year we are working on, fiscal year 2000, is $14 billion. What does that mean? That means if we take out the Social Security surplus, we have $14 billion of what I call a true surplus in fiscal year 2000. If we take the House and Senate committee actions to date, the Budget Committee directives to CBO spent $18 billion of that.

Emergency spending: The Republicans have labeled a whole series of spending initiatives ''emergencies'' to avoid the requirements of fiscal discipline—$13 billion is declared emergencies, including the census. The census is provided for in the U.S. Constitution. We have been instituting the census for 200 years in this country, and they declare it an emergency. They declared the low-income heating program in this country an emergency—a program we have had for 24 years. That is absolutely nonsense.

Social Security administrative costs: They have taken those and don't want to count them, debt service costs and others. Add this up, and they are into Social Security by $21 billion. They are raiding Social Security by $21 billion and are trying to hide the raid by running television ads that some clever campaign consultant told them is their best strategy for avoiding their own responsibility. To try to avoid their own accountability, they are claiming the Democrats are instituting it. The problem with that: Democrats are not in control. Republicans are in control, and this is what they are instituting. They are raiding Social Security. The record is abundantly clear.

One of the last times I came to the floor was when the Republicans came up with the gimmick—and they have come up with a whole series of them to try to avoid the charge that they are instituting precisely what they claim Democrats are instituting—of having a 13th month. They came up with kind of a clever idea to get around the problem by declaring a 13th month in this country. The last time I checked the calendar, there were only 12 months. But the Republicans decided they would come up with a 13th month to make it look as though they were not raiding the Social Security trust fund surplus. That is a novel idea. I came to the floor and wondered, what would they call it? ''Spend-tember''? Would they call it ''Fictionary''? What would we call a 13th month?

Why stop there? Why not have 14 or 15 months? What would be the additional month that would be added? Would we have two Augusts or two Decembers? I favored two Octobers because I enjoy baseball; we could have two World Series. Maybe we could have two Decembers so we could celebrate Christmas twice.

I know it sounds far fetched, but this is the headline in the Washington Post: ''GOP Seeks to Ease Crunch with 13–Month Fiscal Year.'' That is the length to which they go to avoid accountability and responsibility. That is what happened.

That is not the only gimmick they came up with. They got the 13th month. They have the census emergency—the census we have been instituting for 200 years they claim is an emergency. They declared LIHEAP an emergency, the low-income heating program. We have had that program for 24 years. They proposed delaying earned-income tax credit payments to people. They were even chastised by their own leading Presidential candidate. He made it very clear they were way out of tune with the American people when they proposed that gimmick.

That is what is going on to cover this mismanagement and to cover this fiscal irresponsibility. The National Republican Congressional Campaign Committee is running television ads in my State claiming Democrats are raiding Social Security. That dog doesn't hunt. That is not going to fly. We are going to respond very forcefully when people try to misrepresent the record.

As I began, I conclude: The major newspaper in my State called these ads ''a new low in the campaign gutter. They are false on every level.''

That is the truth. I hope the National Republican Congressional Campaign Committee will stop running these ads because they are false. They are irresponsible. They are misleading. They ought to be stopped. That is the record. That is the fact. I hope people, as they evaluate candidates in this next election, will inquire: What is the record of candidates on the question of spending Social Security surpluses, on raiding Social Security trust funds?

I am prepared to answer that question. Every budget plan I have offered, every budget plan Senate Democrats have offered, has maintained the Social Security surplus. We haven't touched the Social Security surplus. We wouldn't engage in a raid of the Social Security surplus. That is true of the plan Senate Democrats offered in the Finance Committee. That is true of the plan Senate Democrats offered in the Budget Committee. For anyone to say anything else is an absolute falsehood.

I yield the floor.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from New Hampshire.

Mr. GREGG. Mr. President, I understand under a previous order the Senator from Wyoming controls 30 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. I ask the Senator from Wyoming to yield me 10 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 10 minutes.

THE BUDGET

Mr. GREGG. Mr. President, I want to respond to some of the comments made on the floor relative to where we are going with the budget. I specifically want to talk about the issue as it relates to a committee of which I am chairman. The committee I chair is the Commerce, Justice, State, and the Judiciary Subcommittee. The President of the United States opted to veto our bill. In his veto message, his representation was that we simply had not spent enough money. That was essentially what it came down to.

His representation on the other bills he has vetoed is also that we have not spent enough money as a Congress. In fact, in listening to the President and the proposals he puts forward, we find he is talking about spending billions and billions more than what the Congress suggested we spend.

The Senator from North Dakota has come to the floor and said that the Republicans have used gimmicks, that we have forward-funded, which we have, which is not a gimmick; it has been done in the Congress before on many occasions; that we have declared items emergencies, which we have. In fact, the Senator from North Dakota supported, I suspect rather strongly and with enthusiasm, the declaring of the agricultural situation as an emergency. It has been declared an emergency every year since I have been here, so I don't know why it is an emergency. But it has been declared an emergency. It is a way of funding agricultural issues, and there are severe strictures in the agricultural community today.

The Senator from North Dakota didn't mention where we are going to get the extra money the President asked for. Where are we going to get it? The Republicans have allegedly used gimmicks so we could not take it from Social Security—which we have not, by the way; we have managed not to take any money from Social Security. Where is the President going to get it from? The President is going to get it from Social Security because the only other option is to raise taxes and we have already seen a vote in the House of Representatives—415–0 I think was the vote—saying they were not going to raise taxes. So that is not an option. It is not even on the table.

The President makes these proposals: We are going to raise spending here; we want more money here; we want more money here. The Democratic Members, on the other side of the aisle, say: Hooray, hooray, more money for this, more money for that. When Republicans say, Isn't that coming out of Social Security? there is just this silence from the other side of the aisle.

Of course, it is coming out of Social Security because we have no other resource from which to draw those funds than Social Security. So there is a lot of gamesmanship coming from the other side of the aisle on this issue. There always has been, on Social Security, of course. There are literally generations, now, of Members of the other side of the aisle who have demagogged the issue of Social Security. As many of us have tried to put forward substantive Social Security responses, we have found this President, who allegedly wants to address Social Security, has failed to do so in a substantive way. But we hear now he wants to raid Social Security to pay for his new spending and they will not even admit to that. The statements from the other side of the aisle are hollow on that issue, to say the least. But let me go back to the specifics of this proposal.

The President has vetoed the Commerce-State-Justice bill, which has under it the Justice Department, the Commerce Department, and the State Department. It also has a lot of agencies such as the Small Business Administration, FCC, FTC, SEC, elements of Government which are critical to the day-to-day operation of the Government and to our maintaining a sound economy and safe society. But the President has vetoed this bill. Why has he vetoed it? Basically, he has vetoed it because we did not spend enough money in some of the programs he wanted and because we did not include language he wanted in a couple of areas. He has vetoed it specifically on the allegations we do not spend enough money on the COPS Program.

Let's look at that for a second. This Congress authorized 100,000 cops to be put on the street under the President's request, in a bipartisan way. We have paid for every one of those police officers in this appropriations bill. Not only have we paid for every one of those police officers, we paid for an additional 10,000 or 15,000 police officers in this bill. So we can go up to 110,000 or 115,000 police officers under this bill.

What does the President say? He says that is not enough. He says he wants 130,000 to 150,000 police officers, even though there are only 100,000 authorized. That in itself is a bit of a reach, to ask for an extra 30,000 to 50,000 officers when they are not even authorized. But what is really inconsistent about this, and what really shows what a sham statement this is, the administration, although they have the money for 100,000 officers since we paid for 100,000 officers in our bill, has only been able to get out of the door enough money to fund 60,000 officers. In other words, down there in the White House they are now asking for another 30,000 to 50,000 officers when they cannot even undertake the day-to-day administrative event of paying for the full 100,000 we gave them in the first place. They are still 40,000 officers short from the original authorized number.

It takes 18 months to get this through the system, to get an officer on the street after they have agreed to pay for that officer. So they are literally a year and a half away at the minimum from even reaching the 100,000 level. So we said, OK, we agree more officers on the street makes sense so we will go over the 100,000 number; we will give you another 10,000 officers. Then the President vetoes it, saying he hasn't enough, when his administration has not even put out on the street the first 100,000. How blatantly political can this administration be? How hypocritical can this administration be? They did not veto this bill over police officers who were not there. They vetoed this bill because they want to put out a press release that they are vetoing bills. It had nothing to do with the actual substance of how many police officers we have on the street or how many police officers we paid for because we paid for every police officer they put out there, and we are willing to pay for another 40,000, another 55,000 if they could put them out. But they cannot because they are not able to do it. It is pure hocum, this language that they want more police officers, and they vetoed it over the lack of funding in this account. It is just a pure political thing.

Then they said they vetoed it because they did not get enough money—no, not because they didn't get enough, because we did not give them the money for the U.N. We did not give them the money for the U.N.

Every dollar they asked for, for the U.N., is in this bill, every dollar for U.N. fees is in this bill. Every dollar for arrearages is in this bill. Yes, there is not the full money they asked for for peacekeeping, but every other account in the U.N. is fully paid for in this bill. Why can't they get it out? Why can't they send it up to the U.N.? Why can't they pay England the arrearages we owe them? Why can't they pay France the arrearages we owe them? That is where this money goes. It doesn't stay in the U.N. Most of it flows to other countries that have picked up our obligations. Because they have a bunch of activists down at the White House who are focused on a very narrow issue of international Planned Parenthood and are unwilling to release the money to fund the world organization known as the U.N., which is a major international organization, because they are willing to hold up funding over an extraordinarily narrow issue dealing with Planned Parenthood lobbying internationally. It does not have anything to do with the United States.

Not only that, but the language which they are holding up the funding over is language which was in existence, which this Government operated under during the Reagan administration and during the Bush administration. It is, to say the least, genuinely innocuous language. But they have activists down there at the White House, activists who are willing to take down the U.N. and our relationship with the U.N. over this narrow piece of language.

It is unbelievable they would blame the Congress, which has fully funded the arrearage issue, when it is just a small group of extreme activists serving at the White House who are tying up the release of this money. The money is there. The money is physically there. Every dollar, every cent, is on the table and ready to be sent to the U.N. to pay the arrearages. The only thing that stops us is, I suspect, one or two internationalists, activists at the White House who have decided to make a cause celebre for themselves over this really obscure piece of language which, by the way, as I mentioned, was the law of the land in the United States for the Reagan and the Bush administrations.

So the idea the Congress has in any way interfered with the ability to pay the arrearages is, again, pure hocum. This is a classic example of the situation where the individual shoots his parents and throws himself before the court and asks for mercy because he is an orphan. The White House has decided to shoot its parents—in this case the U.N.—and then claim it has no role in the event and is pure when, in fact, it is the reason we cannot pay the arrearages. That is just pure hocum.

We now know the two major reasons they vetoed this bill; the COPS reason has no substance to it, and the U.N. language is their problem, not our problem. We put the money in. They are the ones who are holding this up.

Then they listed a whole series of little different items, one of which I found most interesting. In the Senate we took up two different hate crime proposals to move this bill through so we could actually get it to conference. Then in conference it became absolutely clear there was no way an issue such as hate crimes, as massive as it is, could be handled in our conference. We had two competing ideas. So we put them aside and sent them back to the authorizing committee. Ironically, the amendments were offered by the chairman and ranking member of the authorizing committee, so one would hope the authorizing committee could straighten this issue out and we, as appropriators, would not have to straighten it out.

What does the White House say? It says it wants the hate crimes legislation on this bill. This is an appropriations bill. This is a bill that funds the FBI, DEA, and the INS. Those are real law enforcement issues. They are going to undermine the ability of the FBI to do its job, the ability of the INS to do its job, the ability of the DEA to do its job, so they can get hate crimes legislation? They are going to undermine the ability of U.S. attorneys to do their jobs, the ability of U.S. marshals to do their jobs, the ability of the U.S. court system to do its job, so they can get hate crimes legislation? They are going to undermine the FEC, FTC, and the FCC so they can get their hate crimes legislation?

How outrageous. What sort of priority is this from this White House?

What sort of priority puts language on hate crimes ahead of the FBI, DEA, INS, ahead of the U.S. attorneys, ahead of the U.S. marshals, the FCC, FEC, FTC—what type of priority is it when they know in order to get that language they have to go through an authorizing committee anyway? It is beyond belief they would put at risk the law enforcement agencies of this country in order to get hate crimes language, which in the first place is a State issue.

I note the State of Wyoming—the Senator from Wyoming is on the floor—is doing one heck of a job in pursuing that issue at the State level.

It is first a State issue. The irony of it is, he is undermining the entire law enforcement community of the United States because he wants a new criminal act on the Federal books.

Is there a total disconnect at the White House? There appears to be. The veto of this bill—and there are a lot of other miscellaneous points—but the veto of this bill has nothing to do with the substance of this bill. It was done purely for political reasons so the President could look as if he was in charge or he could look as if he was standing up to the Congress.

The practical effect of vetoing this bill, however, is to undermine law enforcement across this country, to make it impossible for us to pay our U.N. arrearages, and to make it extremely hard for these agencies, which are so critical to the functioning of our country, to continue to function in an effective way.

Mr. President, I yield the floor and thank the Senator from Wyoming for the time.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I yield 10 minutes to the Senator from Idaho, the chairman of the majority policy committee.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I especially thank the Senator from Wyoming for coming to the floor this morning to discuss with all of us some very important issues and building a perspective that I do not think the American people hear or have an opportunity to read or understand as it relates to the politics inside the beltway and what is good or not so good for the American people.

We just heard the chairman of a key appropriations subcommittee who spent the last 6 months crafting an appropriations bill to run a major portion of our Government while the President was out traveling around the world and traveling around this country not engaged and not focused on the budget. When the appropriations bill to fund these key areas of Government finally arrived at his desk, the President vetoed it and said: I didn't get my way.

I am always frustrated by an executive branch of Government that does not come to the Hill and sit down with us and work out our differences in the proper forum but chooses to set the stage of politics over the key issues that are substantive when it comes to law enforcement and safe streets and safe communities for our families and our country.

I have struggled with this President over the last several months, especially when he decided to allow terrorists out of prison. That is exactly what happened. I do not know of any other way to say it. This President personally decided that he was going to offer clemency to convicted terrorists. What were they convicted of? Violation of Federal firearms laws. That is law enforcement. Those are Federal laws violated by people who killed others and violated Federal explosive and firearms laws. And this President says he is for law enforcement by putting more cops on the street, then he totally demoralizes or destroys the very foundation of law enforcement by saying: Arrest them and put them in prison and I will let them out because it is ''politically correct'' to do so.

Shame on you, Mr. President; shame on you and your politics at this moment because somehow you cannot have it both ways, at least I hope you cannot, but you are trying. You are also trying to make the use of a firearm a major political issue. Yet you offer clemency to those who violate the very laws you ought to be enforcing. Shame on you, again, Mr. President.

The Senate worked its will and did an excellent job with those appropriations bills. I do not deny the executive branch the right to participate. They have a legitimate role to play in the shaping of the budget. But in the final analysis, it is the Constitution that says it is the right and the appropriate role of the Congress to appropriate moneys, and it is the responsibility of the Executive to administer those moneys within the policy and the framework established for the Congress of the United States.

Mr. President, I am pleased you are finally going to lay off Social Security. Remember what our President said 2 years ago? Save Social Security; don't spend a dime of the surplus. Then this year in his state of the budget message he says: Well, gee, there is so much money there, why don't we spend a little of it. We will save 60 percent and we will spend the rest over the next 15 years and, oh, by the way, I also want to raise taxes during a time of unprecedented surpluses in our country because I have so many great ideas that I want for people, and I want to spend all this money and I want to raise your taxes to do it and I also want to spend some of the Social Security money to do so.

Thank goodness the Congress, the Republican Congress, stood up and said: No, Mr. President. The House passed a provision to provide a lockbox so that Social Security surpluses would be dedicated to Social Security and would pay down the liabilities of Social Security and strengthen the ability of that great system to support its obligations in the outyears.

We tried to pass it in the Senate, and guess who opposed it. The Democrats. They filibustered it and would not allow a vote and constantly said: We are all for Social Security. Why would they not guarantee that its moneys would be assured a lockbox provision? The American people said they wanted it. The seniors of America, recognizing the importance of Social Security to their very existence, said that is the right thing to do, but the President said: No, I want to spend about 30 percent or 40 percent of the Social Security surplus over the next 15 years.

Just in the last month, it is fair and important to say the President has finally agreed that he will leave Social Security surpluses alone and, thank goodness, Mr. President, you have agreed with us because that would have been a phenomenal fight because we were committed and dedicated, even though it was filibustered in the Senate by my colleagues on the other side of the aisle, we are going to protect the Social Security surplus. Period. End of statement.

Let's talk about the rest of the budget we are battling. A couple of weeks ago, I was amazed to see the President kind of quietly come out and then not so quietly say: We need more money to spend besides the record surpluses we have.

I have served Congress and the people of Idaho longer than I want to admit—19 years. I am amazed that only last year did I begin to see a slight surplus and this year a substantial surplus. Never at a time of surplus have I ever heard of a President asking for a tax increase. But this President did because of all these great new social ideas, that somehow is going to help people by taking more money away from them and then giving it back to them in politically correct ways.

I am not sure that ever helps the American family to take money away from them and then try in some form to decide what is the right way to give it back. We said: No, Mr. President.

Finally, just this last week, after having tried for well over 6 months, the President is slowly backing away from the tax idea, although yesterday he came through the backdoor again and said: Well, let's adjust some fees and let's see if we can come up with a little more revenue. Shame on you, Mr. President. America's taxpayers are being taxed at an all-time rate—high rate. While you are saying it is only a tobacco tax, a tax is a tax is a tax.

And, of course, while I do not smoke, and I wish that others would not—there are many who do who should not—yet we are going to tax them. Well, we are not going to tax them because I don't think this Congress will stand for it.

I have always understood the politics of surplus is more difficult than the politics of deficit spending. When I

first came to Congress in 1980, we had deficits, and they grew very rapidly over fights on budget priorities. But it was not until 1994, when the American people said: Enough of deficits. I'm sorry; a Democrat-controlled Congress is out of control, with a President who wants to spend more money, and we're going to change those dynamics, and they elected a more conservative Congress, a Republican Congress.

We said we were going to balance the budget by the year 2002 and we would shape a process that would take us there. Thank goodness for a strong economy and for a fiscally responsible Congress and a monetary supply that stayed in sync. We are now at a balanced budget. We had it last year. We now have a balanced budget and surpluses this year. And I see more wrangling over budgets and spending priorities than I have ever seen in all my years here.

I understand the politics of surplus are difficult. But why shouldn't we be giving back to the American people some of their hard-earned money? It is their money. But, no, we have had a President who has insisted on constantly spending it. We put a marvelous tax package together this year, going right at middle America, to enhance the lives of our citizens, to improve the condition of America's families and communities, and this President vetoed it because he wants to prescribe how the money gets spent because somehow we have a White House that says: I know better. I know I can outthink the American family. I can shape a school system better than the American family and the American community because somehow I abide by this unique knowledge of knowing how to do it better.

I disagree with you, Mr. President. Thank goodness, we have a Congress that does. That does not mean we are not going to work out our differences. The President has a right to participate. But I do not think he has a right to do one thing and say another, and do another thing and say something else. And that is what he has done with law enforcement. That is what he is doing in education. That is clearly what he has done on Social Security. That is what he is now trying to do with the budget.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CRAIG. I thank my colleague from Wyoming for acquiring this time to speak on these key issues. It is very important the American people see the difference. Politics should not be the business of hypocrisy. It ought to be the business of fact. Saying one thing and doing another should not stand. Yet we have had about 7 long years of it with this President.

Mr. President, I say no to those kinds of attitudes and reactions, and I think it is important that some of us speak out on it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. How much time remains?

The PRESIDING OFFICER. Seven minutes 10 seconds.

Mr. THOMAS. I thank the Chair.

Mr. President, it has been an interesting morning to listen to the Senator from North Dakota talk a little bit about the economy and about spending. There are interesting figures in terms of growth. I do not happen to have one of the charts. I guess it is getting to be where you have to have a chart to speak, but I hope not.

Let's go back to the second half of the 1970s, when we had a Democrat-controlled Government. All spending grew 12.2 percent annually; nondefense discretionary spending grew 15 percent.

In the first half of the 1980s, all spending grew 10 percent, but nondefense discretionary spending was only 2.8 percent. Defense was where the money went—10 percent.

Then we scoot on down to currently. All spending grew in the second half of the 1990s, with this Republican-controlled Congress, 2.8 percent totally; nondefense discretionary spending was 1.4 percent.

If our goal over time is to control the size of Federal Government, if our goal is to be efficient, if our goal is to control spending, then these are the numbers; these are the figures. Really, spending is the key.

Of course, our friend on the other side of the aisle talked about having the largest tax increase in the history of the United States—which was true in 1993 with the Clinton tax increase. But what we really ought to talk about is the size of Government.

There is a great deal of talk about going into Social Security. Let me read this short letter dated September 30 from the Congressional Budget Office.

> Dear Mr. Speaker: You requested that we estimate the impact of the fiscal 2000 Social Security surplus using CBO's economic and technical assumptions, based on a plan whereby net discretionary outlays for the year will be $592 billion.

That is the cap we put there.

> CBO estimates this spending plan will not use any of the projected Social Security surplus for the year 2000.

We keep talking about that differently. That is the way that is. So one of the things that is interesting—I will not take long today, but we have differences of view here. We have differences of view in the country. There is nothing wrong with that. That is what the political system is about: To bring together people who have different views about attaining goals, even, indeed, different views about goals. So we ought to have legitimate arguments. That is what this system is about.

But we ought not to spin it off into things that we are not really able to document. We ought not to spin it off into motives and different kinds of political things. We ought to talk about the basic differences we have, and then decide whether we want more Federal Government or less; decide whether we want to spend more, send more of the decisions back to the State and local governments as opposed to one size fits all on the national level.

These are the real issues.

Mr. President, we ought to be talking about some of the positive things we have done this year.

Surplus: 2 years in a row with no deficit, for the first time in 42 years. Pretty good stuff. We even have a non-Social Security surplus this year. We reduced Federal spending as a percentage of growth.

Unfortunately, we still have taxes as the highest percentage of gross national product we have had since World War II. Those things are hard to reconcile. Growth now is a little over 2 percent, compared to 10 percent in the early 1980s.

So these are the kinds of things we have done. We passed tax relief here. Unfortunately, the President chose to veto it.

Our budget goals, of course, for the rest of the year are: No Government shutdown; no new taxes; pay down the debt; protect Social Security. We are going to do those things. We are going to do it in the next 10 days.

Social Security: We talked a lot over the last few years about ''save Social Security first,'' but we have a plan to do that with individual accounts, taking the money off the table and letting it belong to the people who have paid it in, to earn additional money by having it invested in equities.

Those are the things we are prepared to do and have done.

Education: We have done a lot this year for education. We have increased spending for education, more than the President asked for. We have more flexibility in educational decisions so that parents and school boards and States can make those decisions.

I can tell you what is needed in Greybull, WY, is quite different than what is needed in Pittsburgh. And that is the way it ought to be. We have done that. We have done a number of things.

National security: For the first time, more money is going to defense than we have had before. We have had more deployments over the last few years in foreign countries than ever, and yet this administration has reduced the dollars that go there. We have changed that.

Health care, the Patients' Bill of Rights: We passed it here. Hopefully, we will get it passed.

A balanced budget on Medicare changes: We are working on that.

Rural provisions in Medicare: We will get that done.

Financial modernization is ready to come to the floor for the first time since the 1930s.

We have a lot of things to talk about and be proud of in this session. I am very pleased we have done it. Despite the partisan rhetoric and the tactics, we have had achievements in the budget, in Social Security, in education, in

defense, in tax relief, health care, and in finance and banking. I think we ought to move forward and make the most of those advantages that we have had.

Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

EXTENSION OF MORNING BUSINESS

Mr. BAUCUS. Mr. President, I ask unanimous consent that morning business be extended for another 10 minutes.

Mrs. BOXER. Reserving the right to object, and I shall not object. I had a discussion with Senator ROTH. I ask unanimous consent that I be recognized following Senator BAUCUS. And if the majority leader comes to the floor, I will suspend. But I would take a maximum of maybe 7 minutes.

The PRESIDING OFFICER. The Chair would inquire, is the Senator asking that she be allowed to speak in morning business?

Mrs. BOXER. Correct; for 7 minutes. Then if the majority leader does come to the floor and needs it, I will suspend in the midst of that time.

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

Mrs. BOXER. Thank you very much.

The PRESIDING OFFICER. The Senator from Montana.

(The remarks of Mr. BAUCUS pertaining to the submission of S. Res. 207 are printed in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized.

Mrs. BOXER. I thank the Chair. I also thank Senator ROTH for giving me this opportunity to speak about a number of subjects as in morning business.

IN HONOR OF SENATOR JOHN CHAFEE

Mrs. BOXER. As I look over at the flowers at Senator Chafee's desk, I feel a tremendous sense of loss. Senator Chafee's accomplishments are going to go down in history. They have been recounted on this floor, so I do not feel the need to go through all of his incredible accomplishments, particularly around environmental issues. I do hope we will not undo Senator Chafee's hard work on the Clean Air Act, the Clean Water Act, Superfund, and so many of the landmark environmental bills on which he led us.

I wish to comment about Senator Chafee's kindness and his goodness as a human being and what a joy it was for me to work with him on the Environment and Public Works Committee, to attend the dinners he hosted, always in a bipartisan spirit, and how much we are going to need that kind of spirit right now. Senator Chafee was a champion of the environment. He was a champion of a woman's right to choose, and he was a champion of sensible gun laws. On those matters, it was my great privilege to work with him, and I will miss him deeply.

THE BUDGET

Mrs. BOXER. Speaking about a bipartisan spirit, it was unnerving this morning to come to the floor and hear some of the partisan attacks I heard, mostly aimed at President Bill Clinton, in particular at his budget priorities, which Democrats share. At some point in the discussion this morning, it approached a near-hysterical level.

I will talk about what the differences are. I think we can breach those differences and resolve our problems.

Putting 100,000 teachers in the classrooms to reduce class size, everyone in America wants us to do that, I believe. We have already put 30,000 of those teachers in the classrooms, and we are simply asking to continue the program. This Republican budget would mean sending pink slips to those teachers. That is wrong. We ought to sit down and resolve it.

Secondly, in continuing our efforts to put more police on the streets, we have seen a tremendous reduction in the crime rate. We know one of the reasons is putting more community police on the streets. Surely we can find a compromise with the Republicans on this point.

Then, paying our U.N. dues. How can we lead the world if we don't at least do that, while encouraging and demanding reforms at the United Nations? I thought it was resolved. It has not been resolved. Funding peace agreements, that has not been resolved. We can't be the world leader if we don't do that.

I think these differences are important.

There are also environmental riders, giveaways to big special interests. They are wrong. We should sit down and resolve them.

The one that really is extraordinary, with the partisanship that surrounds it, is the Social Security issue. Republicans say they have a lockbox and the Democrats want to go into Social Security and destroy it. In some ways, it is rather laughable. Going back to 1994, House majority leader DICK ARMEY said: I would never have created Social Security.

If we look back at the record, we will find the Republicans voted against a retirement benefit for the people of this country when Social Security was voted on. They voted against Medicare. Now they are going forward with TV commercials telling people they are the party that is going to protect a program they didn't even like and didn't even want. It doesn't even pass the laugh test.

Here is the deal. They have a lockbox. They say: We are never going to touch it. That is good. However, they forgot to tell you something—they have the key. They have opened it up, and they have taken $18 billion out of it already, according to their own Congressional Budget Office. That is not BARBARA BOXER saying it. It is their own Congressional Budget Office that stated they have gone into Social Security for $18 billion.

So why don't we just sit down and talk—talk about the legislative graveyard that has been created in the Senate. What is in there? HMO reform. People can't get the health care they need and deserve. That is in the garbage heap. Sensible gun laws, the juvenile justice bill, that is in the graveyard. They put the Comprehensive Test Ban Treaty in there; campaign finance reform; judicial appointments; long-term protection of Medicare and Social Security; minimum wage is in the legislative graveyard. As Senator MIKULSKI said, these were lost opportunities to us. So I feel very strongly that we have more work to do. We should sit down with the President and resolve these differences.

Lastly, I hope we can move forward on some of these judgeships. Judge Richard Paez and Marsha Berzon were nominated years ago, voted out of the committee on a bipartisan vote. Judge Paez has been waiting almost 4 years to get a vote. Marsha Berzon has been waiting almost 2 years. Later, when I get to talk about these nominees in detail, I will tell you the strong Republican support they have—Republican Congress people, Republican sheriffs, and Republican law enforcement officials in the State of California. These are good nominees.

I have put a hold on a particular nominee the majority leader wants for the TVA. I have no problem with that nominee. I voted him out of committee. He has been waiting 27 days for a vote, Marsha Berzon has been waiting 2 years, and Richard Paez has been waiting almost 4 years.

I see the majority leader on the floor, and I promised that when he arrived I would stop this talking in morning business. So I will do that. I urge everyone to come to the table in a bipartisan spirit, do the unfinished business, resolve the budget differences, and get moving with some of these appointments that have been waiting for years, simply for an up-or-down vote.

I yield the floor.

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

Mr. ROTH. I object.

The PRESIDING OFFICER. The objection is heard. The clerk will continue to call the roll.

The legislative clerk continued to call the roll.

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

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

TRIBUTE TO SENATOR JOHN H. CHAFEE

Mr. SARBANES. Mr. President, I rise today to join my colleagues in honoring a distinguished public servant and a revered Member of the United States Senate, Senator John Chafee, who died Sunday evening at Bethesda Naval Hospital.

While John Chafee was elected to the Senate in 1976, his public service began years before when he interrupted his education at Yale University to enlist in the Marine Corps during World War II, serving in the original invasion forces at Guadalcanal. He later returned to complete his education, receiving a bachelors degree from Yale in 1947 and, in 1950, a law degree from Harvard.

In 1951, John Chafee was called again to serve his country, returning to active duty to command a rifle company in Korea. Later, John Chafee served six years in the Rhode Island House of Representatives, where he was elected Minority Leader. He served as Governor of Rhode Island for three terms and in 1969 was appointed Secretary of the Navy.

As a Senator, John Chafee continued his proud legacy of leadership and accomplishment. I worked with Senator Chafee perhaps most closely in the U.S. Senate in his capacity as Chairman of the Environment and Public Works Committee where he labored tirelessly on behalf of many critical environmental initiatives, including efforts to strengthen the Clean Air Act and the Safe Drinking Water Act.

Senator Chafee has been recognized for his important contributions in the area of environmental protection throughout his service in the U.S. Senate and has received nearly every major environmental award. He was also a senior member of the Senate Finance Committee where he worked hard to expand health care coverage for women and children and to improve community services for persons with disabilities.

John Chafee was a well-respected member of this body who engendered the affection of every member with whom he served. He had a unique ability to achieve consensus under very difficult circumstances. His unfailing courtesy and civility provided a positive and unifying force in the Congress which will be sorely missed by his colleagues on both sides of the aisle.

The Senate was a better place because of John Chafee and his devoted public service. I would like to take this opportunity to pay tribute to him and to extend my deepest and heartfelt sympathies to his family.

Mr. SHELBY. Mr. President, I join my colleagues today in mourning the loss of our colleague, John Chafee. John was a good and honorable man who served his state and his country with distinction. A devoted public servant and member of this body for 23 years, Senator Chafee's influence extended beyond the aisles and transcended partisan rhetoric. His accomplishments as a lawmaker and his unquestionable influence among his peers stand as a testament to his ability.

Senator Chafee will long be admired and remembered for his devotion to this country both as a soldier and public servant. His distinguished service in the military, including serving in the Marines at Guadalcanal and commanding a rifle company in Korea, were indicative of the man who would never shy away from duty or responsibility.

His record as a legislator, governor, and senator in Rhode Island indicate the amount of trust the people of Rhode Island put in John.

Although political views may vary from person to person, it is easy to put these differences aside and to recognize men of strong character and integrity. These are qualities which were abundant in John, and his steadying influence in the United States Senate will be truly missed.

My thoughts and prayers extend to his family and all those whose lives Senator Chafee touched.

Mr. MACK. Mr. President, I join my colleagues in paying tribute to the memory of our friend and colleague, Senator John Chafee.

Senator Chafee was the living embodiment of Senate decorum. He always honored this body through his thoughts, deeds and actions. His ideas and messages were delivered thoughtfully and respectfully. He truly followed his heart and soul while representing the people of Rhode Island and this great nation.

His honorable service in both World War II and the Korean Conflict, as well as his distinguished tenure as Secretary of the Navy, reflect his profound respect for America's armed forces and his deep love of country.

I am especially appreciative for all he did to advance causes near and dear to the state of Florida. He took time to visit the Florida Everglades, and his work on this important issue will ensure the preservation of this unique natural system, and will always be a part of his lasting legacy.

Senator Chafee devoted his life to public service. He will be remembered as a thoughtful and patriotic American who cared passionately about those he served, the issues he fought for, and the institution of the United States Senate. He was not only a fellow Republican, but a colleague who was respected on both sides of the aisle. He will be sorely missed in the U.S. Senate.

My heartfelt sympathies go to his wife Ginny, to their five children and 12 grandchildren, and to his staff here in Washington and throughout Rhode Island.

Mr. SMITH of Oregon. Mr. President, I extend my sympathies to the family of John Chafee.

It has been my privilege to serve with John Chafee for but 3 of the years of his long and distinguished career in the Senate. But I will miss him. I do miss him.

I want to say publicly how much I appreciate the many times he came up to me and told me how much he appreciated me and how glad he was that I was here.

I thank him publicly for the many times he came to me and talked about environmental issues and told me he had a good environmental bill that he wanted me to be on. Many times, I was on them with him.

I appreciated his looking out for me in that regard, and in so many other ways. It was a great pleasure and a high privilege to serve with him in the Senate.

I wish his wife and his family my very best and pray God's comfort be with them in this time of their bereavement.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AFRICAN GROWTH AND OPPORTUNITY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 434, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa.

Mr. LOTT. Mr. President, I ask unanimous consent that during the Senate's consideration of the trade bill, all first-degree amendments must be relevant to the trade bill or the filed amendment No. 2325, and any second-degree amendment be relevant to the first-degree it proposes to amend.

Mr. HOLLINGS. I object.

Mr. WELLSTONE. I object.

Mr. LOTT. I truly regret the objection to a reasonable consideration of this very important pending trade bill. This is obviously a vital piece of trade legislation. As I indicated last week on the floor, this is something in which the President has been very interested. He discussed it with me personally last week on, I think, Tuesday and twice since we have discussed it in telephone conversations. I am not doing it just because the President asked for it. I am doing it because I think it is the right thing to do.

I think it would be good for our country, help to create jobs. This is very carefully crafted legislation that the chairman of the committee and ranking member have worked on. I think it would be just vitally important to our friends in Central America and the Caribbean, as well as a major step symbolically and other ways to have African free trade.

I want to get this bill done. There are legitimate objections to it. The Senator from South Carolina is going to

use every rule in the book that he has access to, and there are lots of them. He has staff members who will make sure he knows them all. I understand that. But I am sure everybody can understand I have to take advantage of the rules available to me also because I do not want this to become a debate about farm policy, sanctions policy—one Senator just suggested we should offer fast track on this bill. I agree; I think fast track should be done. That is another very important trade policy. But it will completely bog down this bill.

I think we need to be serious about this bill. I plan now to fill up the tree and file cloture. The cloture vote will be Friday. We will see if the Senate wants this trade bill or not. If we do not get cloture, then it is clear what is going on and we will just have to move on to something else.

My consent would simply keep the Senate on the subject of the African trade and trade benefits for the Caribbean Basin countries. Obviously, with objection from the Democrats, they do not want this subject matter to be the pending issue. I think it is unfortunate, but I understand.

AMENDMENT NO. 2325

(Purpose: To provide a substitute amendment)

Mr. LOTT. Mr. President, on behalf of Senator ROTH and others, I call up amendment No. 2325 and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment and begin reading the text.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. ROTH, for himself, and Mr. MOYNIHAN, proposes an amendment numbered 2325.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2332 TO AMENDMENT NO. 2325

(Purpose: To provide a substitute amendment.)

Mr. LOTT. I send a first-degree amendment to the substitute to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment and begin reading the text.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 2332 to amendment No. 2325.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2333 TO AMENDMENT NO. 2332

(Purpose: To provide a substitute amendment.)

Mr. LOTT. I send a second-degree amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment and begin reading the text.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 2333 to amendment No. 2332

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

MOTION TO COMMIT WITH INSTRUCTIONS

Mr. LOTT. I now move to commit the bill with instructions and send the motion to the desk.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2334

(Purpose: To provide a substitute amendment)

Mr. LOTT. I send an amendment to the desk to the motion to commit with instructions.

The PRESIDING OFFICER. The clerk will report and begin reading the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 2334 to the motion to commit with instructions.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2335 TO AMENDMENT NO. 2334

(Purpose: To provide a substitute amendment)

Mr. LOTT. I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 2335 to amendment No. 2334.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

CLOTURE MOTION

Mr. LOTT. I now send a cloture motion to the desk to the pending amendment No. 2325.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to Calendar No. 215, H.R. 434, an act to authorize a new trade and investment policy for sub-Sahara Africa.

Trent Lott, Bill Roth, Mike DeWine, Rod Grams, Mitch McConnell, Judd Gregg, Larry E. Craig, Chuck Hagel, Chuck Grassley, Pete Domenici, Don Nickles, Connie Mack, Paul Coverdell, Phil Gramm, R.F. Bennett, and Richard G. Lugar.

Mr. LOTT. Mr. President, I think it is unfortunate we have to take this step. I have discussed it with the Democratic leader. Let me emphasize he did not agree with this at all, but we did discuss our situation and our mutual concerns and our mutual desires to try to find a way to move this trade legislation forward. Filling up the tree is not a new practice. It is one I haven't used, I don't think, this year—maybe once. It is a practice that has been used in the past by majority leaders when it is necessary to try to get to a conclusion.

I do not know exactly when our adjournment for the year will come, but it is obvious we do not have a lot of time left. We do have some other issues we would like to have a chance to consider. Again, that is on both sides of the aisle.

The cloture motion vote will occur on Friday, October 29. I will notify all Members of the exact time, after consultation with the Democratic leader.

In the meantime, I ask consent the mandatory quorum under rule XXII be waived.

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

Mr. LOTT. I say to the Senate, I would be willing to withdraw the last amendment pending. I will be glad to come back in an hour and withdraw that, allowing Members' amendments to be offered if they were relevant to the trade bill, and this would allow us to make some progress on the bill. I would offer that idea to the minority leader when he returns, and I am glad to yield to the Senator from Minnesota

if he would like to ask any questions or make a comment.

Mr. WELLSTONE. I heard the majority leader mention he did not want to see amendments that he did not think were directly related, such as agriculture. As the majority leader knows, for the last 5 weeks I have asked him when I would have the opportunity. The majority leader said he thinks this is the first time he has filled up the tree, or second time. I think there may be other times, but I would have to check. I do not remember an opportunity in the last 4 or 5 weeks, or longer than that, to have an amendment out here that I think will speak to the pain of farmers.

When might I have an opportunity to introduce this amendment that I think would make a difference for family farmers in Minnesota who are being driven off the land? If the majority leader is filling up the tree and therefore I cannot do this, can he tell me when I might have an opportunity? Will he make a commitment there will be a piece of legislation out here that I can amend?

Mr. LOTT. I am not sure when that might occur. I told the Democratic leader just a few minutes ago, if it were just an amendment by Senator WELLSTONE on agriculture, I would be prepared to have that discussion, that debate, and a vote. But that is not the end of the string. We have a lot of innovative thinkers here on both sides of the aisle who are now working feverishly with their very competent staffs to develop other amendments.

If it were just an amendment by the Senator from Minnesota, I think probably that could be done. I think if we would open the door, there would be no end to it.

Mr. WELLSTONE. Will the majority leader be willing to entertain a freestanding bill I might introduce and have debate on? We have to do something, I say to the majority leader, about what is going on in farm country.

Mr. LOTT. First of all, I will be willing to discuss that with the Senator. I would have to also discuss it with the chairman of the Agriculture Committee and its members. I could not just unilaterally reach an agreement. But, again, I personally would not have a problem with that.

I do not know what his amendment would be, but I am sure I would vote against it. But we could have a discussion. I would need to check with both sides and I will talk with the Senator to see if it is possible, to see if we can do that in some freestanding way.

Having said that, I want to be sure the record has been made at this point. Last Friday, the President of the United States signed the Agriculture appropriations bill—I believe last Friday. It provides funds for agricultural needs all across this great land, in my State and that of the Senators from Minnesota and New York. We have lots of agriculture in New York. I don't know if you are aware of that, but I have been very impressed when I have been up there, some of the areas outside of Long Island. I found there is a lot of agriculture up there and all across this country.

We did get the Agriculture bill. In that bill was a very significant amount of funds for disaster-related problems. Some of them have been caused because of the depressed prices, some because of drought, some because of floods—all the different problems we have. Others say it was not enough; it should have been more. Some others would say it was not targeted in the right way. We can debate that endlessly, I believe.

But the President, upon review—and I believe he took the full 10 days—decided the right thing to do was go ahead and get this bill signed and get that disaster money to the farmers, the men and women who live on the farms in this country, as quickly as possible. It is not as if this is an issue we have not addressed and we will not address next year.

Mr. WELLSTONE. Will the majority leader yield?

Mr. LOTT. I am glad to yield.

Mr. WELLSTONE. I appreciate the leader's graciousness. I will not take up any more time with questions to him.

Having just heard the majority leader's report about disaster relief, he may want to reconsider his view about whether or not he would vote for or against an amendment or piece of legislation I would introduce because I say to the majority leader in the form of a question: I am quite sure that, as the majority leader travels around the country in rural America, he understands that the financial assistance package did not deal with the price crisis. People are going to be driven off the land and we have to change the policy.

I appreciate what he said. I guess it is less a form of a question, but perhaps I will get his support because I am sure the majority leader wants to see the Senate take some action that will make a positive difference for family farmers.

Mr. LOTT. Let me say in answer to the Senator's comments, I have learned from past experience that you should never say exactly what you are going to do until you have seen the details of an amendment or a bill because it could be different or it could be something that, in the end, you find would be acceptable. I have a suspicion I might not use that approach, but I had to reserve final judgment until I saw its content. I yield the floor.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in support of the managers' amendment to H.R. 434. That substitute includes the Senate Finance Committee-reported bills on Africa, an expansion of the Caribbean Basin Initiative, an extension of the Generalized System of Preferences, and the reauthorization of our trade adjustment assistance programs.

It is critically important that we move this legislation. Let me say a few words, in particular, about the Africa trade portion of the bill.

The last decade has been a period of great change in Africa. Some of these changes have been quite heartening to those of us who have been watching the countries in that continent for many years. The failed economic policies of socialism and central planning have begun to give way to market reforms, bringing economic growth and an improvement of living standards with it. There have been positive changes on the political front as well. The tragedy of apartheid has, thankfully, come to an end in South Africa. At the same time, democracy has begun to flower in South Africa and in a number of other sub-Saharan countries.

The picture, however, is not all positive. As we know all too well, the countries in Africa continue to suffer through more than their share of difficulties. War, disease and hunger are still very significant parts of the story of that region. Africa is a continent that is on the brink of a new and more positive future, but still has a number of significant hurdles that it must overcome.

For the Senate, the question is what we can do—what this great country can do—to help the African nations obtain the peace and prosperity that they have been working so hard to achieve. In other words, what can we do to help them complete the work that they have already begun.

The manager's amendment is clearly not a panacea; the challenges that the Africans face are too great for any single piece of legislation or any single act to cure. This legislation is, however, an important start towards building an economic partnership between the United States and the countries of sub-Saharan Africa. This partnership, in my view, is a significant first step towards giving the African nations the opportunities they need to continue the progress that many of them have made over the past decade.

I am proud of the support that this legislation has received among the African-American community and among the Africans themselves. I say this because a few of my colleagues have suggested that the African-American community and the African nations themselves are divided in their support for the African Growth and Opportunity Act. I am standing here to say that nothing could be further from the truth. If there was any doubt, it should have been put to rest with the Roll Call ad which ran last week. The ad, appropriately, stated the following:

To the United States Senate, Setting the Record Straight. We endorse legislation that provides social and economic opportunity in Africa and we, the undersigned, are working together to achieve this goal. Can we count on you?

The signatories to this Roll Call ad are a very distinguished collection of religious, civic, political and business organizations and individual leaders. I will name just a few: the NAACP, the Southern Christian Leadership Conference, the African Methodist Episcopal Church, the National Council of Churches, AfriCare, the Council of National Black Churches, which represents 65,000 churches and 20,000,000 members, and the U.S. Conference of Mayors.

The list of individuals signing this ad includes such notables as Bishops Donald Ming and Garnett Henning of the African Methodist Episcopal Church, Mrs. Coretta Scott King, Mr. Martin Luther King III, Ambassador Andrew Young, former mayor David Dinkins, the Honorable Kweisi Mfume, and Mr. Robert Johnson, the head of Black Entertainment Television. I want to note that Mr. Johnson testified eloquently about the need to create new economic opportunities in Africa when he appeared before the Finance Committee last year. He, like the others listed in this ad, have spoken powerfully on the pressing importance of this legislation.

Let me read a quote in the ad from just one of these individuals. That individual is the very distinguished Rev. Leon Sullivan of the nearby city of Philadelphia. Rev. Sullivan is quoted in the ad as saying that:

> The African Growth and Opportunity Act will open new markets for American products and will create additional jobs for Americans and Africans. For every $1 billion in exports to Africa, 14,000 jobs are created or sustained in the United States. Those are powerful and important words.

Let us not forget that this legislation is also good for Africa. That is why every single one of the 47 African nations covered under this the legislation have publicly stated their support. Let me repeat that, because it is important. Every single one of the countries covered under this legislation supports this legislation. I think it is fair to say that these countries have the judgment to decide what is in their interest. In this instance, they have spoken loudly and clearly. The African Growth and Opportunity Act is good for Africa.

I am proud to say that President Clinton is also a strong supporter of this legislation. He recently said, and it is quoted in the Roll Call ad, that:

> Our administration strongly supports the African Growth and Opportunity Act which I said in my State of the Union Address we will work to pass in this session of Congress.

That, Mr. President, is exactly why we are here. We are here to work on a bipartisan basis to work for passage of an important piece of legislation that is good for the American people and good for Africa.

I was honored to have representatives of many of the groups and individuals I mentioned join me in a press conference this past week to express their support for this legislation. What these individuals and groups understand—and stated at the press conference—is that Africa has for too long been neglected in our trade policy. They also understand that the African Growth and Opportunity Act is the right legislation to begin the strengthening of our economic relationship with that continent.

Let me emphasize that these individuals and groups support the African Growth and Opportunity Act and not the HOPE bill. They support this bill because it is good legislation. It is the right thing to do. It is good for the American people, and it is good for the people of Africa.

There is, of course, much more that is part of the manager's amendment. The enhancement of the CBI program is long overdue. It is also a vital step to strengthening the economic compact begun with that region by President Reagan with the original CBI initiative. The reauthorizations of the Generalized System of Preferences and Trade Adjustment Assistance programs are also of critical importance. These measures are essential for ensuring that the benefits of the global economy are felt as broadly as possible and to ensure that workers and firms displaced by trade receive the assistance and training that they need.

The effort to move the bill enjoys broad bipartisan support. But, it is long overdue. The House of Representatives passed the Africa legislation by an overwhelming vote of 234–163 in July of this year. It is now time for the Senate to Act.

Mr. President, I urge my colleagues to support the passage of H.R. 434, as amended. The time to act is now.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to congratulate our revered chairman for his achievement in a partisan setting. I think it is generally agreed that this Congress has not been one governed from the center. Here we have major legislation brought to the floor by near unanimous vote of the Committee on Finance and with extraordinary support across the country.

I wish to make two points, the first to the question of Trade Adjustment Assistance. It goes back 37 years as an integral measure in our trade policy. As Dean Acheson might say, I was present at the creation. I was an Assistant Secretary of Labor, one of three delegates who negotiated the Long-Term Cotton Textile Agreement which was necessary to win the votes in the Senate for authorizing what became the Kennedy Round. When we came back with that agreement, the issue arose, if we were to open up trade, there would inevitably be persons displaced—just as jobs were created, jobs would be lost. There is nothing complex in the calculation nor very complex in identifying just whom you are talking about.

We started Trade Adjustment Assistance. It has worked. We included a comparable provision in the NAFTA implementing legislation. In Fiscal Year 1998, we had 150,000 workers eligible to receive Trade Adjustment Assistance; last year, we had 200,000 eligible workers. Those are rounded numbers.

This is an active program. There are families who are displaced in the world economy, and they are living off this transitional benefit—200,000 eligible workers. That is not a small number. The authorization for this program, that has been integral to our trade policy for 37 years, expired on June 30. The appropriation expires on Friday; on Saturday, it is no more. And when it can come back, how it comes back—have we seen many things started of late in this Congress or the previous ones? No.

Now, those are lives of American workers we are talking about, just as President Kennedy talked about them. John Pastore of Rhode Island was very vigorous on this matter, and many Members of the Senate who are marked in history by their capacity to see the large national interest.

One other matter: The chairman noted the meeting which the Committee on Finance had with the group of presidents, vice presidents, and foreign ministers from Central America, ranging from Trinidad and Tobago all the way up to Honduras. It took place just off the Senate floor in the LBJ Room. It was a special occasion.

They came here as representatives of elected governments asking to trade. They weren't asking for foreign aid. They weren't asking for military assistance. They were simply asking to become part of the trading system of the western hemisphere in that Monroe Doctrine context about which the chairman spoke.

It already seems to have happened long ago. In the 1980s, we spent $8 billion sending arms to Central America, with precious little to show for it. A good enough outcome in the end, but the weaponry was everywhere, on all sides—a fantastic miscalculation, in my view, in my view at the time.

I will give my colleagues a moment's recollection. It was 1983. I was in El Salvador in the capital of San Salvador having breakfast with the president and provost of the University of Central America, a Jesuit institution. At that time, the United States was going through enormous efforts to prevent the Sandinistas in Nicaragua from smuggling arms to their rebel counterparts in El Salvador.

I asked the President and the provost, with whom I had a relationship through a professor at the University of Chicago, ''Father, are the Sandinistas sending weapons to El Salvador?'' He said, ''No.'' I said, ''No? Well, surely they had been.'' He said, ''Yes.'' I asked, ''And they don't any longer?'' He said, ''No. You do.''

Every day, the skies over Salvador were filled with American planes bringing in weaponry, which was promptly divided—half for the government, a quarter for the rebels, and a quarter for

the international arms market. And what a better thing now to be talking about trade. And we have stability. If we want to ensure it, there has to be an economic basis. This legislation does so and, again, and finally, there are 200,000 American families entitled to trade adjustment assistance, which expires on Friday after a 37-year run as part of the American safety net as a condition of expanding trade. Let's not let them down. We can do this if only we will do it together, as we did in the Finance Committee. I only hope the same can be repeated on the Senate floor.

Mr. President, I yield the floor. I see my friend from South Carolina who is seeking recognition.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from New York. I have been trying to get the floor. I tried earlier today to be recognized to speak on this bill. It was the objection I had made, of course, to the motion to proceed, due to the strong feelings I had with respect to trade. Incidentally, on yesterday, I could not be present. Amongst others, the distinguished Senator from Minnesota more or less carried the day. I am obligated to him. Senator WELLSTONE did an outstanding job. He asked that, if I could ever get the floor—and I tried twice this morning and could not get the floor—to please ask unanimous consent that he be recognized when I had completed my remarks. I have talked to fellow Senators and there is objection to that. I wanted to let him know that I remembered the promise made. I am not making the request because I know it will be objected to.

That brings us right to the unsenatorial, more or less, procedures into which we have bogged down by. In a line, the distinguished majority leader says what we ought to have had was fast track and, within a breath, he gives us fast track. We have fast track on this bill. You cannot put up an amendment. He ''filled up the tree,'' and he says, ''oh, but I am so considerate that I will be glad to help you out if I can give you permission to give you relevant amendments.'' Of course, he decides what is relevant.

What about relevance with respect to the Finance Committee? What they are calling a trade bill is actually a foreign aid bill, because you have the Secretary of State calling around on the bill, not the Secretary of Labor for jobs—I don't think she had the gall to do it. But the Secretary of State, with pride, is calling the various Senators because this is a foreign aid bill. It is a one-way street. It is unilateral. It does not have the labor side agreements. It does not have the environmental side agreements that were included in NAFTA. It does not include the reciprocity that we got from the Mexicans when we passed NAFTA. I have prepared amendments that would be relevant, but you can't tell around here. I don't think that I should have to stand as a Senator and beg another Senator permission to put up an amendment. That is the most arrogance I have ever seen since I have been here, some 33 years. It has gotten really raw in this particular body, when you try to debate the most important subject that you can possibly imagine, which is hollowing out not only our industrial strength, but the middle class of our society and the strength of our democracy, and you have to beg to put up an amendment in order to satisfy what the majority leader says what is relevant.

Could it be the minimum wage amendment that the Senator from Massachusetts has been trying to get up since the beginning of the year? Well, it is not for Africa, not for the Caribbean Basin Initiative, but more for the workers of America. I say why not? Don't we have trade adjustment assistance in the bill? If that is relevant so is minimum wage. Doesn't minimum wage have relevance to the welfare, the pay, the being of American workers?

The question in my mind is what rules are we under? I presided for 6 years under Heinz's precedent. I presided for 4 years under Jefferson's rule. When I got to the Senate, we threw away the rule book because it is whatever the majority leader says. That is the rule. That is what happens up here—we all understand that—in order to facilitate legislation. But when it gets to this point of arrogance it is totally counterproductive. Here you have been trying to get up the bill all year long, and then you put it up in the last few days and say we are all trying to get out of town, let's not have any debate, let's take it or leave it as the Finance Committee has it, and thereupon, let's have cloture, let's have fast track.

Well, with respect to the minimum wage amendment, I would gladly put it up. I understood today—and the distinguished Senator from Massachusetts can speak for himself—but I talked to him the day before yesterday and advised him that if he didn't, I would, because I think it is just as important as trade adjustment assistance.

I see that the distinguished Senator from Texas is on the floor. I understood he said this would create 400,000 jobs. That's very peculiar because I understood the distinguished Senator from New York indicating that we are going to have to put 200,000 on trade adjustment assistance—in other words, we are going to put them out of a job, we are going to give them welfare. What a wonderful thing it is; we started it some 37 years ago. Has this body got any idea what is going on? Are we really creating jobs, or are we decimating the jobs? One brags that we put them on; the other brags that we put them out. And there we are, with respect to relevant amendments.

Mr. President, there is another relevant amendment. This is the Time magazine for this week. It is an article called, ''The Fruit of Its Labor.'' I ask unanimous consent that this be printed in the RECORD in its entirety.

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

[From Time Magazine, October 1999]

THE FRUIT OF ITS LABOR

(By Adam Zagorin)

WASHINGTON.—If you are an underwear mogul, you surely cannot lack confidence. So it is with Bill Farley. The handsome physical-fitness buff has under his belt brands like BVD, Munsingwear and his flagship, Fruit of the Loom. He rubs shoulders with the rich and powerful, and recently cochaired a lunch that raised more than $500,000 for George W. Bush. Muscles rippling, Farley, 57, has also shown up wearing a tank top in Fruit of the Loom advertising. He once even put himself forward as a candidate for President of the United States.

These days, however, Farley's political focus is squarely on Congress, where Fruit's adventures in lobbying offer a choice example of how the game is played. Fruit of the Loom is a tattered company, suffering from bad performance and poor management and lobbying heavily for a bill that would ripen its bottom line.

How likely is it that the company's case will be heard on the Hill? Well, last year alone Fruit handed out more than $435,000 in soft-money donations, a figure that puts contributions by the firm (1998 sales: $2.2 billion) ahead of those of such giants as Coca-Cola, Exxon and Bank of America. Most of Fruit's plums go to Republicans, including $265,000 to the National Republican Senatorial Committee, run by Kentucky Senator Mitch McConnell, the principal opponent of campaign finance reform.

This week, with Congress having for now killed campaign finance reform, McConnell and other Republicans will get on with other business, such as an amendment to an African trade bill that would allow apparel produced in the Caribbean Basin to enter the U.S. duty free, provided it is assembled from U.S. fabric.

Fruit's lobbyists—along with those from competitors like the Sara Lee Corp., which makes Hanes underwear, and retailers like the Limited and the Gap—are pushing hard for passage. Fruit officials claim the measure, which Bill Clinton supports, will create jobs, and deny that the company's donations can buy influence. Says Ron Sorini, a Fruit lobbyist: ''There's absolutely no correlation between our soft-money donations and those who decide to vote in favor of this bill.''

Whether there is or not, Farley's much coveted tariff break comes at a cost. Eliminating duties on apparel from the Caribbean will run U.S. taxpayers at least $1 billion in lost revenue over five years—a figure that, by congressional rules, must be made up with cuts in other programs.

Fruit confirms that the bill is expected to deliver a quick $25 million to $50 million to the bottom line, adding to savings achieved after moving some 17,000 of its U.S.-based jobs, mostly to the low-wage Caribbean Basin, and reincorporating in the tax haven Cayman Islands. The jobs cuts were spread across the South, especially Kentucky, where earlier in this decade Fruit was one of the largest employers. ''They are trying to win in Washington what they've been unable to achieve in the marketplace,'' says Charles Lewis, executive director of the Center for Public Integrity, a watchdog group. ''They're now trying to secure advantages from Congress at a time when they're in dire financial straits.''

Dire is right. After a major inventory snafu, Fruit's financial elastic stretched again last month, when it had to make a $45 million interest payment on accumulated debt of $1.3 billion. Its stock, traded at $48 a few years ago, now sells for less than $4. The board, its confidence in Farley shaken, managed to shunt him into the role of nonexecutive chairman in August, and the company is searching for a new CEO. Farley retains a role in large measure because he still controls 28.5% of Fruit's voting shares. He has also arranged for the company to guarantee loans to himself worth $65 million.

Fruit of the Loom's favorite trade bill has led to a rare split between Kentucky's two conservative Republican Senators. While McConnell is expected to support the tariff cut, his colleague Jim Bunning has no intention of backing the measure. Asks Bunning: ''How many more jobs do we have to lose until we wake up and smell the Caribbean coffee?''

Yet for Bill Farley, the aroma is nothing if not enticing. By one count, he's tried to get versions of the bill through Congress six times in recent years. Perhaps seven's the charm.

Mr. HOLLINGS. Mr. President, I don't know whether the distinguished majority leader would agree that this is a special interest bill, but the public domain thinks it is a special interest bill. The leading news magazine in the world thinks it is a special interest bill. Therefore, campaign finance reform would be relevant.

Why do I say that?

''The Fruit of Its Labor.''

It is on page 50.

''How a company that exports jobs pushes for a Capitol Hill handout.''

''The politics of underwear.''

I quote:

If you are an underwear mogul, you surely cannot lack confidence. So it is with Bill Farley. The handsome physical-fitness buff has under his belt brands like BVD, Munsingwear and his flagship, Fruit of the Loom. He rubs shoulders with the rich and powerful, and recently co-chaired a lunch that raised more than $500,000 for George W. Bush. Muscles rippling, Farley, 57, has also shown up wearing a tank top in Fruit of the Loom advertising. He once even put himself forward as a candidate for President of the United States.

Maybe that is where Trump got the idea. I always wondered where that rascal could think he could be President.

But, in any event, reading on:

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Mr. President, I ask the same question as the distinguished Senator from Kentucky, Mr. BUNNING. How many more jobs do we have to lose until we wake up and smell the Caribbean coffee? Is there any question in anybody's mind? As we used to say in the law, any reasonable and prudent man—and now woman—can see that this is not a special interest bill. And with campaign finance reform, which is mentioned in this article and which is mentioned in this particular bill, it would be relevant—not under the majority leader's rule of relevancy.

Ask the majority leader when he comes to the floor. I can offer the campaign finance reform, or I can offer the minimum wage. Then we will all agree to move right along and vote on the amendment. I will agree to a time agreement. We are not holding anybody up. We can vote both of those amendments this afternoon. We don't have to worry about cloture on Friday. We are ready to roll. We, like the majority leader, want to get out of town. We have a lot of work to do. Don't put on this act about how reasonable and thoughtful and so pressured we are in trying to reconcile all of the particular problems there are in the closing days. Don't give me any of that. Let's get to the reality.

We have a special interest bill; we have a bill affecting workers. I want to put up another bill affecting the workers that have been up all year long and all last year—minimum wage. The majority leader won't come out and say it is relevant. When he comes out and says it is relevant, I will put up the amendment; we can vote in 10 minutes' time. When he says a special interest bill, Shays-Meehan is relevant; we can vote in 10 minutes. The House has voted on it overwhelmingly.

We couldn't get a vote on account of the so-called rules of the majority leader with respect to when we can call something and when we can't call anything around here. They won't give us a freestanding Shays-Meehan without the cloture and everything else.

I have been interested in campaign finance reform since I voted for the Federal Election Campaign Act of 1974. We had that bill up, and we had a good bipartisan cross-section vote for the measure saying one cannot buy the office. We have come full circle. What we are saying in Washington today is, the trouble is, there isn't enough money to buy the office. Do you know what? We have amendments. Mr. President, $1,000 isn't enough; we ought to be able to buy it quicker with $3,000 and $5,000, $10,000. We have moved in the opposite direction from the original intent of cleaning up politics in this land of ours by stating categorically one could not buy the office.

I can still see the Senator from Louisiana, Russell Long. He said, every man a king—everybody, regardless of economic circumstance or background, could aspire for the Presidency of this land of ours. Listen to Elizabeth Dole. One can be a former Secretary of Commerce, one can be a Secretary of Transportation and Secretary of Labor, one can have been head of the American Red Cross, every kind of track record, but unless the candidate has the money, the candidate doesn't stand a chance—money is what talks.

We are saying it is a real problem. On the one hand, we have too many limits, we ought to have more money in this; or, on the other hand, let taxpayers, let the public, pay for our politics; let's have public campaign finance. We have had about three votes on it.

I remember when I first introduced it, it was a joint resolution. There was

one line, and it is in now, but I can't get it up. I have been waiting for a good joint resolution to come over, Senator. If it comes over, I will offer it. They told me I couldn't offer it to campaign finance reform because mine was a joint resolution and it was a simple bill, with three readings to be signed. A joint resolution, of course, and amending the Constitution, is not to be signed by the President.

That being the case, I put in this particular one-line amendment that the Congress of the United States is hereby empowered to regulate or control spending in Federal elections. I had a dozen good Republican colleagues—my senior colleague and others—joined as cosponsors way back; this has to be almost 20 years ago. We can't get that, except for the distinguished Senator from Pennsylvania, Senator SPECTER. So the Hollings-Specter amendment was so salutary that the States said, wait a minute, add that the States are hereby empowered to control or regulate spending in Federal elections.

So we added that. We have gotten a majority vote, but we never have gotten the two-thirds necessary. It would pass. I am not worried about it at any next election. It would easily come about.

We relied upon looking at the last five of the six amendments. They passed in an average of 17 months.

Does the distinguished Senator have a question? I am just feeling good about this particular measure.

Mr. REID. If the Senator will yield, I do have a question. I personally am in agreement with the different issues the Senator has raised—campaign finance reform, minimum wage, being able to amend bills. I agree with the Senator in that regard.

However, the Senator from Texas and I have a matter on the floor. I ask the Senator about how much longer he will speak. I know the Senator has a lot of capacity, but if he could give an idea so we could either interrupt at this time or come back at whatever time the Senator indicates.

Mr. HOLLINGS. I suggest the Senator come back because I am just beginning to cover the subjects. We have a luncheon in the next 15 minutes, and I will complete my thoughts.

Mr. REID. The Senator will finish in the next half hour?

Mr. HOLLINGS. Yes.

Mr. REID. I thank the Senator.

Mr. HOLLINGS. I thank the distinguished Senator from Nevada.

What happens if we can get up campaign finance and get an up-or-down vote on Shays-Meehan? I have my doubts about its constitutionality. I have voted several times for McCain-Feingold. I voted against the most revised or limited McCain-Feingold for the simple reason it was similar to half a haircut; it was worse than none at all. It said the parties couldn't take soft money but everyone else could take soft money.

Immediately, my adversary, Tom Donohue at the Chamber of Commerce, said we had not participated financially sufficiently in campaigns. So I am getting up a kitty of $5 million. The Chamber of Commerce will get up a kitty of $5 million and pick some 8 or 10 senatorial races and give them at least $100,000.

Mind you me, the Chamber of Commerce no longer represents Main Street America, no longer represents the middle-size or small business; rather the international, the transnational, the gone overseas crowd, such as the Farley group that has already transferred 17,000 jobs offshore. It is headquarters to the Cayman Islands. I don't know whether those are foreign contributions. I had better look into that. It strikes me they are talking about the Chinese. I am wondering whether the Chinese have any worse position that the Cayman Islanders to make contributions. I think we ought to call Janet Reno and say here is an example of foreign contributions by the Cayman Island Farley to the campaigns—$500,000 for George. Poor George W. will never get through the year. They will find these things I am talking about. Poor fellow, he hasn't gotten into the Washington go-round. This crowd will chew anyone up.

See how the logic applies. We are all talking about the Attorney General not doing enough on some antiquated contribution; that happened way back. I am talking about what is being made now in this week's Time magazine, the Cayman Island contributions to poor George W. in Texas, and he probably doesn't even know it—when one runs a mammoth national campaign. We will have to look into that.

We have a special interest bill. We need a vote on Shays-Meehan to find out whether it is constitutional or to make sure, along with it, to constitutionalize Shays-Meehan by coming right along and taking the Hollings-Specter amendment to constitutionalize it.

As I was about to say before examined by my distinguished friend from Nevada, we have found that of the last eight amendments to the Constitution, seven have passed in 17 months' time.

There is no debate, and they all relate to elections. There is no greater cancer on the body politic than the campaign finance practices in this land.

Everybody talks about the amount of money. I would say a word about the amount of time. As a full-time Senator, I am supposed to be giving full time to the problems of the people of South Carolina. But I found myself last year giving full time to my particular problem of staying in office, by going all over the country, trying to collect funds from anybody and everybody who thought I could be a pretty good Senator.

This was the seventh time I have been elected to the Senate. I am still the junior Senator. I am working hard on my way up.

Be that as it may, when I first got elected back 33 years ago, it was a little budget, somewhere, I think, around $400,000 or $500,000. I had to collect $5.5 million last year.

In a small State where they are all Republicans, such as Delaware and South Carolina, we have that Dupont crowd. We have them. They are the best of the best. But all my State has gone Republican as did the South: two Republican Senators in Texas, two in Alabama, two in Mississippi, and two in Tennessee. October of last year I was the last remaining statewide Democrat in office except for my friend the comptroller, Earl Morris. He and I were the last two: city councils, mayor, the Governor, the legislature—all Republican. With this recording of every contribution in and every contribution out, there were a lot of Republican friends who wanted to participate. But we put that burden on them. They would have to, literally, explain why they gave that fellow HOLLINGS $100 or $1,000, whatever the contribution was.

Rather than become involved—if we want to know what cuts off people have from involvement in the process in America today, it is just this particular requirement. I voted for that requirement. I think it ought to be made public. But it can get bad, and it does, and has gotten bad in my State.

We can correct this. We can constitutionalize whatever is the intent of Congress. You do not have to get that distorted opinion of Buckley v. Valeo for the simple reason that they said money amounted to speech. Those with money had all the speech they wanted, but those who did not have money could get lockjaw. They could just shut up and sit down. ''You are not in the swim, Liddy Dole; you are not in the race at all. You can forget about it.'' The party has already arranged and crowned George W. in Texas, and he has $50 million to $60 million. He doesn't need the public money, and everybody thinks that is great.

I think that is not great at all. I think when it has gotten to be that bad, when you have enough money, like Perot, to start a party, and you have enough money to control the party as is being done now on the Republican side, we have to clean this thing up and get back to not being able to buy the office. So I would have campaign finance reform as a very strong amendment and make sure there is no question.

Time magazine thinks it is relevant, but the Senator from Mississippi does not think it is relevant. If he can come out and if he will make the proposal that he does think it is relevant, we can agree on a time agreement on Shays-Meehan, 5 minutes to a side, and vote. Do not come weeping and wailing that, Oh, we have so many things to get done, we have the appropriations' bills, we have this bill, we have that bill, and everything like that. This is not a time-consumption strategy on the part of the Senator from South Carolina. This is to bring to the fore that which has been prevented from

even being debated in this body. The most deliberative body in the history of the world can no longer, under the process, deliberate. You have to walk up to the table and find out how to vote.

I was here with Senator Mansfield. Senator Mansfield would think that demeaning, to put there how a Senator is supposed to vote. Senator Dirksen would absolutely oppose nonsense of that kind. But that is how we all are going. You have to do it this way and get on message. You cannot debate what the public wants debated. You can only debate what the polls show to be debated.

Everybody is running all over the world talking about education because it shows up in the polls. But we only control 7 cents of every education dollar; the 93 cents, that is the State and local responsibility. Bless them, I am a leader on that subject. You name another Senator in this body who has put up a 3 percent sales tax and passed it for public education. You name another one who has come in with a system of technical training that would even equal—much less be better than—ours.

I have worked in the vineyards over the years for education so I do not demean the need for improving the quality of education, namely, doubling the pay of teachers. So you get what you pay for. If we start attracting the best and the brightest, they do not need retraining; they need money. They need to be paid. The average pay, I think, in South Carolina, is around $27,000 or $28,000. Maybe it has gone up to $31,000. Don't hold me to the exact figure. But I know that is relevant. That doesn't pay for the children to go to college. I go to the graduations and they come across the stage. ''Senator, I would like to have taught, but I am not able to get into teaching because I cannot save enough money to get my children through school and college. So what do I do? I get into international studies, business course and otherwise.''

Mr. President, we have the Kathie Lee sweatshop bill here before us, where 17,000, according to Time Magazine, have gone from Kentucky in the last few years. I have the exact figures. I had a talk the weekend before last to the northern textile industry. The Senator from Delaware had all of his textile people there, Drew Potter and otherwise. I was glad to talk to the northern textile industry people.

I want to make a record of this particular situation because this is how bad it can get, how politics can really take over. I have been the principal sponsor of five textile bills that have passed this Senate, four of them have passed the Senate and the House of Representatives and gone to the President of the United States. One was vetoed by President Carter, two by President Reagan, and one by President Bush. I remember when President Bush implied, in his commitment to the talk in Greenville, that he was for textiles. When asked how come he vetoed it, he said, ''C'est la vie.'' He not only wants to import the textiles, he wants to import the language. That is how far off we have gotten.

I could not get invited. I tried last year. Here is a fellow who has grown up and held just about every office at the local level: Lieutenant Governor and Governor and Senator elected seven times. But I tried. They have a little lunch or evening meal, I think it is, at the Piedmont Club, these new young executives. I said: You know, I ought to make an appearance there because they have a new group and everything else. I could not get invited. They never could find a time.

I had some old-time leaders say: We will arrange it for you. I could get invited, thanks to Karl Spilhaus and the leadership of the northern textile industry. At least I can get invited now to the northern textile industry, but I could not get invited to my own backyard.

Here, as the cosponsor and voter for the right to work bill, I am out here trying to protect organized labor because—where are they? I heard that Ms. Evelyn Dubrow is finally back in town. She is the best of the best. She just won the Presidential Medal last month. I congratulate her. She has been outstanding over the years. Maybe if I explain this bill long enough, we might be able to pick up some votes.

I see others waiting. I said I would take at least 15 minutes. My good friend from Minnesota, who really held the fort down yesterday, has been trying to get recognized to say a few words. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I see the Senator from Ohio is here. I ask unanimous consent that I follow the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio is recognized.

Mr. DEWINE. Mr. President, I thank my colleague from Minnesota for his courtesy. I say to him and the Senator from California, I plan on speaking probably 12 minutes.

Yesterday, I filed an amendment to H.R. 434, the African Growth and Opportunity Act, which amendment would improve our Nation's ability to retaliate against illegal trade practices by foreign governments. Despite efforts to reduce European trade barriers against American agriculture, despite repeated rulings by international trade bodies that European trade barriers are illegal, there still remains a ''fortress Europe'' mentality against free and fair trade.

The amendment I have filed is designed to strengthen the one and only allowable weapon in our arsenal against WTO noncompliance, the only weapon we have when a country is found to be in violation of the WTO and repeatedly refuses to comply. The only weapon we have, the only method of forcing compliance, is tariff retaliation.

The amendment I filed enjoys widespread bipartisan support. In fact, the bill I filed is similar to the amendment and now has 24 sponsors. It is bipartisan.

This amendment has strong backing by our very diverse agricultural community, and this is certainly no surprise. Ask any corn grower or cattle producer or pork producer. They know and understand their well-being depends on expanding our export markets. We have the greatest agriculture in the world. We do it more efficiently and cheaper and better than anyone in the world today. All our farmers say is: Give us a chance to sell; give us a chance to compete. That is what this amendment is about.

It is my hope the Senate, by adopting this amendment, will take a stand for our farmers and ranchers and send a strong signal to the European Union that their gross violations of international trade law simply must stop.

Specifically, the European Union, despite years of efforts to find a fair solution, continues to defy the World Trade Organization's rulings against its ban on U.S. beef imports and its banana import rules. Both cases are important not just for the specific producers and the distributors impacted by these two cases, but it is important for every American business, particularly small businesses, seeking a fair shot at the European market.

To appreciate the magnitude of Europe's current actions against American agriculture, it is important to put it in the context of recent history. Both these specific trade cases took several years to work through the WTO and were undertaken at great expense to the U.S. Government, and the producers in the businesses are at the heart of this dispute.

Here are the essential facts. This is the story.

The E.U. first imposed their ban on U.S. beef with growth hormones in 1985 and officially banned all U.S. beef in 1989. When the United States sought rulings on this ban, either through the WTO or the General Agreement on Tariffs and Trade process, the result was the same: The E.U.'s ban was found to be without merit and in violation of international trade rules. That was the ruling repeatedly, time after time. First through the GATT process and then through the WTO, the results were the same.

In other words, the WTO, and before that the GATT, found against the European Union for violating trade laws. However, in spite of these repeated rulings, the E.U. has refused to comply, and to this very day, to this hour, to this minute, they continue to refuse to comply. In spite of these rulings, the E.U. has refused to change its practices. In spite of these rulings, they continue to thumb their nose at the WTO decision.

The real question is whether or not the WTO rulings are enforceable, do they mean anything, and every nation that is a member of the WTO has a vested interest in making sure the rulings are enforceable, they do mean something, and they do matter. That is what this amendment is about.

In the face of noncompliance by the E.U., the United States only has one remedy, and that remedy is tariff retaliation. We have no other way to go. This is prescribed, it is allowed, and it is provided for in the WTO rules. This is the only recourse a country has when another country refuses to comply.

Under current WTO rules, the United States can retaliate against a beef ban by imposing tariffs on European imports at a total amount equal to the amount of financial pain being inflicted on our U.S. beef industry. The WTO determined in this particular case that the E.U. beef ban was inflicting $116.8 million per year in economic damages to U.S. farmers.

Although the WTO's $116 million figure is significant, our cattle industry strongly believes this is a very conservative estimate. They believe the actual impact is closer to $1 billion annually.

Let me talk for a few moments about the other case, the banana case. With bananas, the E.U. imposed import quotas and licenses in the early 1990s. While the United States produces bananas in Hawaii, we also have a significant stake in the distribution and sale of bananas domestically and internationally.

Seven times, the WTO ruled that the European Union's attempts to obstruct U.S. banana distribution violated WTO rules—seven different rulings. The WTO determined that the banana policy of the E.U. is resulting in $191.4 million worth of economic damage annually to U.S. interests. Again, the impacted U.S. companies believe the actual damage is more than $1 billion annually. Again, the United States, with regard to bananas, as was the case with beef, has the authority to impose retaliatory tariffs against E.U. products.

Let me recap where we are in the story. With both bananas and beef, the European Union repeatedly has been in violation of the WTO rulings. The European Union has refused, in spite of these rulings, to change its policies.

The WTO procedures provide a waiting period of 15 months for a nation that is found to be in violation of rules to comply. In other words, nothing happens—even as the ruling comes out, nothing happens for 15 months. What happened here in 15 months was nothing, absolutely nothing. The European Union, again, continued for that 15-month period of time not to comply. On the beef and banana cases, we waited these 15 months, and the European Union still didn't comply. So at that point, the United States simply had no choice but to impose tariffs in retaliation—tariffs that are fully allowed under the WTO.

The purpose for allowing the United States to impose tariffs is, of course, to compel compliance with the WTO rulings. It has been 6 months since tariffs on European imports were imposed in response to the banana case, and it has been 3 months since tariffs were imposed in response to the beef ban. So we had the 15-month waiting period. We had some other time that elapsed, and then we had the 6 months and the 3 months in the banana and beef cases. After all this, are the Europeans making any effort to comply with either ruling? We know the answer. The answer is, no, on both counts. They still are not in compliance, and they still give absolutely no indication that they are going to come into compliance.

This is not just about beef. It is very important. It is not just about bananas. It is about whether the WTO is going to mean anything. And it is whether or not the rulings of the WTO are going to mean anything. I think we have to look at the big picture and put this in perspective.

While the European Union, the E.U., continues its fortress mentality and thumbs its nose at the WTO rulings, other WTO member nations finding themselves on the wrong side of a WTO ruling have acted responsibly.

Members of the Senate may ask: Well, what has happened in other cases when other countries have been found to be in noncompliance, to have violated the WTO, and the ruling has come down, and they lost their case and they have lost their appeal? What have they done? The answer is, they have done what you would expect them to do. They have complied.

The United States has lost four separate WTO cases. In each case, after losing, we complied. Canada has lost and they complied. Korea lost and Korea complied. Japan lost and Japan complied. Everybody but the E.U.—all of these countries that lost their cases came into compliance. In fact, every nation found in violation of a WTO ruling has come into compliance—every nation—except for the nations of the European Union.

Retaliation is the only authorized tool to bring a country into compliance with WTO rulings. That is the point of this amendment, to make this authorized retaliation more effective and to get the job done.

What is a nation to do if its current list of imports subject to retaliatory tariffs is not working to move the offender such as the E.U. into compliance? The solution, I believe, is to seek other products to target and at tariff levels that will impose the kind of pain that will cause the European Union to see compliance as the remedy. This is a process known as ''carouseling.'' That is what this amendment is about.

In both the case with bananas and the case with beef, we came forward with a list of products that we were retaliating against and the duties were imposed. Nothing has happened. What our amendment provides—and I will discuss this in greater detail later when I formally offer this amendment—is that if the first list of items on which we are imposing tariffs to retaliate against the E.U., quite candidly, does not inflict enough pain to get their attention, then we need to carousel or change the list.

The amendment provides that at least one of the items must be changed. It provides that many can be changed, but at least one has to be changed. The whole idea is, if this is the only way we can get their attention, the only remedy we have, the only tool we have, the only stick we have is this type of retaliation, we must make sure it is effective and we must make sure the correct products are being chosen on which to inflict the pain to get the attention of the E.U. That is what this amendment is all about. It is a rather modest amendment, but it is an amendment that we believe will significantly make a difference.

To date, the administration has refused to carousel products in either case. They do have, currently, the authority to do it, although they are not compelled to do it. As long as the E.U. remains unwilling to comply with WTO rulings, it becomes more imperative that the tool of retaliation be used effectively. Our amendment would do that by requiring the United States to change retaliation lists periodically to inflict pressure, pain, on the noncomplying party to comply—in this case, the E.U.

The ramifications of the E.U.'s noncompliance with the entire WTO dispute settlement process is staggering. If the E.U. is successful, if they get away with this, then we can expect them to continue this tactic on other products and other commodities, and the entire WTO process will mean nothing, at least as far as the E.U. is concerned.

The issue today is beef and bananas, but tomorrow it could be grains, apples, peaches, potatoes, perhaps even computers. Who knows? A lot is at stake. We must ensure our retaliation does, in fact, result in compliance. We must ensure that it works.

This amendment would require the carouseling—or the rotating—of products on a list of goods subject to retaliation when a foreign country or countries have failed to comply with a previous WTO ruling. This amendment would help ensure the integrity of the WTO dispute settlement process because it would provide the U.S. Trade Representative with a powerful mechanism to place considerable pressure on noncomplying countries to actually comply.

In conclusion, it is my hope that in the near future, my fellow cosponsors and I will have an opportunity to have a more detailed discussion of this amendment and the issues involved and that the Senate will overwhelmingly approve our amendment.

It is time, frankly, to break down the barriers of fortress Europe in the name of fairness for American farmers.

I thank the Chair and yield the floor. And I do thank my colleague from Minnesota for his courtesy.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, first of all, let me repeat, in about 2 minutes, what I suggested today about the legislation before us, the several trade bills.

I think while those who argue, with the WTO meeting that is coming up in Seattle, that we might be able to have some enforceable labor provisions and environmental provisions, and, for that matter, think about a fair shake for farmers in this trade regime, now bring to the floor of the Senate some trade agreements where there is no enforceable labor standards whatsoever, no enforceable environmental standards—zero—the message of this legislation to working people in this country is: If you should want to organize and bargain collectively to make a decent wage, those companies are gone. And the message to people in other countries, the Caribbean and African countries, is: The only way you get investors to your country is if you are willing to work for less than 30 cents an hour, or whatever.

This is hardly legislation that leads to the uplifting of living standards of working families in our country, much less poor and working people in other countries.

I am opposed to these trade bills and have had a chance yesterday to lay out my case. And Senator HOLLINGS has spoken today. Others may have spoken, as well.

But what I want to do right now is speak to another issue which I think is almost more important than the legislation before us.

We now have legislation out here, and the ''tree'' has been filled with amendments, so there is no opportunity whatsoever for those of us who have been saying for a while that we wanted to have an opportunity to offer some amendments, some legislation that we think will make a difference for the people we represent, there is no opportunity for us to be able to do so. That is what is at issue.

If the majority leader, to whom I spoke about this earlier, was serious about trying to get this legislation passed, getting the necessary votes for cloture, then certainly we wouldn't have a piece of legislation on the floor with the tree filled with no opportunity for Senators to offer amendments. The majority leader wants to argue they have to be relevant amendments. Who gets to define relevant? One wonders whether or not, if we had amendments to have enforceable labor standards, that would be viewed as relevant.

For me, it has been, now, about 6 weeks. This is why I deferred to the Senator from Ohio. First of all, he was on the floor first and I didn't want to precede his speaking. Secondly, I want to take a little bit of time. I think probably I will wait for a more timely time to take more time because one way or the other I am going to force a vote on some agricultural initiatives. The Chair and others can vote for or against it, but I have, for the last 6, 7 weeks, asked the majority leader, when will I have an opportunity to offer legislation I think will fix not all that is wrong but at least could make a positive difference? Other Senators can disagree. But we take responsibility for what we do, and we vote one way or the other. We debate one way or the other, and then we are held accountable.

The exchange I had with the majority leader today about this has been going on for quite some time. The majority leader said he was pretty sure if I introduced an amendment, he probably would be opposed to it. That is fine. It think the more important point, which is what I tried to explain—I don't choose to debate the majority leader; he is not here—is that nobody in the Senate, Democrat or Republican, should be under the illusion, because we passed a financial assistance package, emergency package, that we have, in fact, dealt with the price crisis. I don't know of any producers who feel good about this bailout legislation every year. People are sick of it. They want us to get to the root of the problem.

They don't think the farm policy is working. I don't think it is working. I don't even choose to point the finger. I thought Freedom to Farm was ''freedom to fail.'' I never liked it. I thought it was a big mistake. I thought it was great for the packers and the grain companies. I didn't think it was good for family farmers. Others take a different position.

It seems to me the point is, looking forward not backward, whether or not we are willing to talk about some modification, some adjustment, some changes. If Senators don't think taking the cap off the loan rate makes sense, then what else? If Senators don't think a moratorium on these mergers and acquisitions, which is what I will talk about today—that is the amendment I wanted to introduce to this legislation, which the majority leader shut me out from doing right now—makes sense, then perhaps Senators will have other proposals.

In farm country in Minnesota—maybe it isn't that way in Montana—almost everybody I know thinks there is a correlation between monopoly power, the power of a few companies that muscled their way to the dinner table and have control, and their low prices. The farm retail spread grows wider and wider, a lot of our producers face extinction, and the packers are in hog heaven. IBP makes record profits, and pork producers are going under.

I thought I could introduce this amendment today, which I will explain.

Mr. President, I came to the floor probably for the sixth or seventh time today to ask the majority leader when I would have an opportunity to submit an amendment to introduce legislation that I believe will speak at least in part to the economic convulsion that is taking place in agriculture. We have too many family farms that are going under the auctioneer's hammer. There are too many of our producers who are being driven off the land.

If I had to pick one ''issue'' that means the most to me right now just in terms of the emotion of it, it would be what is happening to our producers. What is happening to our producers is they are being driven off the land. This is not only where they work. It is where they live. I think it is all quite unnecessary. I think if we were willing to change some of the policies, this wouldn't be happening.

I am determined one way or another to force the Senate to vote up or down on several initiatives that I believe would make a difference. If there are other Senators who have a better idea than having a moratorium on these mergers and acquisitions that are leading to more monopoly power by these conglomerates and driving farmers off the land, or have a better idea of taking the cap off the loan rate, or creating a farmer loan reserve, or extending the payment period on the loan rate so that farmers have some leverage vis-a-vis these huge conglomerates, then come out on the floor of the Senate with your ideas. If there are Senators who believe we should leave in the next week or two without taking any action whatsoever to deal with the price crisis, to deal with what is really going on in agriculture, then come on out and make the argument.

I appreciate the exchange with the majority leader. But, to tell you the truth, I think what is going on in the countryside doesn't have much to do with whether or not the majority leader says something that is fairly clever, or I say something that is fairly clever, or we have a kind of back and forth discussion. That is fine. Each of us is saying what we believe. Each of us is representing what we think is right.

The only thing I know is that October 25, 1999, at the Bird Island Elevator in Renville County, wheat was $2.89 a bushel; corn was $1.43 a bushel; soybeans were $4.04 a bushel; and this is way below the cost of production. These farmers can work 19 hours a day, be the best managers in the world, and they are still going to go under.

If U.S. Senators want to come out on the floor and amend the ''freedom to fail'' bill, feel free to do so. But let's have the debate. More importantly, let's all come out here with some legislation, some change in policy, that will make a difference so we don't lose a whole generation of family farmers.

In Minnesota, farm income has decreased 43 percent since 1966, and more than 25 percent of the remaining farmers may not be able to cover expenses, or won't be able to cover expenses in 1999.

That is why I take it so personally when I am essentially told again: We are going to shut you out. We are going to bring this legislation to the floor. We are going to fill up the tree, and we are going to make sure, Senator WELLSTONE, that you can't come out here with an amendment, or with legislation that you think would help farmers in your State.

I hope my colleagues will vote against cloture, whether or not they are for this trade legislation, just because of the way business is being conducted in the Senate. The way business should be conducted in the Senate is that when we have a piece of legislation, Senators must be able to come out with amendments they believe are an important part of their work to represent people in their State. If other Senators don't agree, they can come out and disagree. If other Senators want to come out and say you have no business bringing legislation to the floor of the Senate that deals with agriculture because we are on a trade bill, then I would ask you: When have I had the opportunity over the last several months or for the last year? The majority leader alluded to some of my colleagues who think that because we passed the financial assistance package we have dealt with the problem. Spend one second in Minnesota, come on out to northwest Minnesota, or west central Minnesota, or southwest Minnesota, or southeast Minnesota, and meet with some of our producers. Look in their faces and see grown men and women break down and cry. Why don't you come out to do that? Since, again, we are not going to take any action—this legislation is now filled up with amendments—people in greater Minnesota don't know and have any idea what ''fill up a tree'' means. It means, once again, we can't come out here and fight for the people in our State.

DEAR FARM AID: My husband and two of our sons live on the farm in Missouri. My husband has loved the farm ever since he was a little boy. It would just kill him if he loses it. And in fact it might just kill him. I am so very concerned. We have been farming several years, and we have gone in and out of bankruptcy. That is why we cannot get financing to save our farm.

I will make a long story short. I am not used to this. We have no place to go. Our farm may be sold at the end of September on the courthouse steps. Many lives will be affected. I am really worried about what will happen if we can't hold onto our farm. We have worked our entire lives and made many improvements to the farm. I do not know how you can help. You cannot give farmers a price for what they sell, but anything you can do would be appreciated. The banks are demanding $200,000 from us. Time is very critical. If you can save our family farm, we will be forever grateful. You may even save one's life.

Actually, we can do something about the price. When we talk about taking the cap off the loan rate, we are saying to farmers, get more leverage in the marketplace to get a better price. When we talk about farmer on reserve, we are talking about farmers being able to withhold their grain until they get a decent price. When we are talking about the need to take antitrust action and a moratorium on the acquisitions and mergers, we are simply saying to our livestock producers when there is less concentration of power, there is a much better chance of getting a decent price.

When a farmer is at an auction and there are three buyers for what is being sold, one does not get a very good price.

DEAR FARM AID: We are at our wit's end. This farm has been in our family since 1908. We are one of the only original homestead families still surviving. We fought off foreclosure three times since the 1980s. We have four children and we don't live a fancy lifestyle. We built a new home 6 years ago. Or rather we tried to build a home 6 years ago. We still hope to have siding on the house one day. We got running water 3 years ago, and fortunately we have electricity. We were able to purchase a window for the house in 1997, and some day the house will have flooring and sheet rock. This is our only luxury. We don't have any retirement, life insurance or health insurance.

I repeat: We don't have any retirement, life insurance or health insurance.

Our farm has been listed for sale 5 times but so have all our neighbors' farms. There is not employment in this area and the nearest city is 78 miles from us [Montana farm.] Yet we do not want to leave. We owe the bank $39,000 currently and we know they will not release any income for our land payment that is due this January. Therefore, we face foreclosure in 2000. We don't know which way to jump. Should we declare bankruptcy? We cannot afford a lawyer. We don't even have money for groceries. We are not ignorant and we are not bad farmers. We cannot compete against the large companies. Last year we couldn't even sell our grain and it had to go under the CCC loan. We delivered the grain for loan repayment but it didn't bring enough to cover the CCC loan and we owe an additional $1,765 on that, as well. What can we do? Should we concede defeat and lose our legacy? Our son would have been the 6th generation to work this land. Where will he go? We can no longer qualify for conventional loans. What's next? What do we do? We are so scared. In 1 year we can lose what has taken 92 years to build. We have tightened our belts as far as we can. We live on less than $3,000 a year.

Senators, are you listening to that?

Please tell us what we should do. We live on less than $3,000 a year. Please tell us what we should do.

What we should do, come early February when we come back in session, before spring planting season, is have 10,000 farmers and rural people coming to the Capitol and rocking the Capitol. That is what we need to do. We need to have farmers, rural people, the religious community, labor and supporters coming right here—people are not going to come by jet because they don't have the money—buses of people coming from the Midwest, the South, and other agricultural States, joined by allies, have face-to-face meetings in every Senator's office, every Representative's office, be he or she a Democrat or a Republican. That is what we are going to need to do.

It is clear to me with a week to go we are not going to take this action. I can't even get an up-or-down vote on one amendment. I can't even get an up-or-down vote. I can't even get a debate. On this piece of legislation, the tree is filled. No amendments can be introduced.

But today won't be the day because the Senate right now is waiting until the cloture vote on Friday. The first opportunity I get to get the floor when we do need to do a lot of business, I will be out here talking for hours about agriculture—for hours.

A Kansas farmer's daughter:

My father is a farmer and the bank is foreclosing on his farm. Due to circumstances beyond his control he has been unable to make his mortgage payments. He was able to forestall the sale scheduled for June 9, 1999. I don't know how much longer he can put them off. He has been farming since he got out of the army in 1945. He is 77 years old and he is still trying to make a living. He has no life insurance and I am fearful that his health will not hold out. Is there any help for him? What can be done to help him maintain his farm?

All appeals have fallen on deaf ears.

Including the deaf ears of the Senate.

At this moment, I hold the majority party accountable for not enabling us to come to the floor with amendments to try to change the situation for the better.

All appeals have fallen on deaf ears. This farm has been in our family since the 1800s. We don't want to lose it. But it seems one way or the other my father's life will be taken. Either the stress and his health will kill him, or losing the farm will kill him. Please help.

I am going to repeat that so often on the floor of the Senate. We debate statistics. It is all abstractions. It is all party strategy. Several hours ago when I came out ready to go with this good bill to impose a moratorium on large agribusiness mergers and establish a commission to review large agricultural mergers and the concentration of market power with Senator DORGAN, the majority leader came out and through several motions filled up the tree.

That is what we are talking about—filling up the tree. Don't let Senators have any amendments. Then I heard the majority leader say: We certainly don't want to have something dealing with agriculture.

It seems one way or the other my father's life will be taken. Either the stress and his health will kill him or losing the farm will kill him. Please help.

I guess this woman in Kansas isn't going to get any help today from the Senate. Won't get any help tomorrow. Since the majority leader has filled up the tree, there is not opportunity for any amendments at all, no opportunity to bring legislation to the floor to try to make a difference. No opportunity.

Please help.

I am going to read this again quickly because several other colleagues have come to the floor. This woman is talking about her dad. He is a World War II

vet. He is 77 years old. He is trying to make it on the farm. She says:

What can be done to help him maintain his farm?

With these record low prices and record low income.

All appeals have fallen on deaf ears. This farm has been in our family since the 1800s. We don't want to lose it but it seems one way or the other my father's life will be taken. Either the stress and his health will kill him or losing the farm will kill him. Please help.

There is no help from the Senate today because the majority leader has filled up the tree and I don't have the right to come to the floor with an amendment to try to help this woman, this farmer or other farmers in our country. When are we going to do something about agriculture? Are we sleepwalking through history? I see my colleague, Senator GRASSLEY from Iowa. He knows what is going on in the countryside. I know he knows. But I just believe the Senate does not. We are going to go with the current policy? Do Senators not believe that we need to make perhaps some modification, maybe some adjustments when farmers are getting prices way below the cost of production? When the men and women who produce the food and fiber for our country cannot even make a decent living, do we think we should not be doing anything about this?

Iowa farmer:

I am a hog farmer and as you know times are tough. I want to make some changes in my farm business that would necessitate an off farm job. I do not have much choice. I have to get an off farm job, or I will have no farm. I'm 54 years old, I'm healthy, and I have a BA in history. When I go to the employment agencies, I feel like the counselors do not know how to help me. The only jobs out in my area are low paying factory or sales jobs. Do you have any suggestions? I feel that time is running out.

I hear that so often. I hear that so often from farmers. They say, ''I feel like time is running out.''

That is the way I feel, as a Senator from the State of Minnesota. I feel that time is running out. I feel that time is not neutral. I feel if we stand still and we do not pass any legislation that will make a difference and we do not change this failed farm policy, a whole generation of producers are going to be wiped out in my State of Minnesota. The majority leader fills up the tree, denying me and denying other Senators an opportunity to come out here with legislation we think would help people in our States.

By the way, I am pleased to debate this with any Senator, the majority leader and others.

An Illinois farmer wife:

DEAR FARM AID: My mother and father-in-law saved and borrowed enough money in 1945 to buy an 80-acre farm in Illinois. They farmed with horses, milked cows, raised hogs in the Timber Creek Bed and raised 12 children. My husband now has had the farm turned over to him since his parents have passed away and his sister was killed in a car accident 2 years ago. My husband is, has always been, a very hard worker.

Boy, I tell you, this sounds like my mother, Mensha Daneshevsky. If she really liked somebody, this was her ultimate compliment. She would say, ''He's a hard worker'' or ''She's a hard worker.'' My mother is no longer alive. I tell you, family farmers in Minnesota and around the country are hard workers.

We both work at jobs full-time, our other jobs outside the farm. We were both raised on a farm and we both love to farm. We cash rent three other farms close by to get along, but we are still having an awful time. The prices are so low that we just cannot seem to make ends meet.

That is the point. I cannot believe it when Senators come out here on the floor, or at least one Senator today, and talk about this emergency financial crisis bill we passed, this disaster relief bill we passed, as if this is a response. It does not have anything to do with low prices.

All that money we have been spending, more than we ever spent before in the ''freedom to fail'' bill, is only enabling people to live to farm another day. There will be no ''other day'' for these farmers until we deal with the price crisis. I am told by this majority party that I cannot bring an amendment to the floor to try to enable this family to make a living?

Prices are so low that we cannot seem to make ends meet. If it wasn't for our jobs in town we would have lost everything my husband's parents worked so hard for. We are doing all we can, but we just cannot get out of debt. In fact, we are going deeper and deeper into debt every year. My husband and I have shed many tears and had many sleepless nights trying to figure out just what to do to save our family farm. We do not want to lose it. Do you have any help for us or anything else that we can do? We lost over $20,000 this year. It breaks my heart to see my husband work so hard and get so tired of working two jobs and still not making it. Please help us. If we could just get a break, even on this year, things would be easier. Thank you for listening and I hope you will be able to help my husband save his deeply loved family farm.

I have hours of stories, especially from Minnesota farmers. I am going to pick the right time on the floor of the Senate to go through all of that, especially when the Senate most needs to do business.

But this is what I hear over and over and over again. ''Thank you for listening and I hope you will be able to help my husband and save our farm.''

The answer is: I can't. I can't. I can't help save family farmers in my State or in other States because the Senate, and in particular—I don't usually come out on the floor and do this, but I am doing it today—the majority party which filled up this legislation with amendments has turned its back on agriculture. I heard today we do not want to deal with agriculture.

When are we going to deal with agriculture? Exactly how much longer do you think these people have? How many farmers do we want to see driven off the land? How much more pain do we want to see? How many more families do we want to see shattered before we do something?

This is about the angriest I have ever been since I have been on the floor of the Senate because I was ready to do this amendment. I say this to my colleague from Iowa, who is a good friend, he has nothing to do with anything I am talking about. But I was ready to have a debate. I was ready to bring out this amendment. I was going to say I think we ought to have a moratorium on these acquisitions and mergers because they are taking place at such a breathtaking pace, and I think what is happening is we are moving to monopoly and our family farmers cannot get a break. Let's have a study of this and let's put a moratorium on it for 18 months.

I tried. I have an amendment that is I don't know how many pages. It is well thought out. My colleague from Iowa could agree or disagree. We even had some discussion. He raised some questions I thought were important questions. But as long as we have legislation out here with the tree filled and no opportunity to do the amendment, there is just no opportunity to do it.

I would not be out here today saying this, but this is the sixth or seventh time. For the last several months, I have been saying: When do we have the opportunity to have this debate? It is hard to go home and meet with people and know people are hoping for some change and know this disaster package we passed does not do anything but enable people to survive. But then what about next year and next year? People want to know: Do I have a future? Do my children have a future? What is going to be done?

Basically, what we get out here today on the floor of the Senate is a parliamentary maneuver which basically denies any Senator from coming out here with amendments.

Therefore, I do not know what is going to happen, but I certainly hope my colleagues will vote against cloture. Then, of course, it becomes a game again. Then the President, who wants this legislation, will not get the legislation. Then some people can say that is good; we don't care one way or the other anyway. Or people can point the finger and some people can say: Those who voted against cloture, they are the ones who killed it, and many of them were Democrats.

It goes on and on and on, this grand political strategy.

Look, I don't support this legislation. I was out on the floor the other day stating my reasons why. But, frankly, I think there is a larger question. That has to do with whether or not we are going to have debate on issues that are important to the lives of people in our country and whether we are going to have the opportunity to represent and fight for people in our States. Today certainly is not such a day.

I have at least a 2-hour historical analysis, but not today—I got the attention of my friend from Iowa—at

least a 2-hour historical analysis of concentration in the food industry. I will go back to the Sherman Act, the Clayton Act, and some of the work of Estes Kefauver. I will talk about the Farmers Alliance, the populist movement, the gilded age, Teddy Roosevelt, and what we should be doing. As a matter of fact, tomorrow I have the opportunity to testify about Viacom buying up CBS. It is pretty incredible. There we have concentration in the media, telecommunications, which deals with the flow of information in a representative democracy. I think food is a pretty precious commodity.

I will summarize what this amendment would have done, if adopted.

This amendment represents comprehensive legislation. I would have offered this with Senator DORGAN—he would be out here, Senator HARKIN would be out here, and other Senators would be out here—to deal with the problem of market concentration in agriculture. Anybody who does not think we do not have a problem of market concentration in agriculture just does not know what is going on in the countryside. If anything, we are looking to put free enterprise back into the food industry.

Given this concentration, given the mergers, given the anticompetitive practices, and given the failure of our antitrust authorities to remedy the situation, we need to do something.

A moratorium on these large agribusiness mergers is something the Congress can do right now. This would apply to mergers and acquisitions among firms that do at least $10 million of business annually. It would apply to mergers and acquisitions that, under current law, must already be filed with the Justice Department and FTC; namely, the mergers and acquisitions in which one party has net revenue or assets over $100 million and the second party more than $10 million. The moratorium would last 18 months or until the Congress enacted comprehensive legislation to address the problem of concentration in agriculture, whichever occurred first. We also would set up an agriculture antitrust review commission to study the nature and consequences of concentration in the agricultural sector.

We have a long history in our country, a glorious history, of ordinary people who have been willing to take on concentrations of wealth, of economic power, and of political power that are unhealthy for democracy. They were some of our greatest leaders: Thomas Jefferson, Andrew Jackson; think about the New Deal, the Progressive era, Teddy Roosevelt, and the People's Party of the late 1800s.

The populist platform of 1892 at the nominating convention in Omaha declared:

> The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few unprecedented in the history of mankind.

The People's Party founder, Tom Watson, thundered:

> The People's Party is the protest of the plundered against the plunderers.

The late 1800s and the early 1900s is the way it seems to me in this country now. I keep referring to my colleague from Iowa because he is a friend. I do not know what his experience is, but when I speak, for example, to pork producers—there may be several hundred there—it seems as if I am in the late 1800s when the deck was stacked against producers. It really does. They work hard. There are just a few packers who pretty much control everything. The producers do not understand why they cannot even make a living and IBP is making millions.

Come on, what is going on? Where is the competition? Let's give our producers a fair shot, a fair shake. That is all they are asking. I have not met anyone in the countryside—and this transcends all party differences—who does not believe there is some correlation between the concentration of power and the low prices they receive.

Everybody thinks this is a problem, and we are sitting on our thumbs. I am told today by the majority leader, in filling up the tree: We don't want these amendments such as agriculture; that is unrelated; that is not relevant.

An amendment on agriculture is relevant to me. It is relevant to Minnesota. It is relevant to family farmers in the Midwest. It is relevant to rural America. If I cannot meet the majority leader's definition of relevant, then I will just have to come to the floor whenever I can and take as many hours as I can to talk about what is relevant.

There is nothing more relevant to me right now than the pain and agony of family farmers in my State of Minnesota, and there is nothing more urgent, from my point of view, than for me to try, even if I lose—I may very well. Cargill, IBP, ConAgra, and Monsanto have a fair amount of clout, but I think it is worth trying to take them on. I really do. At least I am going to try to fight for it, and at least I am going to try to continue to force this question in the Senate. If I cannot get an up-or-down vote and keep getting blocked, then I will just have to figure out ways to block the Senate as we try to do our business because to me this is the relevant question.

What is relevant to me is that on the present course, we lose a generation of producers. We can change the course. We can change some of our policy. We can make some modifications. We can make some adjustments. We can get the price up. We can give our producers some protection against these monopolies. We can do something that will make much more sense on trade policy, and we can make a difference.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, on the Africa trade bill, which is now before the Senate, we are in a parliamentary position in which all the amendments offered have been offered by the Republican side. Such a position had to be taken by the majority leader because of failures to get time agreements and commitments from the other side, meaning the Democrat side, on a limitation on amendments and time agreements on those amendments so we could bring this bill to a vote.

I hope our Democrat friends will heed the necessity of this legislation from President Clinton's State of the Union Address that this was one of the most important goals of his administration. Since the Republican majority in the Congress is often criticized by the President for not working closely with the President—and I think those charges by the President of the United States are overblown most times, but those charges are still made. So in the present environment in which one of the President's prime pieces of legislation is before the Senate, with a determination by our majority leader to help get this part of the President's program into law, I would think the Democrat minority would be embarrassed that they are taking actions that make it difficult to get one of the President's programs through this Congress for the President's signature.

I hope, as one Senator—not speaking for the majority leader, just speaking for myself—they will reach agreement on these very important amendments so we can bring this bill to finality and get it sent to the President, not because it is one of the President's major goals, not that it shows the President's charges against the Republican majority are many times unfounded, not for any of those reasons, as legitimate as that might be, but because the substance of this legislation is very important for the economy of the United States and the economy of the countries that it applies to—because free trade strengthens economies, free and fair trade creates jobs, not only in the United States, but also economies that practice free trade anywhere around the world are stronger economies because of it. That is the goal we seek in this legislation.

We have heard we have a lot to fear from free trade. In the last few months, we have heard from many quarters that free trade is harmful because it destroys jobs. We have heard free trade is not fair trade because it causes investments to shift overseas. We have heard that the Africa trade bill will do both of these things, as well as cause illegal transshipment that we cannot do anything about.

When you look at the facts, none of these three arguments that are used against this piece of legislation has any merit. First, let's look at the claim that free trade destroys jobs. The 50-year history of the multilateral trade negotiations, first under the General Agreement of Tariffs and Trade, and now under the World Trade Organization, called WTO for short, shows the enormous positive effect on the world economy of liberalizing trade by reducing tariffs and getting rid of nontariff trade barriers.

We have had eight series, or rounds as they are called, of multilateral trade negotiations since GATT first started in 1947. We are about to launch a new round, the ninth one, at the WTO Ministerial Conference in Seattle in about 5 weeks.

During the first round, the Geneva Round it was called, in 1947, we negotiated 45,000 tariff concessions affecting one-fifth of world trade.

In the sixth round, which was called the Kennedy Round, we slashed custom duties on average of 35 percent.

During the last round, the Uruguay Round, starting in the middle 1980s, ending in 1993, we reduced or eliminated many nontariff trade barriers.

The results of this trade liberalization have been nothing short of astounding—creating jobs, expanding the world economic pie, creating better economies in various countries around the world, enhancing political opportunities and, most importantly, political stability. The expansion of free trade that has followed this 50-year period of trade liberalization has spurred one of the greatest bursts of wealth creation the world has ever seen.

In 1947, when we started postwar trade liberalization, the total value of world exports was about $50 billion. Today, the total value of world exports is $7 trillion, more than 3½ times the total budget of the United States.

Free trade has enriched every American family. According to the President's own 1998 economic report, the added economic benefit to each American through expanded trade is $1,000 per year or $4,000 per year for a family of four, as we measure families in America. This is equivalent to an annual $4,000 per family tax cut. Where can one get a $4,000 tax cut these days? Even the tax cuts now being debated in the Congress do not come anywhere close to this amount of money to enhance family income and disposable income.

The facts that show the benefits of free trade seem to be so compelling that in explaining them, I don't know where to begin.

Let me mention a recent example that comes from NAFTA. According to a September 1998 report published by the nonpartisan Congressional Research Service, approximately 191,000 jobs were certified, between January 1, 1949, and August 12, 1998, as potentially suffering NAFTA-related loss—affecting 191,000 workers. That is on the negative side. We have always said that free trade will cause some job dislocation. That is why we have programs such as trade adjustment assistance—to ease the transition that is sometimes necessary when we have open markets.

On the positive side, there has been much more gain. Let's go back to that Congressional Research Service study I cited. The number, 191,000 workers affected negatively by NAFTA over 4 years, represents less than the number of jobs created in any single month in 1997. In contrast, then, on the positive side, more than 1 million new jobs were created from new exports to Mexico and Canada after NAFTA was enacted into law—more than 1 million new jobs.

Next let's look at the claim that is made by opponents of this legislation or free trade generally that it causes investment to shift overseas. That claim, too, has little or no merit. Section 512 of the NAFTA Implementation Act required the President to provide a comprehensive assessment of the operation and effects of NAFTA to Congress. The President's report shows that the amount of new United States investment in Mexico is very low. Again, the specific facts are compelling. In 1997, direct United States investment in Mexico was $5.9 billion compared to United States domestic investment in plant and equipment of $864.9 billion. In other words, United States investment in Mexico was less than 1 percent of all United States domestic investment in plant and equipment in 1997. So much for that giant sucking sound we were supposed to have heard continuously from south of our border.

Free trade has been so good for our economy. If all these predictions about economic disaster haven't come true when we have liberalized trade in the past, it is clear we shouldn't fear tearing down barriers around the world, as we have for the last 50 years with the good results we have for the 50 years, without the expectation that those beneficial impacts would continue. We should, then, embrace such an opportunity.

Let me get specifically to the Africa trade bill. The fear that the Africa trade bill will cause a huge influx of illegal textile transshipments from Asia, as has been stated on the floor of the Senate, just is not true. I cite the International Trade Commission study, our own Government. It looked at the transshipment issue. Here is what our International Trade Commission found:

Assuming we will get illegal transshipments in a worst case scenario, the ITC study shows that U.S. apparel shipments would drop by one-tenth of 1 percent and result in the loss of less than 700 jobs. Again, to put this number in perspective, the U.S. economy has created about 200,000 jobs each month this year.

Remember, the ITC study guesstimate of 700 jobs is based on a worst case scenario. It is highly unlikely, then, that sub-Saharan Africa will see this level of export growth in the near term. They don't have the infrastructure. They don't have the trained workforce. They don't have good transportation. And the Africa bill has strong anti-transshipment provisions.

One might say, then, why the big deal about the Africa trade bill? Because trade is better than foreign aid and because, when you want to build up the economies of the developing nations, you start someplace. This is how we can best help them to help themselves.

Participating countries will have to commit to full cooperation with the United States to address and take any necessary action to prevent transshipment. The spirit of this legislation is that there not be transshipment. In addition, the U.S. Customs Service has effective procedures to thwart illegal transshipments, as Customs jump teams have proven to be successful in doing in both Hong Kong and Macao. And there are many other provisions aimed at preventing transshipments. So free trade works. Free trade creates jobs and prosperity in the United States, adding $4,000 every year in economic benefits to each American family at home. Free trade keeps the peace by building interdependence among nations, and by bringing political stability to nations that heretofore have relied upon dictators and relied upon a government-controlled economy. Finally, free trade will help Africa break the shackles of poverty by bringing economic freedom to the most economically unfree and also the poorest regions in the world. So I urge my colleagues to join me in supporting this important piece of legislation.

Mr. President, I ask unanimous consent that the pending amendment, No. 2335, be temporarily laid aside in order for Senator REID of Nevada to offer an amendment. I further ask unanimous consent that at the conclusion of that amendment, amendment No. 2335 become the pending business.

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

AMENDMENT NO. 2336

(Purpose: To amend the National Defense Authorization Act for Fiscal Year 1998 with respect to export controls on high performance computers)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2336.

Mr. REID. 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:

At the appropriate place, insert the following new section:

SEC. . ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS.

Section 1211(d) of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note) is amended—

(1) in the second sentence, by striking ''180'' and inserting ''30''; and

(2) by adding at the end, the following new sentence: ''The 30-day reporting requirement shall apply to any changes to the composite theoretical performance level for purposes of subsection (a) proposed by the President on or after June 1, 1999.''.

Mr. REID. Mr. President, I was born and raised on the southern tip of the State of Nevada, in a little mining town called Searchlight. When I grew up, there wasn't a single telephone anyplace in the town. No one had a telephone. In the home I was raised in, there was no hot water. We had no indoor toilets; they were outdoor toilets. It was primitive—well, I would not say primitive, but we weren't very modern there. That is the way it was with a lot of people in rural Nevada at that time.

Today, it is hard for me to comprehend what has taken place in the advancement of science. I can go home at night and see if I have received any e-mail on my computer. It is easy to do. I open my computer and it says, ''You've got mail.'' I open that up and find out who has contacted me by e-mail, and it is like magic. I press a button and I can reply to that person as quickly as I can type that message out. That message is sent quicker, of course, than the speed of light. It is gone. It is amazing. I can check to find out the weather on my computer. I can communicate and buy a CD, or anything else I want, on my computer. I can't imagine how that can happen, but it happens.

I rise today in total awe of what is happening in science and technology in America. The amendment I have offered is an amendment that is critical to maintaining our Nation's lead in the high-tech sector. Specifically, this amendment is crucial to the computer industry, the industry that allows me to communicate, for example, with all five of my children. It is easy to do. It is easier to do than seeing if they are home by virtue of a telephone. It is easier to do because it is very convenient. They can send me a message when I want a message sent. I can send them a message when I have the time. I can have a good time with my children over the Internet. I sent one of my boys, who is the athlete of the family, an e-mail last weekend saying that I think the Redskins are going to do well if they get a new coach. He was an athlete at the University of Virginia. It is the first time I can remember that the University of Virginia soccer team has not been ranked in the top 10; they are in the top 20. I suggested to my son that it might not be a bad idea to get a new coach for the soccer team at Virginia.

This is done so quickly. He will communicate back to me when he has the time. I am in total awe of what is going on in the high-tech sector.

This amendment relates to an issue I have been interested in for quite a long time and, in particular, have done a lot of work on this session with some of my colleagues. What I am concerned about is bipartisanship. For once in this legislative session, we are doing something that is bipartisan. I have to say it appears the underlying bill is generally bipartisan, even though some disagree with it.

I want to talk about the U.S. computer industry. According to an article in Computers Today, one of the many computer trade journals, dated July of last year, American computer technology has led the world since the first commercial electronic computer was employed at the University of Pennsylvania in 1946. The advancements that have been made are unbelievable. I can remember, before I came back to Washington, going to the Clark County Courthouse and being shown around by the person who was in charge of the computers for the county. It was a whole floor of that large building. Of course, it had to be really cold because computers needed constant cool temperatures. Well, today, what was done on the whole floor of that Clark County Courthouse can be done on a computer the size of a briefcase.

The industry is constantly changing with new companies and new products emerging every day. A statistic I find fascinating is that more than 75 percent of the revenues of computer companies comes from products that didn't exist 2 years ago. That statistic shows they will continue to grow and change rapidly.

Through research and development that is largely due to another issue I have strongly favored, the research and development tax credit—and I think it should be permanent—the computer industry has been able to remain competitive for these many years. The challenge we now face is a challenge that, frankly, we haven't lived up to in the past as a Congress, and that is to allow our export control policies to change with the times and not to overly restrict our Nation's computer companies.

In the free enterprise system, entrepreneurs have never been so in charge of what is going on than in the computer industry. They have led this Nation forward economically. We have to give them the freedom that they can continue, in this free enterprise system, to sell the product. We need to stop trying to control technology by politics. We have to start controlling technology by allowing the businesses to go forward. The technology we are regulating, computers with performance levels of 2,000 to 7,000 millions of theoretical operations per second, or MTOPS, is readily available from many foreign companies. Companies from countries such as China and other tier III countries are moving into this field rapidly.

Not too long ago, I secured funding through Congress for a supercomputer at the University of Nevada at Las Vegas. We were so proud of that computer. It required its own room. It is now about as powerful as my laptop computer. The supercomputer is no longer the same supercomputer it was then, in 1988 or 1989, when it came to UNLV. That is exactly, though, the kind of computers we are still regulating politically.

Computers that are now considered supercomputers operate more than 1 million MTOPS, or about 500 times the current level of regulation. Last month, Apple began producing a computer that exceeds the current threshold and, as a result, Apple is unable to sell its new G4 computer systems in over 50 countries.

The bottom line is that by placing artificially low limits on the level of technology that can be exported, we may be denying market realities and could very quickly cripple America's global competitiveness for this vital industry. If Congress doesn't act quickly, we will substantially disadvantage American companies in an extremely competitive global market.

On July 23, 1999, at my urging, and the urging of some of my colleagues, the President proposed changes to the U.S. export controls on high-performance computers. Since that announcement, the President's proposal has been floating around Congress for a mandated review period of 180 days, or 6 months. When the President made his proposal, the new levels would have been sufficient; however, we are still regulating under the old levels, and therefore hindering companies such as Apple from competing in tier III countries with other foreign companies.

The amendment I am offering simply reduces the congressional review period from 180 days to 30 days to complement the administration's easing export restrictions by amending the National Defense Authorization Act of 1998.

I would like to share an example of how outdated today's restrictions are. I was at a meeting recently where Michael Dell, President of Dell Computers, stood up and pulled from his hip holster a little pager. Under current export controls, this little pager, normally smaller than a computer mouse, can't be exported to tier III countries because it is considered a supercomputer. That is wrong.

I am going to withdraw my amendment. I am going to do it because I have had conversations with the chairman of the Banking Committee. I fortuitously was able to have lunch with the ranking member of the Banking Committee, and I met also with Senator ENZI, who has worked very hard on this issue, and also Senator JOHNSON, who has worked very hard on this issue. They indicated they are very impressed with the need to change this time period. They want to do it under the Export Administration Act. I, frankly, have been convinced by them that their intentions are well considered. They have thought this out over a long period of time. I want to work with them and the majority leader and the minority leader to do whatever we can to, this year, move the Export Administration Act. It is vitally important that we do that.

We need to allow the entrepreneurs in America who have made this economy the vibrant, untiring economy that it is the freedom to sell their products because if we don't allow them to have that freedom to sell their

products, other foreign companies, some of which will be actually Americans moving over and setting up foreign companies, will be selling products that we should be selling with American-manufactured goods.

I am going to withdraw my amendment with the notice that I am going to work very hard with my friend, the chairman of the Banking Committee and the members of the Banking Committee to do whatever we can to move this very important piece of legislation. It is more than just my amendment. What the Banking Committee wants to move is more important than my amendment. I am concerned about the material that I have in this amendment. I think this is very important.

I look forward to working with the chairman of the Banking Committee and the other members of the Banking Committee to see what we can do to move the Export Administration Act in this Congress. With all the turmoil we have had in recent months with the partisanship, I believe we need to move this legislation in a bipartisan fashion. It can be done. We need to show the business community of America that we can move forward.

It is vitally important to everyone. The people who buy these products don't look to see who manufactures them, whether they are Democrats or Republicans. The people who work putting these computers together, no one knows whether they are Democrats or Republicans. But everyone knows when we have a good economy that we, the Congress, should get some consideration in a positive fashion for that. If something goes wrong, we deserve the blame. I think with things going so well we have to do everything we can to make sure the economy continues to move forward.

I am going to do what I can to help this piece of legislation that we hope will come up as early as this week or next week and have it passed in this Congress and not next Congress. I mean this year of this Congress and not some subsequent year.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank our colleague from Nevada for his amendment and for withdrawing it, and for joining our effort to try to pass the Export Administration Act.

As some of our colleagues will be aware, there have been 11 failed attempts to pass a new Export Administration Act since the last one expired.

We now find ourselves in a position where despite the Cox report, despite concerns that have been raised about lost American technology, and despite the growing obsolescence of the residual permanent law the administration is forced to operate under, we have not reauthorized the Export Administration Act. I think it is a terrible indictment of the Congress that we have not done that.

That is the bad news.

The good news is that under Chairman ENZI we have put together an excellent bill. Chairman ENZI has done something I am not aware of any Member of the Senate ever doing. He has gone over and sat through meetings of the current bodies of the executive branch that make decisions related to export licensing. So he has, through practical experience, come to understand the process. He has provided leadership whereby we have put together a bill. He has provided leadership where we literally sat down with everybody who has any interest in this bill. We have had numerous meetings. We have let people submit concerns in writing. I believe we are on the verge of having a bill that is uniformly supported.

What our bill tries to do is simple to say and very difficult to achieve. We have a conflicting interest. We want to sell things on the world market which embody new technology because those are items that we have a comparative advantage in producing, and they are items that are high-wage items in the production process.

Finally, they represent commodities that will dominate the future of the world economy. So we want to be the leader in selling these types of goods.

On the other hand, we have legitimate concerns about technologies. If they are in the hands of people who may be potential terrorist nations or potential enemies of the United States, they could end up hurting our national security.

We have taken those two conflicting concerns, and we have put together a bill. The two major features of it are the following:

One, we define a brand new concept called mass marketing. It is a very simple and powerful concept. It says if an item is for sale at Radio Shack, if you can buy it over the web site of Dell Computers, if it is generally being marketed in the United States and around the world—though you might wish that it is possible that all of this could happen without it falling into the hands of a potential adversary—the bottom line is there is no practical way at that point that you can keep anybody from getting the technology.

So we take mass marketed items out of the process and, hopefully, reduce the number of different items that are under licensing in any given year from about 10,000 to 1,000 so that we could put the focus of attention where it belongs.

Second, under current law, if companies are accused and found guilty of wrongdoing in China, despite numerous accusations, all of which carry some penalties, the maximum fine under current law would be $132,000, which for corporate America is a relatively insignificant amount of money. Under our bill, we have a $10 million fine per violation. We also have for a conscious, knowing violation where individuals are involved, prison sentences of up to 10 years, and in aggravated cases, life in prison.

So there is a dramatic strengthening of current law.

I agree with our colleague from Nevada. This needs to be adopted this year. I believe we have eliminated opposition to it.

It simply is now our task to provide leadership where we can bring the bill to the floor later this week, or early next week, and get an agreement that this is not going to become a vehicle for a bunch of unrelated amendments.

Having said that, let me stop before I sit down. I want to say a couple of words about the African trade bill.

First of all, I congratulate the chairman of the Finance Committee for his leadership on this bill. I endorse the African trade bill. Our President went to Africa, did an extensive tour, and talked about what we could do to try to break the bonds of poverty—this crushing, grinding poverty—that people in sub-Saharan Africa face. I think the President rightly understood, if we take all the important aid provided by all the countries in the world and combine them, we have about $40 billion a year. There are 700 million people in sub-Saharan Africa, so if they get all the foreign aid provided by all the countries in the world, we will have relatively little impact on them, and there is relatively little evidence that foreign aid has produced economic development in areas where no economic development ever existed before.

As a result, the President proposed bringing in the most powerful tool for economic development ever to evolve in the history of mankind; that tool is trade. The President proposed we open up a fiber trade agreement in textiles with sub-Saharan Africa. I remind my colleagues, under existing agreements internationally, by the year 2005, under the Multifiber Agreement, we will no longer have quotas on tariffs anywhere in the world. We are not talking about a permanent advantage for sub-Saharan Africa; we are talking about giving them a little bit of a head start.

Let me briefly define the problem. The average per capita GDP of countries in sub-Saharan Africa is $490 a year; 40 percent of the people in sub-Saharan Africa earn less than $1 a day. The current estimates are, we import about .86 percent of textiles and apparel imported into America from sub-Saharan Africa. The International Trade Commission has estimated that if they devoted their productive capacity to textiles, under this agreement, still within 10 years we couldn't expect more than 2 percent of our textile imports to come from sub-Saharan Africa. We are talking about expanded trade, and we are talking about trade with countries that have no significant capacity to impact American imports of textiles.

I believe this bill is needed. I think it is a step in the right direction. I remind my colleagues, for any country in sub-Saharan Africa to take part in this program, they have to do the following three things: they have to make progress toward a market-based economy, they have to institute a democratic society, and they have to open

their trading system. These are all actions that will mean stronger economic growth in Africa, that will mean greater human happiness in Africa, and that will ultimately mean a greater demand for American goods and services.

I believe this is an important bill. I believe it should be adopted. I am hopeful we will adopt it today. I intend to vote for cloture and for final passage.

There is one provision in this bill in the Senate that is not in the House bill. That is a provision that requires, for textiles and apparel to be imported from Africa, they have to be made out of American fabric and yarn. That same agreement is in the Caribbean Basin Initiative, which I support. But the problem with Africa is that given the transportation costs, and given that their ability to market products is basically based on using longer strand cotton and basically producing different types of textiles that would be relatively new to the American market, I believe the provision in the Senate bill for all practical purposes kills the African trade bill.

I am not going to offer an amendment to strike this provision because it is not in the House bill. I hope it will be dropped in conference. We are talking about a relatively small effort to benefit 700 million human beings. The worst thing that could come out of it is that we would have greater diversity in the textile goods that would be for sale in American stores and they would be at lower prices. I can't see anything but good that can come out of this. Anywhere in the world, when we can encourage people to move toward a market-based economy, toward a democratic society, and toward open trade, we are doing things that benefit them and benefit the world.

These are important bills before the Senate. I am for them. Trade is vitally important. It is an amazing thing to me that, due to ignorance and prejudice, we continue to restrict the importation of goods and services into America. Why we should give government the ability to impose a tax on working Americans and deny them the ability to purchase, with the fruit of their own labor, better and cheaper goods if they are produced abroad, I don't know. That the greatest trading nation in the world would continue textile laws that cost every working American family of four $700 a year is an absolute outrage. Something needs to be done about it. This is not going to solve that problem, but it is the right thing to do. I hope it will become the law of the land this year. I am hopeful it will.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I, too, thank the Senator from Nevada, Mr. REID, for helping to raise the consciousness of the Senate and the consciousness of the Nation to the increases in productivity that we have gotten through technology and the rate at which it is moving. I thank him for his recognition that we have a bill that will not only solve some of the problems of technology but go hand in hand with our need for national security.

This is a bill that has been before the Banking Committee and, before that, before the International Trade and Finance Committee, of which Senator JOHNSON is the ranking member on that subcommittee. He and I had an opportunity this year to spend a lot of time pursuing a bill to increase our world trade while preserving national security, making sure they run down parallel tracks instead of crossing tracks where the locomotive might wind up in a train wreck.

I thank the chairman of the Banking Committee, the senior Senator from Texas, for working with me to focus the committee on the need to reauthorize the Export Administration Act. I appreciate the assistance that has given in helping to put together a balanced product that we reported out of the Banking Committee.

I am remiss if I do not mention Senators SARBANES and JOHNSON again. They deserve our thanks for the constructive and thoughtful input they put into the bill to make it truly bipartisan.

I thank every single member of the Banking Committee. We worked together for a period of 9 months to be sure all of the concerns of national security and commerce were covered in this bill on which we are working. The members not only devoted a lot of time to it; they assigned staff to it. We had one of my offices—I don't have very many offices—dedicated to this bill. At any hour of day, and often night, one could walk into that office and there would be a group of people meeting to make sure their concerns and their solutions were being represented. We had some great discourse that led to a solution that I think can pass both the House and the Senate. We worked with the members of the Defense Committee, Intelligence Committee, Commerce Committee, and the Governmental Affairs Committee, and I think the bill is better because of everyone's involvement in it.

The first 9 months I was on the job as chairman of the subcommittee I spent dedicated to this bill. At first, I did not envision I would have to put in quite as much work on the issue as I did. I now realize there was a lot to learn about export controls.

It has been mentioned there were attempts to reauthorize the Act, which expired in 1994. Since 1994, this country has been operating under Executive orders on something so entirely crucial to the United States. But during that period of time, we have tried to reauthorize it. During that time, 11 separate measures have failed; in fact, they failed to even make it out of committee.

But one of the nice things about the Senate is that there is a lot of documentation, even on things that fail. We have gone back and looked at that documentation. We have talked to the people who were involved in the issues each of those 11 times. We were able to find out what the pitfalls were before and have worked to come up with a solution.

As mentioned, I visited the Bureau of Export Administration and I observed some of their activities and processes. I sat in on committee meetings.

During the time we were working on this, the Cox and Dicks report also came out, and so did the Deutch Commission report that talked about problems that have been identified with foreign countries getting secrets from this country. These commissions and committees looked into ways to solve that.

As soon as their reports were filed with the Intelligence Committee, before any public documentation came out on it, I went over to the Intelligence Committee and I read those reports to see if the efforts we were making had any parallel with the suggestions that were coming out from these people who were looking at some very detailed and often secret situations. I am pleased to say, out of the recommendations of Congressman Cox and Congressman Dicks there were 17 different areas of legislative possibility. We covered 15 of those in the act and part of the other two.

The subcommittee and full committee held a total of 6 hearings that consisted of 25 witnesses who helped us identify critical areas relating to export controls as well. We also met with various high-tech and industry groups. We met with several Members of Congress. I have mentioned the Departments we met with, and a lot of the other executive agencies it seems have some involvement in exports and securities or both, and we met with them as well.

We also had an opportunity to meet with many people in the business community. It has been my goal to have an open-door policy for everyone, and we will continue that policy through the time the bill finally gets passage. Throughout the hearings held this year on the Export Administration Act, there were many calls to reauthorize the expired act. Only a few people have questioned the need for us to reauthorize that act. They asked what problems have been identified with the current system.

There are several reasons for reauthorizing the Export Administration Act. The first is the U.S. Government's inability to convince other countries, even our strongest allies, to improve their export control regimes. Only if the EAA is reauthorized can the United States exercise a legitimate leadership role to strengthen the multilateral export controls that seek to curb dangerous dual-use items. We cannot do it by ourselves; we have to have help from other countries. Our ability to convince other countries to impose similar controls on their exports is compromised by the fact that Congress has allowed the EAA to expire.

In our June 24 hearing, Richard Cupitt, who is the associate director of the Center for International Trade and Security, agreed with this assessment by saying:

> The inability of the U.S. Government to craft a firm legislative foundation for its own controls on the export of dual-use goods, technologies, and services over the last decade. . .has compromised U.S. leadership initiatives.

Another reason for the reauthorization is the lack of penalties for violations of export controls under the implementing Executive order—very strict. If the outdated EAA of 1979 had stiffer penalties than the Executive order's maximum penalty of $10,000, we would be in better shape. A reauthorization will also give enforcement officers the authority to use the tools they need to be effective.

I now have a person on my staff, who has been loaned to us, who has been working on the export enforcement, so we can make sure enforcement will be adequate. She has run some numbers for us on some of the indictments that have been handed down on things that happened during this period between 1994 and now. You have heard some of those numbers—16 indictments, potential fine of $132,000 on a contract that was $5.4 million. A microdot in the budget—less than the advertising budget spent. Fines need to be increased.

Additionally, it is important we deal with the issue of export controls in a comprehensive reauthorization instead of allowing some issues to be addressed by a patchwork of inadequate measures. I suspect over the next few days and over the next few months, if we do not get this passed, you will see parts of the bill that solve a particular problem put on as an amendment to something else to take care of an immediate critical need. There are a lot of them involved in the bill.

There is a very delicate balance that is maintained through this bill. All of it needs to go through together. If one person gets everything he or she wants, there is no reason to participate in the rest of the bill. All of them have worked together to make sure their interests were covered as well as being able to live with the other interests involved here.

We have received great cooperation from the administration because they understand the need to reauthorize the Act. Under Secretary Reinsch has even said:

> The EAA is held together right now by duct tape and bailing wire.

It is also questionable whether export controls are permitted under the International Economic Emergency Powers Act.

The bill before us today represents a compilation of thoughtful comments gathered from industry, the administration, Members of Congress, on and off of the committee. However, it is not a hodgepodge of conflicting ideas and competing interests. The bill is interwoven with several basic themes throughout: Transparency, accountability, deterrence, multilateral cooperation, and enforcement. It strikes a balance by recognizing the need for export controls on very sensitive items for national security purposes while relaxing those controls on items that have foreign availability or mass market status and thus are difficult to control effectively. It allows enforcement to concentrate on what can be effectively enforced. It gives each of the departments and agencies an equal stake and a fair shake. The compromise for the interagency dispute resolution process represents a fair procedure that defaults to decision. Yet it provides any department's representative the opportunity to appeal a decision without going through the bureaucratic hassle of convincing his or her boss of the need to appeal a decision in a relatively limited amount of time.

Transparency, accountability: The reporting requirements in the EAA of 1999 instill accountability and transparency in the export control process and multilateral negotiations. The criteria for foreign policy control provisions foster an accountable system, very similar to that in the EAA of 1979.

The bill encourages the administration to strengthen multilateral export control regimes since multilateral controls are more effective. It also maintains the sanctions provisions for those who violate multilateral export control regimes and contribute to the proliferation of missile, chemical, or biological weapons.

The bill remains tough on terrorism, requiring licenses for the export of certain items to countries designated as supporting international terrorism. Additionally, it includes penalties that deter violations of export control law and the authorities to effectively enforce the provisions set forth in the bill.

It has been mentioned this is supported in a bipartisan way. This bill came out of the full Banking Committee unanimously. Our country needs this bill, and the people on that committee recognize the need. The more they were involved in it, the more they recognized the need.

I want to mention the patience the House folks have had during this process. The problem has been more deeply studied in the House, perhaps, than on the Senate side. The suggestions for what needed to be done came from the House side, but they have been waiting, watching, discussing, following, and commenting on the process we have had on this side. They have spent a lot of time with Senator JOHNSON and me, to see if the solutions we came up with met the suggestions they have given. They have waited, but they are ready to go.

This bill cannot be done piecemeal. It needs to be done immediately for the security of our country and for the furtherance of our commerce. I ask for your support.

Again, I thank the Senator from Nevada for raising the consciousness on this level and giving us an opportunity to comment.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank the Chair for recognizing me.

Mr. President, I want to comment on the legislation pending before the Senate which is the Caribbean Basin Initiative trade bill along with the African trade bill.

I remind my colleagues, it came out of the Senate Finance Committee with a unanimous vote. In essence, we did it on a voice vote. At a time when this Congress and perhaps this Senate is becoming better known for what we have not done, we are presented with an opportunity to do something extremely significant in the area of trade for a large part of the world with which the United States deals.

When we write about what we did or did not do in this first session of this Congress, it will be clearly pointed out that we did not do Social Security reform, as the Presiding Officer well knows, because of his involvement in an effort to reform that system.

We did not do Medicare reform, as the speaker certainly knows, following the efforts of the National Commission on Medicare.

We did not do campaign finance reform, and we all remember those arguments.

We have not done Patients' Bill of Rights legislation because of the differences of opinion and the politics involved in that legislation.

I do not know of any environmental legislation that has worked its way through this body with a resounding vote of support, nor do I remember particularly any major education efforts that have been successfully navigated through this body this year.

I have a great fear this body is becoming more known for what we have not done rather than what we have done. I wonder what the American people think of the distinguished Members of this body with whom I have the privilege of serving and why we cannot get together and work out our differences in the interest of the American public. Why do we spend so much of our time debating whose fault it is that nothing is getting done as opposed to working together? We can always have the debate over who did it. At least under those circumstances we would be arguing about success: Look what we did; no, look what we did, rather than arguing about failure and whose fault it is that nothing was done.

We have one last opportunity of great significance in this Congress to pass legislation that is bipartisan in its origination, that is strongly supported by the administration, which, when it came before the Senate Finance Committee after the hearings and after the debate, we reported out by a voice vote.

The question then becomes: What is the problem now? Some will argue it is the Republicans' fault because they

have filled up the tree. That ought to go over well in my State of Louisiana when I tell people we did not pass this bill because the Republicans filled up the tree. They are going to say: What in the world are you talking about?

I daresay some are going to say: We did not complete action on this bill because we were not able to offer amendments to it in the nature of other important efforts, such as minimum wage or agricultural provisions, or other trade legislation that some want to offer. Because they cannot offer it now, we are not going to continue our progress on this legislation.

I daresay, the American people would say: What in the world are you talking about?

Here is a trade bill that affects U.S. jobs, U.S. industry; it helps people who have been loyal to the United States in other parts of the world. It clearly helps Central American nations which not too many years ago were Marxist countries, Communist dictatorships that have gradually been brought into the family of nations with the assistance of the United States, and we want to continue having their support on things that are important for the people of this country.

This legislation is a way of doing that—by working out bilateral trade agreements with these countries to the south of us that will help them economically. When we help them economically, they help us. When countries in Central America can do a little bit better economically, they buy more of what we produce.

From my own State of Louisiana, they could buy more rice, more soybeans, more manufactured goods. They would ship it through the Port of New Orleans, the Port of Baton Rouge, and the Port of Lake Charles because they have more money and better jobs. They are helped and we are helped. It is a win-win situation.

The question is: Why don't we do it? What is the problem? The problem is politics. The problem is political posturing about whose fault it is that it is not getting done. Most of the debate is going to be why we did not do it and blame each other for failure. Then, again, the American people are going to say: What in the world are they talking about?

My State is particularly affected by this. I have heard arguments that it is bad for American jobs. My State has lost thousands of jobs in the stitch-and-sew industry. It used to be in Louisiana that thousands of minimum wage employees, many of them minorities, were working in the stitch-and-sew industry for many of these large companies that manufacture items we are talking about today. Many of them were arbitrarily dismissed, arbitrarily fired. Many of them lost their jobs right before Christmas a couple of years ago when most of the companies moved out of my State and went to Central American and Latin American countries and located down there. That has already happened. It did not happen because of this bill. This bill was not being considered then. It happened because of the existing state of the world.

I have worked with our people. We have helped them find other jobs. Fortunately, because of the economic conditions of our State and the economic conditions of the United States, the vast majority of these people who lost jobs in the so-called stitch-and-sew industry have found jobs in more sophisticated, if I can use that term, industries in the United States that represent the future of the United States in terms of jobs in the high-tech industries as opposed to something like stitch and sew.

What we have been able to do is use some of the training programs and retrain these people to get them into other manufacturing segments, to get them into high technology, to get them into computers, to get them jobs where they now find they are much better off than they were sitting behind a sewing machine stitching and sewing underwear.

I argue the future of U.S. employees is not in the stitch-and-sew industry. If we have to somehow preserve jobs in the stitch-and-sew business, we are not being very bullish on America. I argue that is not the future of this country. The future of this country is highly trained men and women who can do the jobs for the 21st century, and that is not in the stitch-and-sew industry.

It is interesting. I love my dear friend and colleague from South Carolina who was reading this article in Time about how these companies have, in fact, moved out of the United States. He is absolutely right. One of the things I noticed when I was looking at the article the distinguished junior Senator from South Carolina was pointing out is the article had a picture of the State of Kentucky, and the caption under the article is: ''Fruit of the Loom eliminated more than 7,000 jobs in the past 6 years. Here would-be workers attend a job fair held by new arrival Amazon.com.''

That is particularly important because it says that while stitch-and-sew jobs are moving out of this country, high-tech jobs, better jobs, better paying jobs, more sophisticated jobs, jobs that require more training and a better educated workforce are moving in.

The people who were leaving the Fruit of the Loom jobs were moving, on the other hand, into jobs that Amazon.com was providing in that area using those workers and retraining them for the 21st century.

That, I argue, is the future of the United States. The future workers of this country are not going to sit behind a sewing machine. If that is the future of this country, I daresay it is not a very bright future. The future is highly trained jobs in highly technical industries which pay well and have a future.

We are not going to be able to compete with the poorest of the poor in terms of who can pay the lowest wages. We should be concentrating on educating our workers for the 21st century and then, at the same time, trying to do what we can in the textile industry.

The reason I believe it is so very important and necessary to pass this bill is because we say in this trade bill, particularly in the textile industry: Look, we are not going to have the stitch-and-sew jobs, but, by God, we are the best manufacturer of textiles and cloth and fabric.

We have the best technical ability to weave and dye the fabric. And this bill, for the first time, says: Look, if we are going to give these countries some advantages, at least we want it to be a two-way street, to at least say, if you are going to be able to do these products in your country, with lower paying jobs, at least use fabric that is manufactured and woven and dyed and assembled in this country. We will send it to you. We will manufacture the fabric, you will use those fabrics to manufacture garments, and then you have the ability to export those products back to this country.

Mexico can do it now. China will be able to do it. Unless we have something like this, we are not going to get any part of the business.

This legislation, when it talks about the products that are covered, clearly says: Apparel articles assembled in the Caribbean basin and sub-Sahara Africa from fabrics wholly formed and cut in the United States from yarns wholly formed in the United States.

What that says to the cotton farmers in my State of Louisiana and throughout the South is that we are going to use their cotton. Without this legislation, we are not going to be using their cotton. The fabric will come from overseas, as well as the finished product. At least this legislation says we will use their cotton.

This legislation also says it has to be assembled in this country. It has to be woven in this country. If it is going to have a color to it, it is going to have to be dyed in this country. So we are getting something out of this that we do not have now, that in the absence of this legislation we will not have. Therefore, I think it is very clear this is something that is important to do. The House thought it was.

You talk about how bad the House is divided. The House passed this 234–163. Now it is before this body. For those who argue they don't like the process, I don't like the process, either. I would probably like to offer a Medicare reform bill to this legislation. People are looking for a wagon to jump on to get something passed they would like to have passed. I understand that. The problem is that you are affecting the merits of good legislation that was bipartisan when it left the Senate Finance Committee, that passed by voice vote in the Senate Finance Committee, and that merits our support.

So my point is that other countries are going to benefit, but we are going

to benefit. If we do not have this legislation, other countries will be able to have access to our market with no requirements on using U.S. fabric at all. I think we owe it to the workers of this country who are still engaged in some aspect of this industry to come up with a fair product and fair package like this is.

I intend to support this legislation. I think it is the right thing to do. I hope my colleagues will join me in that effort.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as in morning business.

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

IMPACT AID PAYMENTS FOR SCHOOL CONSTRUCTION

Mr. BAUCUS. Mr. President, I am going to speak a few minutes about an issue that is very important to me; that is, the condition of school buildings with the federal impact aid, particularly on the school buildings on Indian reservations which are in very dire condition. I hope there is something we can do about it.

As you know, there have been many bills introduced in this Congress to try to help school districts and make sure school districts have enough funds for school construction and renovation, modernization, and so forth. But as you also know, when schools try to raise money, basically they do so by bonding, which is paid for by local property taxes. That is essentially the way schools in our country are financed; it is a time-honored approach to school construction.

The problem is, in this heated debate, one group of children is continually left out in the cold; that is, students who live on federally owned land, usually on an Indian reservation or a military installation.

In my State of Montana, there are about 12,000 children who fall into this category; that is, children who live on a military installation or on an Indian reservation, where there is either none or there is very little private property to support school funding, particularly school construction. These schools are located in areas where much of the local property just cannot be taxed. Why is that? Because it is Federal property.

In many cases, the local schools have to educate the children of the families who live on the property, and these are so-called Federal students who could come from military families, from civilian families, or could come from Native American families. Some schools are off reservations, but a lot of the kids live on reservations, and vice versa. This causes a tremendous problem in financing school construction.

I believe we have a responsibility. After all, the Federal Government has a trustee responsibility with respect to Indian reservations. More than that, more fundamentally, we have a moral obligation to be sure all children in our country have not only equal access to education but generally have the same accessibility to good schools and relatively up-to-date schools. We are not asking for the Taj Mahal but just basic solid construction.

Congress has recognized its responsibility in many respects for these schools through payments authorized under title VIII of the Elementary and Secondary Education Act. That is the impact aid provision. These districts are supposed to receive impact aid to compensate school districts for the burden of educating children whose parents do not have to pay local property taxes due to Federal activities; namely, because they live on an installation or an Indian reservation.

The bulk of the impact aid payments do help with salaries and utilities and other day-to-day costs of running the schools, but this is the catch: When it comes to replacement or renovation of buildings, these schools still have an additional problem; that is, impact aid cannot begin to pay both the salaries and utility bills and the day-to-day costs, and also pay for the modernization of schools because they just cannot issue the construction bonds to pay for them.

There have been several bills introduced in this body dealing with school construction, but none of them deal with this problem; that is, the problem of impact aid on reservations and installations.

I am asking for something that is pretty simple. I am asking for a slight increase, from the present $7 million that goes to impact aid school construction to $50 million. That is all. That is not very much money. Mr. President, $7 million is currently spent on impact aid school construction, and I am asking that it be raised to $50 million. Very simple.

I can give lots of stories, lots of examples, of just the dire conditions these school districts face. For example, I talked to the superintendent of the Harlem school district. Harlem is in north central Montana. He says his district is so crowded that his students are now using a closet. Guess what was in that closet. In that closet was a snowblower that they hauled out whenever there was a bad snowstorm.

So that closet is now a classroom. The snowblower is out in the hall. The students are in the closet. I think this is not right. It is no place to put kids. There is no place to put kids in the closet of a school and put the equipment out in the hallway. In addition, if they try to bring in a portable classroom, then there would be no playground. That is just not right.

A few days ago, I received a letter from the principal of the elementary school in Box Elder, MT. His student population is growing very rapidly because there is new housing on the nearby Rocky Boy Indian Reservation. In fact, virtually all of the 300 or so students in his school are Federal students.

He has classrooms in portable buildings and in basement rooms with no windows and only one exit door. He tells me he would be afraid to send his own small children to that school, but he has to. This is a disgrace.

Last year, the Box Elder school received—get this—$13,000 in Federal impact aid construction funding; $13,000, that is all.

That is about the average for schools in this situation. I might say, $13,000 is a pittance. That is not even enough for half of a paint job in the school, let alone for reasonable reconstruction or renovation.

I have some photos I would like to display. These photos are representative of not only my State but could represent almost any State in the Nation that has Federal impact aid. This is a picture of an out-of-code electric installation at Babb Elementary School in Browning. There are no fire sprinklers in the basement where the insulation is located. Over in the left corner, we see a socket and wiring dangling. It is uncovered. It is obviously a fire hazard. This is all they can do.

Now I have another photograph of a doorway at Babb. This is a doorway in the school. This photo doesn't begin to represent how bad the situation is. Sometimes pictures overstate something. In this case, the photograph understates.

The next photo is that of a lunchroom. This is down in the basement of the school. Again, it doesn't look all that bad; but I have been there; it is worse. Then there is a photo taken in the local high school in the same community. There is a leaky ceiling. Things are starting to fall apart. Again, this school can't find the money to pay for it.

Imagine for a moment that we in the Senate met in a facility that looked like this or our offices were in rooms such as this or we had electrical equipment so obviously out of code. We would change it. We would do something very quickly because we wouldn't stand for it.

What kind of message does this send to children throughout our country—the message that we don't have enough respect for them, enough respect for their parents, enough respect for education to do something about this. We have a huge Federal surplus and the biggest, most wealthy country in the world. Yet we turn our back on a lot of kids in our country. Obviously, it is to their peril but even more to the peril of our country.

The bill I will introduce will raise the authorization from $7 million to $50 million—not very much but a first step that is needed. We also make a change in the eligibility rules. Right now schools with populations made up of 70, 80, or even 100 percent Federal students cannot ask for impact aid construction

funds if the percentage of the federally impacted population for the whole district is less than 50 percent. That is, obviously, a standard that is much too high.

The bill introduced by me and Senator HAGEL will decrease the district minimum to 25 percent. That will affect a lot of schools in this district.

I have a chart that shows how many States would be affected by changing the eligibility standard from 50 percent to 25 percent. You can see that virtually every State in the Nation would be affected, which means every State gets a little bit, if it is enacted at the $43 million increase from the current $7 to $50 million.

This is obviously a problem in our State. It is obviously a problem in other heavy Federal impact aid States, such as Nebraska, Senator HAGEL's State. But this isn't a parochial problem. This isn't a partisan problem. This is a national problem.

I ask that we step up to the plate, exercise our responsibility and, when we take up the Elementary and Secondary Education Act, make this change so that a needy portion of our school population gets a modicum of assistance. Then after that, I hope we can go further.

The PRESIDING OFFICER. The Senator from Ohio.

AFRICAN GROWTH AND OPPORTUNITY ACT—Continued

Mr. VOINOVICH. Mr. President, I rise in strong support of the trade legislation package which constitutes the manager's amendment to H.R. 434, the African Growth and Opportunity Act. This trade legislation will provide economic opportunity to millions of people in the United States and throughout the world.

Under this package, African and Caribbean nations will be able to use trade as a tool to spur economic development where foreign aid and other means clearly have not worked. Stronger economies in these two regions of the world will, in turn, lead to bigger markets for U.S. exports, and consequently more and better paying jobs for American workers.

On the issue of open foreign markets for U.S. products, I would like to express my support for an amendment on carousel retaliation being offered by my colleague from Ohio, Senator DEWINE. If the newly formed World Trade Organization and the promise of a rules-based system of international trade is to survive, then we cannot—and should not—tolerate flagrant disregard for internationally agreed trading rules by other WTO members such as the European Union. We need to use the tools that are now available to us to ensure that our trading partners comply with WTO decisions. And its important to those of us who believe in free trade that the U.S. Trade Representative and the Department of Commerce use all the tools available to them to guarantee that we have fair trade. Too often we have amendments like Senator DEWINE's amendment—which I have co-sponsored—because the U.S. trade representative has not been as aggressive as they should be and they do not use the tools they have been given by Congress.

This is very important, because trade is the economic lifeblood of the United States. Twelve million American jobs depend directly on exports. And exports are a major reason why our economy continues to do so well. In fact, one-third of our economic growth since 1992 can be attributed directly to exports.

Ohio is a textbook example of why international trade is good for America. When I was Governor, I had four goals in the area of economic development—agribusiness, science and technology, tourism and international trade. We pursued each of these aggressively in order to maximize Ohio's business potential, especially in the trade arena.

For example, Ohio has outperformed the nation in terms of the growth of exports to our NAFTA trading partners. Since 1993, U.S. exports to Canada have grown 54 percent and U.S. exports to Mexico have grown 90 percent, while Ohio exports to Canada have grown 64 percent and Ohio exports to Mexico have grown 101 percent.

Thanks in part to such trade-liberalizing agreements as NAFTA and the Uruguay Round of GATT, overall Ohio exports have risen 103 percent in just the last decade.

And because export-related jobs tend to require higher-skilled workers and provide higher-paying salaries, when America's exports of goods and services increase, so do the number and quality of American jobs. Just in Ohio, the increase in exports has created 182,000 jobs over the past ten years. And these export-related jobs tend to pay, on average, 15% more than a typical private sector job.

Eliminating trade barriers has not only helped Ohio companies sell more overseas, but it has also allowed more foreign companies to invest in Ohio, creating more, good paying jobs for Ohioans. According to Site Selection magazine, from 1991–1997, Ohio had more growth in non-U.S. owned firms than any other state—some 300 new manufacturing facilities and plant expansions took place during that time.

In addition to creating more, better-paying jobs, trade openness has an enormous impact on the earnings for average Americans who invest in companies that increase their international trade presence. These earnings help increase the amount of money people have to reinvest in the growth of our economy or to invest in their savings, retirement and education funds.

This chart lists 35 of the biggest U.S. corporations as measured in market value. None of these companies is majority-owned by a family or individual. In other words, they are all in the stock market. For 25 of these 35 companies, trade makes up more than one-third of their global operations, and for 12 of these companies, international trade accounts for more than half of global sales or revenues—including Cincinnati-based Procter and Gamble, which can attribute about 51 percent of its global sales to international operations. Thus, in the case of Procter and Gamble, there is a genuine interest on the part of thousands of employees, and even more thousands of individual shareholders, in the ability to expand internationally.

In my State of Ohio, there are many more companies that understand that robust two-way trade is the key to creating more jobs and increased investment. These are companies like—Cincinnati Milacron, Federated, American Electric Power, The Limited, Inc. and Intimate Brands, TRW Inc., Chiquita Brands, The Andersons, Battelle, ElectraForm, General Electric Jet Engines, Lincoln Electric, NCR, R.G. Barry Corporation and hundreds of other small businesses, many of which traveled with me when I was governor, on nine trade missions around the world.

In Ohio and across America, the future of companies like these is a crucial link to the vitality of our communities because of the jobs they support and their contribution to the local tax base. In addition, these companies provide philanthropic support to local hospitals, schools and colleges and universities as well as countless charities and institutions.

The support these companies provide is linked directly to the overall quality of life in many of our communities. For example, Atlanta would be a much different city without the civic and charitable contributions of a company like Coca-Cola. Companies like Coca Cola—their workers, their stockholders—know that 95% of their potential customers for their products live outside the United States, and that's why trade expansion is so fundamental to the economic future of all Americans.

Many of my colleagues may ask why the average American should care about the importance of trade and the expansion of markets overseas. The reason they should care is because it's average Americans who are the stakeholders—the millions upon millions of individual investors.

Indeed, according to a survey in this past Sunday's Washington Post, nearly half of all Americans are invested in the stock market. Twenty-two million American households, or roughly 22%, are invested in corporate America through employer-sponsored retirement plans. And those Americans referred to as ''Generation X''—individuals in their 20s—reportedly hold 80 percent of their assets in stocks. Baby boomers, who own about half of all outstanding stock, have about 57 percent of their assets in equities.

As these figures show, international trade does matter to the average American. The economic stimulus sparked through increased international trade and investment allows millions of Americans to plan for their children's college education, for retirement nest eggs and for long-term financial security.

While the passage of this legislation is important to the economic future of America's workers and citizen stockholders, it will also provide a lasting impact on the economic and political development of our African and Central American trading partners—an impact that is sure to fulfill our hopes for world peace and prosperity.

With respect to increased U.S. trade and investment in the nations of Africa and the Caribbean, it is far better to stimulate the economies of the nations of these two regions than to simply offer these nations foreign aid year after year. Increasing investment and trade opportunities in these regions means that more people can work and raise their own standard of living.

It's like the old adage ''give a man a fish, and he eats for a day. Teach a man to fish, and he will eat for a lifetime.''

International trade not only allows nations to become productive members of the world community, but it is probably the best way to ensure international stability.

In fact, back in 1994, U.N. Secretary General Boutrous Boutrous-Ghali visited Columbus, Ohio and I said to him that ''nations that trade together, stay together and help sustain world peace.''

Promoting peace and prosperity through trade was one of the aspects I pursued on each of my nine foreign trade missions when I was Governor of Ohio, including trips to India, Thailand, Chile, Hungary and China.

Unfortunately, that particular aspect of international trade is too often ignored. We ignore the impact of international trade on stability and peace in the world.

What amazes me, Mr. President, is that so many so called protectionists lament about deplorable conditions in the world's poor nations, and this Nation, the United States of America, doesn't respond to the needs of people in Africa and other parts of the world. Yet it is these protectionists who are content to criticize free trade proponents for wanting to take down trade barriers, invest in poorer nations, and provide the tools for economic growth, jobs, and self-reliance in those countries. There is no way the U.S. Government can provide the billions of dollars needed for these countries to develop and raise the standard of living for their people. It can only be done through private investment. The leaders of 47 African nations know this fact, and that is why they want us to support this trade measure.

As Senator BREAUX pointed out earlier today, international trade also contributes to the political stability of the countries in the world. Think about what has happened in South America since we opened up our economic relationships with them over the last number of years.

This trade legislation will help drive an economic expansion in Africa, as well as for our neighbors in the Caribbean and Central America. In addition, it will provide for the future of an energetic, export-driven American economy. It will sustain and create good-paying, high-quality jobs in Ohio and across America and allow millions of Americans to save and invest for their children's education and their retirement security. This legislative package stands on its own merits. It was unanimously reported out of the committee, and I really believe it deserves the support of our colleagues.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I came momentarily to the floor to hear my distinguished colleague from Louisiana try to justify that Bill Farley article in Time magazine, which I referred to earlier. His justification, of course, was not the matter of campaign finance reform, which is the major thrust of the article; interestingly, the thrust that, look, we ought to be getting rid of these jobs, says that these textile workers now can go to the high-skilled, better-paying jobs, and that is the future of America.

Let me go right to the other comment made by my distinguished colleague from New York, who joined with it, about trade adjustment assistance, and what a wonderful program it is. Thirty-seven years ago, as he said, as Dean Acheson would say, he was at the table. He is right. He had a distinguished career of service there as the Assistant Secretary of Labor negotiating the trade adjustment assistance agreement. Everybody will agree with that.

But 38 years ago, I was at the table, and I was at the table for the seven-point textile program of President Kennedy. It was a very interesting exercise because what we had found out was that they were really about to do away with the industry, we thought, when it included some 10-percent import penetration. I had come up to testify before the old International Trade Commission, and testifying before that International Trade Commission, we thought we had made a good impression.

At that particular time, 38 years ago, we were confronted with Tom Dewey, who was then representing the Japanese. He chased me all around the hearing room, and my friend, Charlie Daniel, at that time an outstanding contractor/builder/civic leader, says: Now, Governor, let's go by and see the chief. That was President Eisenhower. We called on Wilton B. Parsons, and Jerry Parsons ushered us in and President Eisenhower said: Don't worry, you will win that case.

In June, the International Trade Commission ruled against us. At that particular time, we realized we were totally lost unless we could get involved in the campaign, which wasn't too difficult because then-Senator John F. Kennedy from Massachusetts understood very clearly the importance of the textile jobs.

I am going right back to the Senator from Louisiana saying the future of the country is to get rid of these jobs. I am laying the groundwork of the historical record about the importance and the significance of these jobs.

The case was in talking to then-Senator Kennedy. We met with him. And my friend, Mr. Feldman, was his legislative assistant. We obtained a letter on August 30, 1960. You can imagine, this was in the heat of the 1960 campaign between Kennedy and Nixon.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, August 30, 1960.

Hon. ERNEST HOLLINGS,
Governor of the State of South Carolina, State Capitol Building, Columbia, SC.

DEAR GOVERNOR HOLLINGS: I would, of course, be delighted to discuss with you and with textile industry leaders the problems of the textile industry and the development of constructive methods for showing the growth and prosperity of the industry in the future. The critical import situation that confronts the textile industry which you so eloquently describe in your letter is one with which I am familiar. My own State of Massachusetts has suffered and is suffering from the same conditions. The past few years have been particularly difficult for this industry. There seems to have been a basic unwillingness to meet the problem and deal constructively with it. During the first six months of this year imports of cotton cloth are twice what they were during the same period in 1959, the highest year on record. Similarly alarming increases are occurring on other textile and apparel products. Since 1958 imports have exceeded exports by constantly increasing margins. There are now 400,000 less jobs in the industry than there were 10 years ago. It is no longer possible to depend upon makeshift policies and piecemeal remedies to solve the problems which the industry faces.

As you know, I supported the establishment of the Special Senate Sub-committee for the Textile Industry, under the chairmanship of Senator Pastore, of which Senator Strom Thurmond is a member. In an effort to help develop suggestions to improve the competitive position of the industry in the United States and world markets, this Subcommittee for the first time undertook a broad investigation of the problems of the United States textile industry and offered a number of constructive recommendations. With only minor exceptions, the Eisenhower Administration has failed to implement these recommendations.

I agree with the conclusions of the Pastore Committee that sweeping changes in our foreign trade policies are not necessary. Nevertheless, we must recognize that the textile and apparel industries are of international scope and are peculiarly susceptible to competitive pressure from imports. Clearly the problems of the industry will not disappear

by neglect nor can we wait for large scale unemployment and shutdown of the industry to inspire us to action. A comprehensive industry-wide remedy is necessary.

The outline of such a remedy can be found in the Report of the Pastore Committee. Imports of textile products, including apparel, should be within limits which will not endanger our own existing textile capacity and employment, and which will permit growth of the industry in reasonable relationship to the expansion of our over-all economy.

We are pledged in the Democratic Platform to combat sub-standard wages abroad through the development of international fair labor standards. Effort along this line is of special importance to the United States textile industry.

The office of the Presidency carries with it the authority and influence to explore and work out solutions within the framework of our foreign trade policies for the problems peculiar to our textile and apparel industry. Because of the broad ramifications of any action and because of the necessity of approaching a solution in terms of total needs of the textile industry, this is a responsibility which only the President can adequately discharge. I can assure you that the next Democratic Administration will regard this as a high priority objective.

Additionally, we shall make vigorous use of the procedures provided by Congress such as Section 22 of the Agricultural Adjustment Act and the Escape Clause in accordance with the intention of Congress in enacting these laws.

Lastly, I assure you that should further authority be necessary to enable the President to carry out these objectives, I shall request such authorization from the Congress.

I hope that these thoughts are helpful to you in your own deliberations and I reaffirm my interest in discussing problems of mutual concern with you.

With all good wishes, I am

Sincerely yours,

JOHN F. KENNEDY.

Mr. HOLLINGS. Mr. President, in the letter he said he supported the special Senate subcommittee of the textile industry under the chairmanship of Senator Pastore. He said he agreed with the conclusions of the Pastore committee that sweeping changes in our Federal trade policy were not necessary:

Nevertheless, we must recognize that the textile and apparel industries are international in scope and peculiarly susceptible to competitive pressure from imports. The problems of the industry will not disappear by neglect, nor can we wait for a large-scale unemployment and shutdown to inspire us to action. So a comprehensive industrywide remedy is necessary.

They had a national security provision in the law at that particular time. Before then-Senator Kennedy and later-President Kennedy could actually implement any kind of comprehensive industrywide remedy, he had to have a finding that the industry was important to our national security.

We brought the witnesses. It was a Cabinet committee that was formed for the witnesses to attest to. It was Secretary Dean Rusk of the Department of State, Secretary McNamara with the Department of Defense, Secretary of Commerce Hodges, Secretary of Labor Goldberg, Secretary of the Treasury Dillon, and Secretary of Agriculture Freeman, with whom I served as Governor.

They had the hearings, and they concluded at the close of those hearings that next to steel, textiles was the second most important to our national security. In a line, you needed steel in order to make the weapons of war and the tools of agriculture. Therein lies the steel problem, because that is the World Bank singsong. They run the world around telling these emerging Third World countries that they cannot become a nation state until at first they obtain a strong manufacturing sector, particularly in steel.

That is why, incidentally, you have the dumping. We have an overproduction in the world of steel. They are dumping here in the United States at less than cost. We have had the hearings, and they voted on the House side. We tried to get a vote on this side and get the bill passed for action by the White House itself.

But back to the second most important industry that I would like the Senator from Louisiana to remember, because I remember when he had a substantial investment by Fruit of the Loom down there in Louisiana before it left, and now it looks as if it has all gone to the Cayman Islands. But you couldn't send them to war in a Japanese uniform. This is back in 1960. Today, you might say a Chinese uniform, because the Chinese have gone just 8 years ago from a $5 billion deficit in the balance of trade to a $55 billion deficit in the balance of trade, mostly in textiles and clothing.

So we have to go to conflict with our friends in the People's Republic. We have to call up Beijing and say: Wait a minute. Before we have this standoff, please send us some uniforms because we have to be prepared in order to go to battle. We can't go in Chinese uniforms. We have to be able to distinguish the troops.

As a result of that finding, then-President Kennedy, on April 24, 1961, promulgated his seven-point program.

He did all of the things that dealt with that and followed on into the Kennedy Round, as the distinguished Senator from New York has pointed out, the Trade Adjustment Assistance Act, one-price cotton, and reciprocity, which stabilized the industry for several years ongoing until really the 1970s, and then, of course, the 1980s and early 1990s with all the vetoes by President Reagan and President Bush. There has just been a deluge. With President Clinton, the deluge turned into a waterfall more or less with NAFTA.

For those who say that these things, as the distinguished Senator from Ohio said, are going to create millions of jobs in the United States and the world around, let us be accurate. It will create millions of jobs in the world around. It is going to create millions of ''jobless.'' We have lost over 1 million manufacturing jobs since NAFTA here in the United States. There are 420,000 textile jobs lost all over the country, 31,700 in the State of South Carolina alone.

There is no education in the second kick of a mule.

What we have on foot is another NAFTA without the advantages. At least in NAFTA, we had the side agreements on labor rights. At least in NAFTA, we had the side agreements on the environment. At least in NAFTA, we had reciprocity.

Now this one-way street down to the Caribbean and over to the Sahara is totally out of the whole cloth. It will start a deluge. We know about the Chinese and their influence in the sub-Sahara.

I will never forget, 5 years ago we had a resolution brought up about human rights. They had voted in the assembly to have hearings on human rights in the People's Republic of China. The Chinese representatives went down into Africa where they have some influence. I was there 25 years ago. They were building the railroad from inner Zaire, the old-time Belgian Congo, out to the coast. They had their work crews all over, their minions all over. They have influence, and it was proved at that time because they changed the vote. They never had that hearing that the United Nations wanted to have on human rights in the People's Republic.

We know, looking at Matsui, the shirts coming through at this moment from Matsui. There is not a shirt factory there. They have been inundating the American market.

We go to Customs. They say: Senator, they have been inundating the market, but we restrict it. Customs agents ask if we want to stop drugs or stop textiles. Of course, the obvious answer is, heavens, stop the drugs. They say: Until you get the other agents, that is about all we can try to keep up with.

The Customs Department has estimated $5 billion already in transshipments, illegal entry of textile goods in the United States, as we speak. We know the sub-Sahara is not going to benefit by it at all with respect to the jobs. It is going to be similar to our minority business enterprise section in the Department of Commerce. They immediately got minority, a black front; then they got the white money and the folks behind it. And with the front, they make a lot of money and get the set-aside contracts through hard experience in Mexico.

I refer particularly to the fabric manufacturers down there. The Senator from Louisiana says we ought to be getting rid of the industry. We ought to remember we are going to get something we didn't have before; namely, with all the cotton goods and everything else we are sending, our fabric and the apparel, shirts for example, will come back with American-made fabric. That is what can come back free of duty, free of restriction. But so can the Chinese-made fabrics. So can the Taiwanese. So can the Korean.

All one needs to do is cross the border at Tijuana in lower California into

Mexico and one will think they are in Seoul, Korea. They are not at all bashful about investing there.

The Fabric Resource List of Mexico, appearing in Davison's blue book, I refer to pages 345 to 358 under Fabric Resource List.

Mr. President, we can see the opportunity and to whom it is being given. Very interestingly, the commitment when we passed NAFTA, from the individuals at the time that the ATMI came in, they say they are not going to take their plants down there.

I refer to an article in the Capital City's Media, back in 1993. The lead article and lead sentence of the article entitled ''Hell No, We Won't Go'':

> That was the battle cry Monday by the directors of the American Textile Manufacturers Institute, who in a last-ditch effort to solidify congressional support for NAFTA, pledged not to move any jobs to Mexico if the act was passed. The ATMI board, made up of firms representing every facet of the textile industry, voted 37–6 in favor of the resolution which said companies would not move jobs, plants or facilities from the United States to Mexico as a result of the North American Free Trade Agreement.

Just in the past year Dan River built an integrated apparel manufacturing plant in Mexico. Another U.S. corporation, Tarrant Apparel purchased a denim mill in Pueblo, Mexico; DuPont and Alpek built a plant in Altimira, Mexico, and formed a joint venture with Teijin; Guilford and Cone Mills created a Mexican industrial park known as Textile City; and Burlington Industries is to build a new Mexican plan to produce wool products.

It reminds me of John Mitchell, the former Attorney General. He said: Watch what we do, not what we say.

Now we know what they do. They go down into Mexico and they invest very heavily. Our friend from Louisiana says the jobs are not important and they moved to higher skilled jobs. I know we have restrictions on the importation of cotton because he says: Look at the cotton. They have quota programs and they have payments they receive for the use of U.S. cotton. That goes back to the One Price Cotton Program we got way back under President Kennedy.

The statement made by the Senator from Louisiana is that we are going to get something that we didn't have. The Caribbean and sub-Sahara are going to get something they didn't have. We are going to lose. Yes, we have protection for American cotton producers and they are buying from American cotton producers. But if you go down into Mexico and the plants all go down there, they don't have to worry about coming back in with respect to American-made fabric because they can go ahead and produce it and bring it back in any way. We are going to be losing that business. Last fall, they had section 807 and 809 and everything else the companies themselves approved. That is not productive at all because they are moving down there. That is why they are moving the fabric plants. And there are no restrictions on those under the NAFTA agreement.

With respect to the export nature of the job, there is a book written by our friend, Eamonn Fingleton. He wrote the book some 10 years ago entitled ''Blind Side.'' He pointed out at that particular time that the little country of 125 million Japanese was outproducing the 260 million productive Americans. In manufacturing today, Japan still outproduces us. They were talking about the growth of the economy because they know how to build up an economy.

Who predicted by the year 2000 the GNP, or gross domestic product, of Japan would exceed that of the richest United States of America? They still could reach it in spite of the turndown of the banking industry and otherwise. They haven't yielded one bit on market share this past year in spite of the turndown in the Japanese economy, the automobile industry. The Japanese automobile industry has taken over again a larger share of the American market. They continue to do so and they continue to invest here, as we know, because we have the Japanese plants in my State of South Carolina.

We continue to weaken what President Kennedy and others knew was necessary to build a strong economy, as if resting on a three-legged stool. One leg is our values; that is unquestioned. The second leg is the military strength, which is unquestioned—the remaining superpower. The third leg, economics, having been fractured in the last 10 years. We have gone from 26 percent of our workforce and manufacturing is down to 13 percent. We are losing and hollowing out the industrial center, the middle class of America. I do not have the ratings of the particular jobs they have at Amazon, but I have a good idea of it. I do not believe they are paying as much at Amazon and these other industries as they are in textiles. The average textile wage in the United States is around $8.37 an hour. The needle trades, Senator BREAUX pointed out, in Kentucky, Fruit of the Loom eliminated more than 7,000 jobs in the past 6 years. Here, ''Would-be workers attend a job fair held by the new arrival, Amazon.''

You do not stand in line to get a job at Microsoft. They have 22,000. You stand at the bank or you stand at the country club. You have to not only have the high intellect, but you have to have the connections. Anybody who is lucky enough to get a job at Microsoft, they ought to go say their prayers at night and thank heavens because it is wonderful. Every one of those 22,000 are millionaires.

That is not the jobs we are talking about, those superduper jobs. We are talking about the 250,000 working at General Motors. We are talking about the 1.6 million still left, maybe 2 million—I can't get the exact figure—of textile jobs left in America. These jobs are important to our national economy. They not only have a national security portion of being able to produce the garments and the uniforms but more particularly to maintain middle America. That is where it is so important. I am going to get the exact pay scale there. I know PSC Corporation, in my own capital city of Columbia, SC, has already shipped out some 500 jobs to India. I forget the exact name of the town. But they can start up the computers in India and get the information back there, and they tell me my light bill is being processed over in India for me right now. That is the trend, the global competition. That is the global development. That is the reality. How do we confront it? Do we maintain a strong manufacturing sector and strengthen that economic leg to our national security?

Go right back to Alexander Hamilton in the earliest days. In the earliest days, you had that doctrine of market forces, comparative advantage, and David Ricardo. That is what they said, Adam Smith—you go ahead, the little fledgling colony that now had won its independence, you produce best what you can and ship it back to the mother country and the mother country in turn will produce and ship back what we can produce best—the doctrine of comparative advantage.

Alexander Hamilton said, ''No way.'' He wrote the book, ''Reports On Manufactures.'' In that particular book he told the Brits to bug off. He said: We are not going to remain your colony.

As a result, the second bill that ever passed this national Congress, in which we stand this afternoon—the first being the U.S. seal—the second bill on July 4, 1789, was a tariff bill, protectionism of a 50-percent tariff on 60 different articles, including our iron and textiles and other things we were beginning to build up—our manufacturing capacity.

Now we hear, to my amazement, the cry on the floor of the Senate: Get rid of it. We are going to become a service economy. We are going to have nothing but software. We are going to have millionaires and country clubs and bread lines and that is going to be America. They had that right after World War II. They told the Brits: Don't worry. Instead of a nation of brawn, we are going to be a nation of brains. Instead of producing products, we will provide services. Instead of creating wealth, we are going to handle it, become a financial center.

The mother country has gone to hell in an economic handbasket. London is nothing more than an amusement park. They do have the two levels of society and they put it on every night on educational TV, public television: ''Upstairs Downstairs.'' Everybody grins and smiles and says: Oh, those were wonderful days. We can all be maids and servants in the kitchen or we can be plantation owners. That is where we are headed. That is where we are headed with this cry of ''free trade, free trade,'' that is enunciated by everybody who does not have an interest in the future of the United States.

That ''everybody'' includes the banks. They first financed these companies, these multinationals, under the Marshall Plan that we sent overseas. Then the think tanks and consultants, then the lawyers, then the retailers. ''You can get a cheaper product,'' and everything else of that kind. Then the consumer groups and what have you. So they all come in and say ''free trade, free trade,'' until you get to intellectual property and ''Oh, no, wait a minute. We have to have trademarks; we have to have copyright; we have to have protectionism.''

They are for protectionism. Jack Valenti in the movies, he will run over here and knock down the desks and everything else. Wait a minute, Hollywood is the biggest protectionist center in the world; protectionism, as they spew out their violence. They killed our TV violence bill momentarily. We keep coming back and we will bring it back again. But I can tell you here and now they want protectionism for the banks, for the insurance companies, for the rich, for the software people but nothing for the sweat of the brow. That is what gets me, when the Senator from Louisiana says now what we need to do is go get a high-skilled, better paying job. That is the future of America.

There is a different future. I hate to disabuse his mind on that particular score. There is a book written about this. As Fingleton points out now in his more recent book, ''In Praise of Hard Industries,'' he takes down, chapter and verse: With respect to exports, there is no contribution whatsoever. It is almost negligible. The idea of the software and the high-tech industry —in fact, it was going broke itself in semiconductors until, what did we do? We gave them aid. We put in Sematech and we put in voluntary restraint agreements—give President Reagan credit for that—to save that particular industry, or you would not be seeing any Intel on that stock market, going up yesterday. The Government gave it a chance to survive. That is all the textile industry is asking this afternoon is for a chance to survive.

Two-thirds of the clothing I am looking at is imported. Do we want to send the rest of it down there? We have shown all the fabric plants they can manufacture if they go down there, and they will go. Do they want to do that for the sub-Sahara, not having any side agreements or understanding about labor rules, not having an understanding about the environment, not having any reciprocity?

Let me get to the restrictions. This industry is terribly restricted. They should understand it right now. That is, I hold in my hand ''Foreign Regulations Affecting U.S. Textile and Apparel Exports.'' That was, a few years ago, in one book. Now they put it out in different, separate items with respect just to the United States, and they do not put it in a book because they think we were the only ones who had any restrictions whatsoever. But can't we do away with the restrictions, not only on the textile industry but the restrictions that they have with respect to the Caribbean Basin Initiative? I have the various products.

Mr. President, knit fabrics, Rwanda. Of course, 100 percent on knit fabrics, 100 percent on apparel. Mali, we have restrictions there. You can turn to the restrictions with the other countries: Gabon, 30 percent on apparel compared to our 10 percent in the United States; Ethiopia, 80 percent compared to our 10 percent. We have already given them the advantage by far.

My hangup is, we have given the advantage to the Koreans, the People's Republic of China, the Taiwanese, the Japanese, the Malaysians. They have the investments in these countries, and they will have a few jobs to give out, but they will literally take the remaining one-third of the American market and put out of business a wonderful basic industry important to our national security.

I say ''a wonderful'' because I watched in the early days when they got the dust and lint in their faces and hair. That is why they called them lint heads. That is not the case anymore. There is no one in the card room. It is mechanically, electronically controlled. In the weave room, where they had 125 people, there are fewer than 15 now. They have modern machinery.

The main point is it has afforded jobs for minorities and for women. You hardly found women in the fabric or textile plants; you found them in sewing. Now they represent over 50 percent of employees. It is a good paying job. If the husband has a job and if a woman can make $8.30 an hour, that can help put the boys through Clemson University. That is what they are doing in my backyard in South Carolina.

They have invested, on average, $2 billion a year for some 15 years. But now they look at this measure—which is really foreign aid, a giveaway to make a record to build a library for the President and for the idle rich over on the other side of the aisle who believe in money and market and not the country itself. They will give anything away. All they want now, like their software crowd after we started the Internet, after we gave them the education at Stanford, after all the other protections, now they want to do away with the estate tax, do away with the capital gains tax, do away with the immigration laws; let them all come in so we can get them even cheaper labor; let's do away with State tort laws, Y2K; let's just do away with the Government. That is the crowd over on the other side of the aisle. I take the floor because that is where we are headed. This industry is watching closely because they do not want to be in a position of not getting their money back.

We have these wonderful textile shows—the machinery boys come from all over the world—in Greenville, SC, at the center. They want to stay ahead of the curve, and they want to be productive, and they are productive, and they do compete. I categorically claim the U.S. textile industry is the most productive in the entire world, bar none. But they cannot afford to remain productive with this initiative because they will not get their money back.

They know the transshipments. They know how the Chinese built these parks in Vietnam. That is why you find the Burlingtons and the Cone Mills and the Guilfords all going down there because they want to stay in business and they have to make money. So they have to break their pledge not to move plants, not to move jobs, and they all are headed down there.

I do not know who is going to be able to hold on in the United States if this measure passes. The ATMI—that crowd is defunct, I can tell you that. I can say that advisedly because I have gotten every award they give. Otherwise, the AAMA, the American Apparel Manufacturers Association—and a man by the name of Larry Martin, a wonderful individual, with whom I have worked for the enactment of textile bills over the last 30 years —ought to be renamed the Central American Apparel Manufacturers. They do not have U.S. apparel manufacturers.

It is just like our friend from the Cayman Islands. It is gone. Fruit of the Loom, Sara Lee, Limited—''The fruit of its labor, the politics of underwear.'' That is the particular article that came out. They are ready to go. They are now in the Cayman Islands. And I will ask Janet Reno to look into this: I say to the Senator from North Dakota—they are talking about Chinese contributions. I am wondering about these Cayman Islands contributions. I don't think George W. knows, but he already has $400,000 from Bill Farley and Fruit of the Loom, according to this article. They are down in the Caymans.

Don't give me this cheese board they have up here, how wonderful this is and everybody but HOLLINGS is for the measure. Why do you think they could not get the black caucus over there or why couldn't they get JESSE JACKSON, Jr., for this bill? Why not go for the Jackson bill? That is what he was for, not for this particular measure. Why did the black ministers in Boston march on the industries? Because they are not taken over with the bum's rush of that corporate business banking crowd that wants to make an even bigger profit.

Former Secretary of Labor, little Bobby Reich, put out a book. I wish you all would read that book. On page 179, you will find out the Fortune 500 has not created a new job in the United States of America in the last 10 years. That book is about 6 or 7 years old, but is still on point, and will be for sometime to come. They are not creating the jobs. They are firing everybody. The companies I am referring to are all listed on the charts. They are getting

rid of the jobs and getting rid of the industry. That is what we have in the balance this afternoon.

I emphasize that it is one way, and it is not NAFTA and the nice plea that it has worked so well down in Mexico so let's extend it to sub-Sahara, let's extend it to Central America. We are not, if I have anything to do with it, going to pass this Kathie Lee sweatshop measure. It has not worked in El Salvador.

The Senator from Iowa, Mr. HARKIN, wanted to put a child labor amendment on this measure. Of course, now that they have filled up the tree and have given fast track to this measure, we cannot offer an amendment for labor rights, for the environment, for reciprocity. We are going the way of Mexico.

Let me momentarily hold up with one observation about NAFTA because the claim was made at that time in the debate that they would create 200,000 jobs. It has not created new jobs. We have lost 420,000 textile jobs. They said we are going to have better wage rates. Actually, the take-home wage of the country we were trying to help, Mexico, is less in 1999 than in 1994 and 1995 when we passed NAFTA.

Then they said it was going to help the immigration problem because they are going to have so many jobs. The immigration problem has worsened.

I know better than any. I handle the immigration appropriation. We have a school for the Border Patrol agents. We have literally graduated thousands of Border Patrol Spanish-speaking agents for the Border Patrol down in my hometown. And the immigration problem is, again, even worse. Ask the Senators from California, Mrs. FEINSTEIN and Mrs. BOXER.

And then drugs. Oh, yeah, we were going to solve the drug problem. That has gotten worse.

So NAFTA is not a good example of a positive experience with a trade agreement. It is like they keep talking about deregulation of the airlines. I could go on for 2 or 3 hours about that one. We are in an FAA authorization bill now.

We used to come specifically with the town, the mayor, the tax base, build the airport, get the facilities, go out and get Captain Rickenbacker and Eastern Airlines, and come to the CAB and get the rights; and it was a working deal. You got good service. The community controlled the so-called slots, and everything else of that kind. It worked.

But they got this urge to deregulate, deregulate, and we have now come full swing, full circle. The regulated are buying up the deregulated. You don't get the service. You have all kinds of costs.

I bought a ticket a few weeks ago for my wife. The day before we did not think the plane was going to fly on account of Hurricane Floyd. We found out it was, so we bought the ticket. It was $748, round trip, from Washington, DC, to Charleston, SC, and back—$748 dollars. I will show you the ticket.

So don't talk about the improvements, and everything else like that, with either deregulation or this singsong the money crowd puts on with respect to NAFTA and how well it has worked and how everybody is for it.

Everybody is not for this. Those who are looking and have studied and worked in the trade field realize we are going the way of England and that we just can't afford it any longer. I almost say we, more or less, have given away the store, as they say, in the community chest. As they said to me back in those Governor days: Governor, what do you expect them to make? The airplanes and the computers? Let them make the shoes. Let them make the clothing. And we will make the airplanes and the computers.

My problem is they are making the shoes, they are making the clothing, they are making the airplanes, they are making the computers. That Boeing crowd from Washington is beginning to sober up because their bus is being dumped. Ask these airlines whether they are buying Boeing or Lockheed. No, no, no. They are being dumped on account of the price and financing, and everything else of that kind. And the competition is government; and the policy is set by that government.

Senators say look before you open up Conrad Manufacturing. You have to have a minimum wage, clean air, clean water, Social Security, Medicare, Medicaid, safe working place, safe machinery, plant closing notice, parental leave—I could keep going on and on. They can go down to Mexico now for 58 cents an hour, and there is none of that.

So what is happening in the job policy where you can save as much as 20 percent on your manufacturing cost, which is 30 percent of volume? If you move your manufacturing to a low-wage country, and just keep your executive office and your sales force, and you have $500 million in sales, saving 20 percent moving to that low-wage country, before taxes you can make $100 million. Or you know what, you can continue to work your own people and go bankrupt.

That is the job policy of the national Congress. That is the job policy we are discussing this afternoon on the floor of the Senate. That is what we are talking about: How can we say this is for the people, how we say this is going to create jobs, knowing full well it is going to result in a loss of jobs.

That is why the labor people, and that is why so many African Americans, that is why all are beginning to get stirred. That is what makes Pat Buchanan make sense until lately when he began to talk that nonsense about Hitler. That is the worse thing that ever happened to this particular debate because he was talking sense at the time before he wrote his silly book about Hitler and all these other things. But he is talking about the passing army. That is labor in America. They realize they are hearing all this pretty talk from Washington and how we are going to do this and how we got to go do that—global economy, global competition, and everything else of that kind—and they keep losing out.

They are wondering what is happening when the Republicans and Democrats say the same thing. And so Buchanan comes out, and was the best voice we had in a national sense. I have been talking trade while that boy was in Gonzaga. Is that the name of the high school around here, Gonzaga High School? Gonzaga High School—I was working on this when he was at Gonzaga High School beating up everybody. I know him and like him. I get along with him very well. But he has poisoned the well on this particular score because he loses credibility on the most important issue next to the budget. The second most important is the economy and trying to maintain middle America.

And they tell me—the Senator from Louisiana—all they have to do is get in line and go to Amazon. The fact is that those jobs are not paying as much. These retail jobs just do not provide the same pay. In fact, they make them independent contractors to avoid paying their health costs and everything else.

In fact, take the example—and I will sit down and yield to my colleagues because I have plenty more to cover—with respect to Oneida knitting mills down in Andrews, SC, they had to close the first of the year. We bought them less than 35 years ago, a fine little plant. They had 487 employees, with the average age of 47 years old.

Tell them to get retrained and get skilled tomorrow morning—Washington's approach and the approach of the Senator from Louisiana—get that skill as a computer operator and go apply to Amazon as a 47-year-old. Do you think Amazon is going to employ the 47-year-old or the 21-year-old computer operator? They are sidelined, deadlined. They are out.

This is the issue they ought to be debating in this Presidential race. But since the pollsters are all on education, education, education, and the Governors, education, education, the size of the class, more this, more that, reeducate, reteach, everything else like that, they are not talking about the real problem that we at the Washington level are talking about.

On education, the federal government only spends 7 cents on the dollar; the other 93 cents comes from the local level. So we are not going to do much on that. But here, when we can do something, we are doing the wrong thing and going in the wrong direction.

They put up these cheese boards around how the Citicorp and that rich crowd is all for it. All they are doing is trying to make money. They are not trying to create jobs.

Read Bobby Reich's book. He's right, the Fortune 500 are not creating jobs at

all. We supposedly are trying to, but at the same time we are canceling out these efforts with this job policy.

We have to phase out right now the Multifiber Arrangement. We are going into the fifth year of it. The real hard part is going to be hitting. I can tell you right now, after this election in November 2000, the next President who is going to come on is going to have some real problems. And, Senator, you and I, hopefully, if the Lord is willing, will be here. And we ought to be doing something about it now.

We certainly ought not to be taking this bum's rush that comes out of the Finance Committee. Because that is what they do to me every time. That is what they did on NAFTA. That is what they did on GATT. They wait until the last 10 days of a particular session. Then they come out and they grease it and they give it fast track. They file it. They put in two amendments. They fill up the tree. They file cloture. And say: Ha, ha, ha, we are going off to the party. Struggle as you will. But we have it fast tracked. And this is going to pass whether you like it or not.

We have to get out here and get at least some amendments with respect to the labor and environmental rights, with respect to the reciprocity. I hope we will look closely at what has happened here.

Mr. President, I ask unanimous consent to have printed in the RECORD the 1998 Ratios of Imports to Consumption from the International Trade Commission, this two-sheet listing.

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

1998 ratios of imports to consumption

[In percent]

Certain industrial thermal-processing equipment and certain furnaces	48.9
Textile machinery and parts	67.0
Metal rolling mills and parts thereof	46.6
Machine tools for cutting metal and parts	48.1
Machine tools for metal forming and parts thereof	55.3
Semiconductor manufacturing equipment and robotics	51.9
Boilers, turbines, and related machinery	44.4
Electrical transformers, static converters, and inductors	43.2
Molds and molding machinery	44.8
Aircraft engines and gas turbines	70.3
Automobiles, trucks, buses, and bodies and chassis of the foregoing	40.6
Motorcycles, mopeds, and parts	48.5
Aircraft, spacecraft, and related equipment	45.7
Office machines	47.2
Microphones, loudspeakers, audio amplifiers, and combinations thereof	77.9
Tape recorders, tape players, video cassette recorders, turntables, and compact disc players	100.0
Radio transmission and reception apparatus, and combinations thereof	57.9
Television apparatus, including cameras, camcorders, and cable apparatus	68.5
Electric sound and visual signaling apparatus	49.9

1998 ratios of imports to consumption—Continued

Electrical capacitors and resistors	69.5
Diodes, transistors, integrated circuits, and similar semiconductor solid-state devices	45.2
Electrical and electronic articles, apparatus, and parts not elsewhere provided for	49.1
Automatic data processing machines	51.6
Optical goods, including ophthalmic goods	51.5
Photographic cameras and equipment	63.8
Watches	100.0
Clocks and timing devices	62.2
Drawing and mathematical calculating and measuring instruments	71.4
Luggage, handbags, and flat goods	79.7
Musical instruments and accessories	57.2
Umbrellas, whips, riding crops, and canes	81.1
Silverware and certain other articles of precious metal	59.9
Precious jewelry and related articles	55.8
Men's and boys' suits and sportcoats	47.5
Men's and boys' coats and jackets	62.5
Men's and boys' trousers	50.4
Women's and girls' trousers	56.4
Shirts and blouses	62.9
Sweaters	76.4
Women's and girls' suits, skirts, and coats	59.0
Robes, nightwear, and underwear	68.8
Body-supporting garments	42.8
Neckwear, handkerchiefs, and scarves	46.7
Gloves, including gloves for sports	76.1
Headwear	54.1
Leather apparel and accessories	67.2
Fur apparel and other fur articles	81.7
Footwear and footwear parts	84.2

Mr. HOLLINGS. Mr. President, you can go down this list: textile machinery and parts, 67 percent; certain industrial thermal processing equipment, 48, 49, 50 percent; machine tools, 55.3 percent; semiconductor manufacturing, 51 percent; aircraft engines, gas turbines, 70 percent; microphones, loud speakers, audio amplifiers, 77.9 percent; tape recorders, tape players, video cassette recorders, turntables, compact disk players, 100 percent; radio transmission and reception apparatus and combinations, 57.9 percent; television apparatus, including cameras, camcorders, cable apparatus, 68.5 percent; electric sound and visual signaling apparatus, 49.9 percent; electrical capacitors and resisters, 69.5 percent; diodes, transistors, integrated circuits, 45.2 percent; electrical and electronic articles, apparatus and parts not elsewhere provided, 49.1 percent; automatic data processing machines, 51.6 percent; optical goods, including opthalmic goods, 51.5 percent; photographic cameras and equipment, 63.8 percent; watches, 100 percent—I don't know about Timex; I guess they just repair them—100 percent for watches—they have gone to Korea—clocks and timing devices, 62.2 percent; drawing and mathematical calculating and measuring instruments, 71.4 percent; luggage and handbags, flat goods, 79.7 percent; musical instruments and accessories, 57.2 percent; umbrellas, whips, riding crops, canes, 81.1 percent; silverware, certain other articles of precious metals, 59.9 percent; precious jewelry, related articles, 55.8 percent; men's and boys' suits and sport coats, 47.5 percent; men's and boys' coats and jackets, 62.5 percent; men's and boys' trousers, 50.4 percent; women's and girls' trousers, 62,9 percent; shirts and blouses, 76.4 percent; sweaters, another 76 percent; women's and girls' suits, skirts, coats, 59 percent; robes, nightwear, underwear, 68.8 percent; body supporting garments, 42.8 percent; neckwear, handkerchiefs, scarves, 46.7 percent; gloves, including gloves for sports, 76.1 percent; headwear, 54.1 percent; leather apparel and accessories, 67.2 percent; fur apparel and other fur articles, 81.7 percent; footwear and footwear parts, 84.2 percent, on down the list.

I was listening to my distinguished friend from Ohio, Senator VOINOVICH. He was talking about exports and how he got Ohio, as Governor, prepared for exports. As a Governor, I have done the same thing. For both Ohio and South Carolina, there isn't going to be anything left to export. This was last year's statistics. I can tell you the trend is overwhelming in the wrong direction.

Look at the deficit in the balance of trade. It is going to approximate this year $300 billion. We are not talking about exports as a wonderful thing. Let's look, as they used to say when my children were growing up, Big John and Sparky, all the way through life, make this your goal; keep your eye on the doughnut and not the hole. We have the eye on the hole.

Export, export, that is the singsong. Citibank, Citicorp, and all those other financial institutions listed up there, that banker board and what have you; export, export. What we have to watch is the imports. That is the doughnut. That is the problem we have.

When you are spending over $100 billion more than you are taking in, you're going to create a huge economic problem. We should know: the fiscal year just ended, September 30, less than 30 days ago, and we have spent $103 billion more than we took in, we are still running over $100 billion deficits, deficits, deficits. All right. We finally got on to that at least to save Social Security. Now they are talking exports, when they ought to be talking imports because with this particular trend, we don't have anything to export.

Exporting movies, exporting software, exporting insurance policies, exporting bank accounts—come on—where is the work there? All you have is this computerization and everything else. You will have your country terribly enfeebled. It is all a bum's rush to let us help the sub-Sahara foreign aid, let us help the Caribbean Basin nations. But they won't have reciprocity down there. They will all move in on those poor little islands, like we called up that little Felicia in Antigua after the poor airmen got killed in the barracks. Don't you remember, at Lebanon? The marines, I should say, got killed in the barracks at Lebanon.

After we lost some 278 marines, they ran down and got suits off the Gulf coast and said: We are invading Granada because Antigua asked us to.

We know what is going to happen. Look at the sheet: Kathie Lee sweatshop in El Salvador. If you try to get a union there, they will kill you. They will kill you. I can tell you right now. Workers fired and blacklisted if they tried to defend their rights. Workers paid 15 cents for every $16.96 pair of Kathie Lee pants they sold; starvation wages, locked bathrooms, forced overtime; pregnancy tests; workers illegally fired and intimidated; death threats. To have the audacity to stand on the floor of the Senate and call this a win-win bill.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I've already stated my opposition to this Africa trade bill. At best, it does virtually nothing for Africa, and at worst it actually harms African economies while doing little for the United States.

Instead, the Senate should support legislation that works with the countries of Sub-Saharan Africa to diversify and strengthen African economies and fight the real enemies of economic progress on the continent: the overwhelming debt burden and the devastating AIDS epidemic.

There are many sound policy reasons for opposing this bill, which carries the slightly Orwellian title, the Africa Growth and Opportunity Act or AGOA. These reasons have been well articulated during this debate.

But today I come to the floor to talk about who supports AGOA—a long list of wealthy corporations who will reap huge benefits if AGOA becomes law.

I don't think my colleagues will be surprised to learn that many of these corporate interests are also powerful political donors who know how to use the current campaign finance system to lobby Congress when their interests are at stake.

Many supporters of AGOA can be found among the members of Africa Growth and Opportunity Act Coalition, Inc. I'm not making this up Mr. President. This corporation was established, according to its website, to ''demonstrate to the United States Senate that there is significant public support behind enacting the Africa Growth and Opportunity Act (H.R. 434).''

I argue that the support this coalition really demonstrates is not broad-based support from the American public, but the very narrow support of the few but powerful members of the coalition themselves—Amoco, Chevron, Mobil, The Gap, Limited Inc., Enron, General Electric, SBC Communications, Bristol-Myers Squibb, Caterpillar and Motorola, to name just a few.

Our campaign finance system allows these companies to be heard on the issue of Africa trade not only because of their business concerns, but because of the legal loophole they have at their disposal to influence this policy debate—unregulated, unlimited soft money contributions.

This coalition has the weight of millions of dollars of soft money behind it, Mr. President.

We know these corporations have the wealth and clout to be heard in Congress on this bill, so the only question is—what does AGOA offer them?

AGOA provides millions in benefits to help corporations invest in Africa—corporations that are often already investing there in the first place, and many corporations that, not coincidentally, comprise the AGOA coalition.

AGOA is a huge windfall for many American corporations, but it does little or nothing for African nations or African people or working Americans.

It doesn't make an effort to stimulate African economies by helping small businesses in Africa, or adequately guard against transhipment of goods through Africa, which will rob Africans of the benefits AGOA is supposed to intend.

Essentially it offers the status quo, plus a multi-million dollar bonus in tariff reductions for American corporations that already do business on the continent.

Mr. President, just to give an idea of the soft money donations that give the Africa Growth and Opportunity Act Coalition, Inc., so much clout, I'd like to Call the Bankroll on this industry coalition, as I do from time to time on this floor, for the benefit of the public and my colleagues.

First the total numbers. The companies that are members of this coalition gave a total of $5,108,735 in soft money to the political parties in the '98 election cycle. Over $5 million in one cycle, Mr. President. That is an extraordinary figure. Our parties have received over $5 million in financial support from this industry coalition that was organized to lobby for this bill. Are we really comfortable with that? Does that not give us just a little pause?

Two major U.S. retailers and coalition members, Gap Inc. and The Limited Inc., have a particularly strong interest in passing AGOA, since they can benefit from importing cheap textiles. Let's look at their soft money contributions specifically.

During the 1997–1998 election cycle, Limited, Inc. gave the political parties $553,000 in soft money donations, and in just the first six months of 1999, Limited Inc. gave the parties more than $160,000 via the soft money loophole.

The Gap also played the soft money game during this period, with more than $185,000 in the 1998 election cycle and nearly $54,000 already during the current election cycle.

And that's not all, Mr. President, not by a long shot.

I'd also like to turn my colleagues attention to the wealthy donors who would like to secure enactment of the Caribbean Basin Initiative or ''CBI'', which was combined with the AGOA in the managers' amendment.

The soft money donations from one donor with a huge stake in seeing CBI passed are particularly interesting, and bear mention during this debate.

Fruit of the Loom stands to gain $25 to $50 million from so-called CBI-NAFTA parity, which essentially removes tariffs on the goods Fruit of the Loom imports from its places of production in the Caribbean basin.

Fruit of the Loom stands to gain at least $25 million, Mr. President, and the loss from eliminating duties on apparel from the Caribbean will run U.S. taxpayers at least $1 billion in lost revenue over five years, according to an article from this week's Time Magazine.

Mr. President, this article, entitled ''The Fruit of Its Labor,'' has already been printed in the RECORD. I ask my colleagues to read it.

What might a corporation do to lobby for this kind of major change in our trade laws, Mr. President?

Under today's campaign finance rules, they might consider making some hefty soft money contributions, and in fact that's just what Fruit of the Loom did.

Fruit of the Loom gave nearly $440,000 in soft money during the last election cycle.

The company has been an active donor in the current election cycle as well, especially surrounding key moments in the life of CBI legislation.

On June 14 of this year, just over a month before CBI/NAFTA parity legislation was introduced in the Senate on July 16, Fruit of the Loom gave $20,000 to the Republican Senate-House Dinner Committee.

On July 30, 1999, two weeks after the bill was introduced, the company gave the National Republican Senatorial Committee $50,000.

I state these facts for those who might wonder whether political contributions are ever intended to effect what we do here on this floor, and for those who question whether there is an appearance of corruption caused by the soft money system.

I offer up the facts, and I ask my colleagues and the public to be the judge of a system that allows these unlimited soft money contributions to occur—contributions that would appear to any logical observer to have a potentially corrupting effect on this vitally important trade debate.

Now, one might think, Mr. President, that the business community would be solidly behind this soft money system that allows it so much access and opportunity to influence the legislation that comes out of this body. The amount of money that businesses spend on political donations is a small investment indeed for the kind of return that legislation like the AGOA and the CBI offers.

But recently we have seen some very significant cracks in business community support for this system. Perhaps

most notable, was the emergence this year of the prestigious business and academic think tank, the Committee for Economic Development, as a supporter of reform.

The CED came out in March with a strongly worded report that denounced our current system and proposed a series of reforms. Its comprehensive report and recommendations reached the following conclusion: ''No reform is more urgently needed than a ban on national party 'soft money' financing.''

When we debated the McCain-Feingold soft money ban recently, the Senator from Kentucky dismissed the CED report. He called CED and I'm quoting here, a ''little known business group'' and ''a business group which until a few months ago no one had ever heard of.''

Let me tell the Chair and my colleagues a little about the CED, this ''little-known'' group.

CED was founded in 1942. It's trustees are chairmen, presidents, and senior executives of major American corporations, along with University Presidents. CED's early work was influential in shaping the Bretton Woods Agreement, which established the World Bank and the International Monetary Fund. CED Trustees were prime movers behind establishing the Marshall Plan, the President's Council of Economic Advisors, and the Joint Economic Committee.

With respect to the Marshall Plan, the Senator from Kentucky might be interested in knowing that the President's Committee on Foreign Aid, established by President Harry Truman and led by Averell Harriman, included five CED Trustees. Among these was Paul G. Hoffman, chairman and President of The Studebaker Company who happened to be the founder of CED. Hoffman was ultimately selected by President Truman as the first administrator of the Marshall Plan.

Interestingly, Senator Arthur H. Vandenberg, a prime mover of the Marshall Plan in Congress, rejected President Truman's first choice of Undersecretary of State Dean Acheson as the plan's first administrator. He argued that the person in that post needed ''particularly persuasive economic credentials'' and that Congress wanted an administrator from ''the outside business world . . . and not via the State Department.'' In the end, Senator Vandenberg himself selected Paul Hoffman to run the Marshall Plan, noting that he was to be the ''business head of a business operation.''

According to SEC Chairman Arthur Levitt, ''CED has played a leading role in fostering public sector policies and private sector policies that have helped make America's economy the strongest in the world and its companies the most competitive.''

Mr. President, at this point, I ask unanimous consent to have printed in the RECORD letters praising CED's work from Presidents Eisenhower, Johnson, Carter, Reagan, and Bush.

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

GETTYSBURG, PA,
October 1, 1963.

Hon. SIGURD S. LARMON,
Chairman, Information Committee, Committee for Economic Development, New York, NY.

DEAR SIG: I am delighted to respond to your query. The Committee for Economic Development provides a means by which many able and public spirited men in American business can join their talent and experience to advance the economic welfare of the country. For 20 years the business leadership represented by C.E.D. has sought out the best experts it can find on each given problem to help them develop the best ways to promote a growing and stable economy and rising living standards. I thought its contributions to the nation invaluable when I was in the White House, today I believe they are equally so.

With warm regard,

As ever,

DWIGHT D. EISENHOWER.

THE WHITE HOUSE,
Washington, December 10, 1964.

Mr. ALFRED C. NEAL,
President, Committee for Economic Development, New York, NY.

DEAR MR. NEAL: Thank you for your kind letter of November 25. I have enjoyed and profited from my contacts with the Committee for Economic Development, and I am pleased to know that this feeling is shared by you.

Whenever the CED feels that it can be helpful to the country and the Administration, I hope that you will not hesitate to communicate your views.

Sincerely,

LYNDON B. JOHNSON.

THE WHITE HOUSE,
Washington, November 8, 1978.

Mr. ROBERT C. HOLLAND,
President, Committee for Economic Development, Washington, DC.

TO ROBERT C. HOLLAND: The Civil Service Reform Act of 1978, which I signed into law earlier this month, will make possible the first overhaul of the Federal personnel system in 95 years.

This historic step would not have been possible without broad public support. The statement by the Committee for Economic Development on ''Revitalizing the Federal Personnel System'' was an especially timely and thoughtful contribution to the national debate on civil service reform. The trustees of CED can be justly proud of their accomplishment.

I wish you and your fine organization continued success in bringing a responsible perspective to the public dialogue.

JIMMY CARTER.

THE WHITE HOUSE,
Washington, May 14, 1982.

I welcome the opportunity to extend my congratulations to members of the Committee for Economic Development as you commemorate your fortieth anniversary.

These four decades since your organization's founding encompass a period of economic growth unequalled in our country or anywhere else in the world, and the value of the free enterprise system as a system which can spread its benefits across our entire society has been demonstrated.

One of the reasons for our achievements is the opportunity we have in this nation to examine and discuss economic issues freely. In the public forum, we accept ideas from all sides, and we share, sift, propose, and criticize, thereby unlocking the ingenuity and initiative of our best minds.

I applaud the timely focus of the Committee for Economic Development on the issue of productivity as the key to the economic future of the United States. My Administration's economic recovery program includes strong incentives for business investment to modernize plant and equipment. Our aim is higher productivity, more jobs, and increased competitiveness for American industry in markets at home and abroad.

One of the great glories of America is the willingness of busy citizens to take time from their important personal interests to devote their energies and abilities to the public welfare.

The CED is a prime embodiment of this spirit of voluntarism. Your members bring priceless knowledge and experience from corporate and academic life to our public policy forums.

I share your pride in forty years of valuable service to the nation and know that you will use this celebration to renew your dedication to the progress of our country.

RONALD REAGAN.

THE WHITE HOUSE,
Washington, May 21, 1992.

Greetings to all those who are gathered in New York to celebrate the 50th Anniversary of the Committee for Economic Development. I am pleased to join with America's former Secretary of State, George Shultz, in welcoming our visitors from abroad.

From its inception in 1942 through the recent end of the Cold War, the CED and its trustees have made significant contributions toward the social and economic development of the United States and other nations around the globe. After World War II, your recommendation proved valuable in assessing the needs of postwar Europe and in formulating the Marshall Plan. Today, your support of both current and prospective international agreements on trade is helping to promote greater economic opportunities for peoples in both hemispheres. Because America's productivity, prosperity, and strength depend on a well-educated and highly skilled work force—one that will be able to compete in the expanding global marketplace—I especially applaud your support of education programs such as Head Start and America 2000.

As with the end of other epic struggles, new opportunities and challenges lie ahead now that America and its allies have won the Cold War. Indeed, your work remains very important as we chart a new course for ourselves in an increasingly interdependent world.

Barbara joins me in congratulating the Committee on its anniversary and in sending best wishes for the future.

GEORGE BUSH.

Mr. FEINGOLD. Mr. President, let me quote from President Bush's letter, sent on the occasion of CED's 50th anniversary in 1992. He said: ''From its inception in 1942 through the recent end of the Cold War, the CED and its trustees have made significant contributions toward the social and economic development of the United States around the globe.''

So, far from being little known and obscure, CED has been a leading voice of the business community in its interaction with government for over 50 years. It is a nonpartisan group that has had a significant role in government policy in education, job training

and employment, international economics, and budget and fiscal issues. CED Trustees have held numerous high level government posts, and come from both political parties. The current Chairman of CED, Frank Doyle, is the retired Executive Vice President of General Electric, who has served as a U.S. Representative to the OECD and the European Community.

It's also fascinating, Mr. President, that the Senator from Kentucky implied during our campaign finance debate that CED's endorsement of campaign finance reform was insignificant because he has gone to great lengths to try to dissuade it from its view. Indeed, this summer, the Senator from Kentucky wrote to up to 20 business executives to urge them to resign from CED because of its position on campaign finance reform. The Senator from Kentucky charged that CED's position was part of a campaign to ''eviscerate private sector participation in politics,'' and ''ban corporate political activism.'' He criticized CED for aligning itself with groups like the Sierra Club on this issue.

The chairs of the subcommittee that developed the CED report, which by the way was adopted without dissent either from the subcommittee or from the 56 member Research and Policy Committee that gave it CED's official imprimatur, replied to the Senator from Kentucky that they thought it ''entirely appropriate for groups with diverse interests to speak out jointly on an issue that they believe threatens the vitality of our participatory democracy.'' And they flatly rejected the charge that they want to silence the private sector.

Mr. President, I ask unanimous consent that the text of Senator MCCONNELL's letter, along with the response from the CED's leaders, as printed in the New York Times, be reprinted in the RECORD along with a New York Times news story and editorial about this exchange. I also ask unanimous consent that a New York Times story concerning the president of CED, Charles Kolb, who was a lawyer in the Office of Management and Budget and in the Department of Education under President Bush, also be printed in the RECORD.

[From the New York Times, Sept. 1, 1999]

A LETTER AND ITS RESPONSE

Senator Mitch McConnell of Kentucky, chairman of the National Republican Senatorial Committee, wrote to 10 business executives on July 28 suggesting that they resign from a group promoting overhaul of campaign finance laws, which prompted a reply on Aug. 23 by three leaders of that group. Following is a letter sent to an executive, with the recipient's name deleted by the advocacy group, the Committee for Economic Development, and the group's reply:

MR. MCCONNELL'S LETTER

I was astonished to learn that . . . has lent its name, prestige and presumably financial backing to the Committee for Economic Development in its all-out campaign to eviscerate private sector participation in politics, through so-called ''campaign reform.''

This week, the Committee for Economic Development joined hands with Ralph Nader and the Sierra Club in taking out a full-page ad in The Hill, demanding new campaign finance laws that would ban corporate political activism and render the Republican Party powerless to defend probusiness candidates from negative TV attacks by labor unions, trial lawyers and radical environmentalists.

To legitimize its claim to represent the corporate community in advocating anti-business speech controls, the Web site of the Committee for Economic Development prominently lists . . . as one of the trustees that is ''engaged in implement[ing] their policy recommendations.''

If you disagree with the radical campaign finance agenda of the Committee for Economic Development and resent its abuse of your company's reputation, I would think that public withdrawal from this organization would be a reasonable response.

Thank you for considering my great concern over these developments.

THE COMMITTEE'S LETTER

We are responding to your letter of July 28 to several trustees of the Committee for Economic Development (C.E.D.) urging them ''to resign from C.E.D.'' because of our recent policy statement on campaign finance reform.

Your letter refers to a full-page ad that C.E.D. and other organizations sponsored urging the Senate to work toward meaningful campaign finance reform. We make no apologies for expressing our views and associating with groups such as AARP, the League of Women Voters, and the Sierra Club. In our view, it is entirely appropriate for groups with diverse interests to speak out jointly on an issue that they believe threatens the vitality of our participatory democracy. In fact, we find it ironic that you are such a fervent defender of First Amendment freedoms but seem intent to stifle our efforts to express publicly our concerns about a campaign finance system that many feel is out of control. Efforts to secure funding for the Republican Party should not be based on silencing other organizations.

You also accuse C.E.D. of an ''all-out campaign to eviscerate private sector participation in politics.'' We respectfully submit that you have misread our report. First, it is disingenuous to imply that a business organization such as C.E.D. wants to silence the private sector or is anti-business. Second, if C.E.D.'s recommendations were enacted tomorrow, there would be more, not less, money available to finance elections. These funds would come primarily from individual contributions—either directly or through political action commitees—not through loopholes in existing laws that have created today's unregulated, apparently limitless, flood of soft money. Our proposal would restore the principle that campaign contributions should be made by individuals not corporations or unions.

We know that a majority of the House and the Senate supports campaign finance reform. That sentiment is also shared by a growing number of business community leaders. We hope that you will reconsider your opposition and enable the issue to be discussed and voted on this fall in the Senate.

Those of us at C.E.D. applaud your many years of public service. We respect and share your commitment to the First Amendment. However, many of our trustees happen to disagree with you on this issue.

[From the New York Times, Sept. 1, 1999]

DEFYING SENATOR, EXECUTIVES PRESS DONATION RULES CHANGE

(By Don Van Natta, Jr.)

WASHINGTON, Aug. 31.—Leaders of a committee of business executives who have endorsed a ban on unlimited campaign contributions said today that their members would not be intimidated by an aggressive letter-writing campaign led by Senator Mitch McConnell, one of the Senate's most ardent opponents of a bill that would overhaul the campaign finance system.

In the letters, Mr. McConnell, a Kentucky Republican, accused the group of trying to ''eviscerate private sector participation in politics'' by imposing ''anti-business speech controls.''

''I hope you will resign from C.E.D.,'' Mr. McConnell scribbled near the bottom of one letter sent to an unidentified senior executive of a telecommunications corporation.

Leaders of the organization attacked by Mr. McConnell, the Committee for Economic Development, which includes executives of General Motors, Xerox, Merck and the Sara Lee Corporation, refused to identify the executive or the corporation in the letter. But they did say that Mr. McConnell wrote letters to executives who work for companies that have significant issues pending before Congress.

None of nearly 20 members of the Committee for Economic Development planned to resign from the committee, as Mr. McConnell urged in the letters sent late last month, committee leaders said.

Edward A. Kangas, a co-chairman of the C.E.D. committee that studied the campaign finance system, said today that Mr. McConnell's letter confirmed for him that the organization, which has enlisted more than 100 current and retired executives to endorse new campaign finance rules, was beginning to shape the contentious debate on the subject on Capitol Hill. The letter was first reported on Sunday on the editorial page of The New York Times.

''What we've been doing as a group of business leaders is obviously beginning to have an impact,'' said Mr. Kangas, the chairman and chief executive of Deloitte Touche Tohmatsu, the accounting and consulting firm. ''If we weren't having an impact, he would not be communicating with us.''

In his public statements, Mr. McConnell argues that current campaign-finance legislation would infringe on free speech protections of the First Amendment. Critics of the Republican Party's position on the issue, however, say that Republicans are motivated by the knowledge that they hold a commanding advantage in raising campaign money from the private sector.

In the letter, Mr. McConnell also wrote that he was ''astonished'' that the corporation of the recipient had ''lent its name, prestige and presumably financial backing'' to the Committee for Economic Development, which he said was lobbying on behalf of a ''radical campaign-finance agenda.'' Mr. McConnell argued that the executive's alliance with such a group had consequently damaged the reputation of the executive's employer.

Mr. McConnell wrote the letters in his role as chairman of the National Republican Senatorial Committee, the party's major fundraising group for Senate candidates. His spokesman, Robert Steurer, said that Mr. McConnell was unavailable for comment, and referred questions to the National Republican Senatorial Committee.

Steven Law, executive director of the National Republican Senatorial Committee, issued a brief statement tonight, in which he said: ''Nearly all the companies we contacted had no idea that C.E.D. was throwing their name around in connection with campaign-finance reform and they were outraged that C.E.D. had hijacked their corporate identity to sell a position with which they sharply disagreed.''

The executives on the C.E.D. committee are speaking for themselves, and not necessarily on behalf of their companies. Most

of their corporations still continue to give large sums to political parties and candidates.

Mr. Kangas and other committee leaders said they had recruited more executives in the past several days. They said their goal was to have 300 executives endorse their campaign finance proposals by late autumn.

''I think most of the people at C.E.D. have figured out just how corrupt the campaign finance system is, and this letter is just an example of what they already knew,'' Mr. Kangas said, ''Actually, we are broadening the constituency of business leaders who recognize that the campaign finance system is a real problem. Senator McConnell's letter has not had much impact.''

The letter was seen by some as an attempt to intimidate the members with the implied message: Resign and keep quiet or don't count on doing business with Congress. ''The reaction was interesting,'' Mr. Kangas said. ''These guys are running big enterprises of their own. They are not easily intimidated. They looked at the letter and most of them just chuckled and filed it away.''

The committee is a 60-year-old business-led public policy and research association based in Manhattan. Its leaders pride themselves that it is fiercely non-partisan.

The executives on the committee are urging Congress to prohibit soft money, the unlimited donations that corporations give to political parties. The committee also advocates increasing the limit on individual contributions to $3,000 from the current limit of $1,000.

''The business community, by an large, has been the provider of soft money, said Charles Kolb, the committee's president. ''These people are saying: We're tired of being hit up and shaken down. Politics ought to be about something besides hitting up companies for more and more money.''

The committee's members studied the campaign finance system for two years. Committee members said they were horrified at the public perception that big donors receive special favors in Washington. In a report released in March, the committee wrote: ''The suspicion of corruption deepens public cynicism and diminishes public confidence in Government. More important, these activities raise the likelihood of actual corruption.''

In a response sent to Mr. McConnell last week, leaders of the committee wrote: ''We know that a majority of the House and the Senate supports campaign finance reform. That sentiment is also shared by a growing number of business community leaders.''

Both Warren E. Buffett, the acclaimed value investor and chief executive of Berkshire Hathaway, and Jerome Kohlberg, a founder of the leveraged buyout firm Kohlberg Kravis Roberts & Company, have tried on their own to persuade chief executives of businesses to embrace campaign finance reform measures. But many, though sympathetic, refused to speak out because they do not want to rankle the legislators on whom they depend.

Mr. Kangas said he disagreed with Mr. McConnell's position that campaign contributions were protected by the First Amendment. ''I was a little disappointed that he would suggest that freedom of speech does not apply to us, but it applies to the people who agree with him,'' Mr. Kangas said.

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

[From the New York Times, Oct. 17, 1999]

SOFT MONEY'S MULTIFACETED FOE

(By Don Van Natta, Jr.)

WASHINGTON.—Charles Kolb may be this city's most unlikely champion of campaign finance reform. A conservative lawyer who worked on domestic policy in the Bush White House, Kolb acknowledges that he never expected to be doing what he is doing now.

As president of the Committee for Economic Development, a group of chief executives and academic leaders committed to public policy changes, Kolb leads its fight against soft money, those unlimited contributions to political parties that have come to exemplify the capital's cash-flush influence industry.

''I personally came at this with a deregulatory viewpoint,'' explained Kolb, who is 48, ''But the more I studied it, the more concerned I became about the appearance of influence-peddling, the quid pro quos. There should be access to politicians, but I don't think you need to pay a toll to get it.''

He paused to catch his breath. ''I have become something of a radical on this subject,'' he said.

Trim and energetic, Kolb may look like just one more sharp-dressed politician or lobbyist—until he opens his mouth. He speaks in eloquent, perfectly formed paragraphs about the need to change a federal election system that some analysts say may cost $3 billion in 2000.

As the leader of a fiercely nonpartisan group, Kolb says the organization does not reflect his biases. ''If it did, I wouldn't be doing my job,'' he said. Still, his friends are not surprised that, as a champion of noble causes, he has embraced its position on campaign finance reform.

Upon leaving the Bush administration, where he was deputy assistant to the president for domestic policy, Kolb wrote a book whose title communicated its author's intense disappointment: ''The White House Daze: The Unmaking of Domestic Policy in the Bush Years'' (Free Press, 1993). The path that led Kolb to his current post also wound through law and charity.

''I've never worried about answering the question, 'What do you want to do with your life?' '' Kolb said. He has a one-word explanation for his good fortune: serendipity.

Business executives consider it serendipitous that Kolb took the post at the Committee for Economic Development in September 1997. He is its fourth president in 57 years, and his predecessor held the job for 31 years. Several trustees credited Kolb with invigorating the organization.

The committee is an independent research organization that recommends economic and social policies. Its board includes executives of General Motors, Xerox, Merck and Sara Lee.

Despite the organization's growing momentum, Kolb has occasionally found it difficult to persuade executives to publicly endorse a soft-money ban. They worry that their endorsement will hurt their corporations on Capitol Hill.

''When Charlie talks with most CEOs, they are very sympathetic, very supportive,'' said Michael J. Petro, the committee's director of business and government policy. ''But then they say, 'Let me put you in touch with our Washington guys,' '' who often try to kill the idea.

Kolb blamed what he calls the capital's cottage industry of money and influence. ''The people who favor the status quo are the people who hand out the checks and the people who cash the checks,'' he said.

Kolb always wanted to practice law. It was what other men in his family had done. He went to Princeton, then to Balliol College at Oxford University, where he received a master's degree in philosophy, politics and economics.

At Oxford, he met the academic who had the most influence on his life, Sir Isaiah Berlin, the renowned historian who died in 1997 at 88. ''What he taught me is there is no excuse for arrogance,'' Kolb said. He once invited Berlin to tea in Kolb's dormitory room. ''And for four hours, the leading philosopher of this century sat on my bed and sipped his tea and talked with me.''

Kolb earned a law degree at the University of Virginia, and after practicing at two Washington law firms, joined the Office of Management and Budget. He then moved to the Education Department, where he met his wife, Ingrid. (They now have a 2-year-old daughter, Charlotte.) In 1990, he joined the White House, working on domestic economic, education, legal and regulatory issues. After that, he spent five years as general counsel of the United Way.

On his desk, Kolb displays evidence of his freedom from partisanship: a canceled check for $250 that Kolb wrote on Nov. 1, 1996, to the re-election campaign of Sen. Mitch McConnell, R-Ky., an ardent opponent of changes in the campaign finance laws.

Last summer, McConnell took on Kolb's organization, writing a blistering letter to as many as 20 executives who had endorsed a soft-money ban. McConnell accused the group of trying to ''eviscerate private sector participation in politics'' by imposing ''anti-business speech controls.''

At the bottom of most letters, McConnell scribbled a message that some executives regarded as a threat: ''I hope you will resign from CED.''

Kolb responded sharply. ''I think it was an abuse of senatorial authority,'' he said. ''It did a lot to convey to the public what this fight is all about.''

In the end, McConnell's smash-mouth tactics backfired. Publicity about the letter helped the organization recruit more executives, doubling its ranks. Now, 212 executives have endorsed the soft-money ban. And not one executive resigned.

With a smile, Kolb said, ''It is far better to be attacked than to be ignored.''

Mr. FEINGOLD. Mr. President, far from having its intended effect, the Senator from Kentucky's letter, which many believe smacks of intimidation, seems to have emboldened CED and its membership. At last count, 212 business and civic leaders have endorsed the CED report, and not a single member of CED has resigned in response to the Senator from Kentucky's tactics. Not a single one.

It was amazing to me, Mr. President, that we heard Senators on the floor during the campaign finance debate questioning whether our current system is corrupting. But the Senate has heard me talk about the corruption of the system a lot. It's no surprise that I think this system has a corrupting influence on the Congress. But for those who are skeptical of this view, perhaps the words of the CED trustee who chaired the subcommittee that developed CED's recommendations on campaign finance, will carry more weight. Listen to the words of Mr. Edward Kangas, who is the Chairman of Global Board of Directors of Deloitte Touche Tohmatsu, in an opinion piece in the New York Times that appeared after the first days of our campaign finance debate here in the Senate.

''You could almost hear the laughter coming from board rooms and executive suites all over the country when Senate opponents of campaign-finance reform expressed dismay that anyone

could think big political contributions are corrupting elections and government.'' Mr. Kangas continues: ''For a growing number of executives, there's no question that the unrelenting pressure for five- and six-figure political contributions amounts to influence peddling and a corrupting influence. What has been called legalized bribery looks like extortion to us.''

Mr. Kangas doesn't mince words on how the system appears to someone who has been part of it. He says:

I know from personal experience and from other executives that it's not easy saying no to appeals for cash from powerful members of Congress or their operatives. Congress can have a major impact on businesses. The solicitors know it, and we know it. The threat may be veiled, but the message is clear: failing to donate could hurt your company. You must weigh whether you meet your responsibility to your shareholders better by investing the money in the company or by sending it to Washington.

This is an incredible indictment of the system that a minority of this Senate is preserving through a filibuster. These words from a business leader plainly and powerfully answer the arguments from the Senator from Kentucky and others that there is nothing corrupt or corrupting about soft money. This is not some liberal ''do-gooder'' speaking here. This is a respected business person, chairman of the Board of Directors of an international accounting firm, a participant in this system.

He says, ''The threat may be veiled but the message is clear. Failing to donate could hurt your company.''

I ask unanimous consent that the full op-ed by Mr. Kangas appear in the RECORD.

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

You could almost hear the laughter coming from board rooms and executive suites all over the country when Senate opponents of campaign-finance reform expressed dismay that anyone could think big political contributions are corrupting elections and government. On Tuesday, those opponents prevailed, blocking a final vote this year on banning soft-money contributions. But the innocent and benign system described by the Senators arguing against reform hardly passed the laugh test for those of us on the receiving end of the soft-money shakedown.

For a growing number of executives, there's no question that the unrelenting pressure for five- and six-figure political contributions amounts to influence peddling and a corrupting influence. What has been called legalized bribery looks like extortion to us. The Senators who oppose reform would be far more credible and receive a sympathetic ear if they admitted the high cost of campaign force them to focus on large contributors, rather than defending the system.

Congress passed laws that would put corporate executives in jail for offering money to a foreign official in the course of commerce. Now some of its members express bewilderment when people note that there is something unseemly about making large payments to the campaign committees of American elected officials.

I know from personal experience and from other executives that it's not easy saying no to appeals for cash from powerful members of Congress or their operatives. Congress can have a major impact on businesses. The solicitors know it, and we know it. The threat may be veiled, but the message is clear: failing to donate could hurt your company. You must weigh whether you meet your responsibility to your shareholders better by investing the money in the company or by sending it to Washington.

Increasingly, fund-raisers also make sure you know that your competitors have contributed, implying that you should pay a toll in Washington to stay competitive.

Unlike individual donations, most large corporate contributions aren't made as gestures of good will or for ideological reasons. Corporations are thinking of the bottom line. Will the contribution help or hurt the company? Despite the protestations of some Senators, everyone knows big checks get noticed.

Like most Americans, corporate executives also now know the issue isn't really free speech. (You'll notice that the First Amendment argument is more often made by the listeners, the politicians, then by the speakers.) Companies don't question their ability to speak forcefully. We have lobbyists and trade associations, and we provide many jobs—all of which help us to be heard. And, as salesmen, we resent the ideas that the only way we can get a chance to make an effective pitch about legislation is to pay a large fee.

One clear sign of the growing dissatisfaction of corporate leaders with this pressure is the endorsement by more than 200 business and civic leaders of a campaign finance reform plan made by the Committee for Economic Development, a group of chief executives and academic leaders. This group, of which I am a member, is not saying that all political contributions are bad or corrupting. We know campaigns cost money.

But we see what should be obvious to everyone. There's a big difference between a $1,000 contribution—the current limit on individuals' donations to a campaign—and a $50,000 or $1 million check filtered through a party as ''soft money.'' The potential for corruption is minimal at $1,000, or even at the $3,000 level to which our reform plan would raise individual contribution limits. But the unlimited amounts that pour through the soft-money loophole are dangerous.

Americans understand the influence of money. It's time to give elections back to democracy's shareholders—the voters.

Mr. FEINGOLD. Mr. President, CED is not the only business organization that supports campaign finance reform. The Campaign for America is an organization founded by Jerome Kohlberg, former founding partner of the firm of Kohlberg, Kravitz. That organization sent us a letter during the recent campaign finance debate, signed by, among others, Warren Buffet, Arjay Miller, who is the former President of Ford Motor Company and Dean Emeritus of Stanford Business School, and Bob Stuart, former Chair of Quaker Oats. These prestigious business leaders write: ''We believe the current soft money system works against the public interest and against the interests of business. . . . [B]usiness and industry must have access and say in policy-making. But soft money distorts the process.''

I ask unanimous consent that the letter from Campaign for America and these business leaders appear in the RECORD at this point.

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

CAMPAIGN FOR AMERICA,
Washington, DC, October 18, 1999.

Hon. RUSS FEINGOLD,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINGOLD: As the Senate debates reforming the way federal officials finance their campaigns, we hope you will consider what the appropriate relationship between government and business should be. We believe the soft money loophole creates an improper conduit for corporate and union money to flow in unlimited amounts through increasingly murky channels into the political system. Speaking as business people and as citizens, we urge you to support the McCain-Feingold bill.

We believe meaningful reform will require fuller and more timely disclosure of contributions and expenditures. It will require all organizations trying to influence the outcome of elections to play by the same rules as candidates. Above all, meaningful reform will close the soft money loophole. Does McCain-Feingold cure all the ills of our current system? No, but it is a crucial first step.

We believe the current soft money system works against the public interest and against the interests of business. Congress must have input from business or it risks legislating in a vacuum; business and industry must have access and say in policy-making. But soft money distorts the process.

American business traditionally places its faith in the market. And while it is naïve to think that the government won't play a role in shaping the market, the soft money system encourages companies to seek government intervention in the market in an arbitrary and unfair way.

Congress enacted a law in 1907 to prevent corporations from using corporate money to exert an undue influence on the political process. In 1947 the Congress passed a similar restriction on unions. The soft money loophole subverts these laws. If soft money contributions are capped rather than banned, the subversion of the principles behind these laws will continue.

Some opponents of reform would have you believe the parties will wither and die if the flow of soft money contributions is cut off. But the soft money loophole can be closed without starving candidates or parties of needed resources by adjusting the hard money limits.

The Senate has an opportunity to find a consensus on the appropriate process for financing federal campaigns. We urge you to return to our citizens a system that is fair and equitable. We urge you to oppose a filibuster and allow the Senate an opportunity to vote for the McCain-Feingold bill.

Respectfully,

George T. Brophy, Chairman, President & CEO, ABT Building Products Corporation; Warren Buffet, Chairman & CEO, Berkshire Hathaway Inc.; William Coblentz, Attorney at Law, Coblentz, Patch, Duffy, and Bass; William H. Davidow, General Partner, Mohr, Davidow Ventures; E.C. Fiedorek, Managing Director (Retired), Encap Investments L.C.; Alan G. Hassenfeld, Chairman & CEO, Hasbro, Inc.; Ivan J. Houston, CEO (Retired), Golden State Mutual Life Insurance Co.; Robert J. Kiley, President, New York City Partnership; Jerome Kohlberg, Jr., Kohlberg & Company; Robert B. Menschel, Senior Director, Goldman, Sachs Group; Arjay Miller, Former President, Ford Motor Company, Dean Emeritus, Graduate School

of Business, Stanford University; Thomas S. Murphy, Chairman & CEO (Retired), Capital Cities/ABC, Inc.

Raymond Plank, Chairman & CEO, Apache Corporation, Sol Price, Price Entities; Arthur Rock, Arthur Rock & Company; David Rockefeller; Ian M. Rolland, Chairman & CEO (Retired), Lincoln National Corporation; Richard Rosenberg, Chairman & CEO (Retired), Bank of America; Jim Sinegal, President & CEO, Costco Companies, Inc.; Bernard Susman, Bernard M. Susman & Co.; Donald Stone, Former Chairman & CEO, MLSI, Former Vice-Chairman, New York Stock Exchange; Robert D. Stuart, Jr., Chairman Emeritus, The Quaker Oats Company; Dr. P. Roy Vagelos, Chairman & CEO (Retired), Merck & Co., Inc.; A.C. Viebranz, Former Senior Vice President for External Affairs, GTE Corporation; Paul Volcker, Former Chairman, Federal Reserve.

Mr. FEINGOLD. Mr. President, business support for campaign finance reform is real and it is growing. Businessmen are tired of being the fall guys of American politics. They are tired of seeing politicians with their hands out for money. They are tired of the ever increasing demand for ever larger checks. They are tired of the feeling like they are being shaken-down for their contributions, like political donations are a form of protection money.

They are tired of the public's perception that when business wins an argument in Congress it wasn't because its position was right but because they gave big soft money donations to the political parties. That is certainly a risk with this particular Africa trade bill, as my Calling of the Bankroll at the beginning of this presentation showed.

I want to commend the leaders of the business community for joining this cause, and standing up to the pressure from those who want to preserve this corrupt system. In the end, they are on the right side of the issue, not only for business, but for the American people.

I have to ask my colleagues, Mr. President, how can this body continue to allow soft money contributions to flow to the political parties' warchests—unregulated, unchecked, and doing untold damage to the public perception of the way we do business in this Chamber?

How long can we expect the public to put up with a U.S. Senate that refuses to shut down such an egregious loophole, and chooses instead to perpetuate a soft money system that taints everything we do on this floor?

That's right. I'll say it again. Everything we do on this floor is called into question by the soft money system. And that includes this Africa and Caribbean trade bill. The $5 million in soft money contributions by the industry coalition created supposedly to show public support for this bill casts a shadow on this debate. It's the 800 pound gorilla, as I've said before, that is sitting over there on the floor and that we all ignore.

Until we close the soft money loophole, the shadow will get darker and darker, and the gorilla bigger and bigger. Until we close that loophole, our constituents have every right to be skeptical of whether we work for them, or for the big contributors. Until we close that loophole, the concept of one person, one vote—a basic and fundamental tenet of our democracy—is in serious jeopardy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that the pending amendment No. 2335 be temporarily laid aside in order for Senator ASHCROFT of Missouri to offer an amendment.

Mr. HOLLINGS. I object.

Mr. ROTH. I would say, if I might, to my distinguished colleague that while it takes unanimous consent for me to ask this, the leader of course could come down and accomplish the same result. So I hope the distinguished Senator will not object.

Mr. HOLLINGS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROTH. Mr. President, I regret that objection because I think it is important that we be able to proceed with this most important legislation.

This is legislation that has the support of both the Republican and Democratic leadership. It has the support of the White House and the President. I am disappointed that we are unable to reach agreement to begin the amendment process so that this most important legislation can be acted upon in the remaining days.

I point out to the distinguished Senator from South Carolina that this legislation was reported out by the Finance Committee in June of this year. We had hoped action could be taken earlier, but the schedule did not permit that.

Does the Senator from Missouri wish to speak?

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Senator from Delaware for his leadership, and I thank him for making the attempt to increase our capacity to serve America by allowing me to offer an amendment.

The measure that I am offering today is a measure that Democratic minority leader Senator DASCHLE, 31 cosponsors, and I had introduced as free-standing legislation earlier this year. All of the cosponsors of the measure have been strong advocates on behalf of American agriculture. We are addressing the ability of American agriculture to be represented effectively in trade negotiations.

Currently, there is a temporary American Ambassador for agriculture in the Office of the U.S. Trade Representative so that America's farmers and ranchers always have a representative at the table when the United States enters large trade negotiations. If we are worried about the United States' balance of payments, we ought to elevate and try to increase our number of exports.

Our farm community outproduces and outworks any farm producers around the world. When trade agreements are negotiated, we need our farmers to be represented there by a consistent, strong voice for agriculture.

The Senate Democratic minority leader, Senator DASCHLE, and I and 31 cosponsors introduced this free-standing bill, S. 185, because we thought it is essential to U.S. farm and trade policy. It is a bill, which as an amendment to this measure, ensures that our Nation's farmers and ranchers have a permanent trade ambassador in the Office of the U.S. Trade Representative. Let me express that once more to be very clear: We want to have a permanent agricultural trade ambassador in the Office of the U.S. Trade Representative so whenever our Trade Representatives are making considerations about the kinds of agreements that will govern the relationships between the United States and other nations as they relate to trade with agricultural products, an expert, clearly focused on, committed to, trained in, and abreast of the circumstances in the agricultural community, will be right there at the table advancing our interests.

This is very important, especially as we understand that our agricultural productivity far exceeds our ability to consume. In my home State, between a quarter and a third of all the agricultural products produced must go into the international marketplace. I heard the Senator from Illinois the other day talk about how that in his State over half of all the products are grown for shipment overseas. For some commodities, such as soybeans, over half of those commodities must be exported.

This is a simple concept. The placement in the Office of the U.S. Trade Representative of a permanent trade ambassador for agriculture has broad bipartisan support in the Congress. It is supported by more than 80 national farm organizations. And the administration supports it.

I talked recently with U.S. Trade Ambassador Charlene Barshefsky in a meeting with the congressional ''WTO Caucus for Farmers and Ranchers.'' Let me explain. Senators LARRY CRAIG and BYRON DORGAN have assembled people in the Congress who are concerned about agriculture's capacity to trade effectively and to get our products overseas. We have organized with their leadership this caucus, consisting of both Senate and House Members, to address agricultural issues in the upcoming World Trade Organization Seattle Round.

This fall in Seattle we are going to launch a new round of trade negotiations. We have been seeking as a caucus of Members of the Congress to work with our trade ambassador, Ambassador Barshefsky, to say we want to make sure we in the Congress cooperate so that when any trade agreements are finally reached, the Senate is in a better position not only to understand

them but also to approve them if at all possible.

I was delighted that when we discussed this need for a permanent agricultural trade ambassador within the Office of the Trade Representative, Ambassador Charlene Barshefsky endorsed the program fully. She said this initiative is very important.

I described the fact we have the WTO round of trade talks starting in late November in Seattle. I want to communicate the urgency to get this provision we are offering today enacted into law before the Seattle Round kicks off. I think Senator DASCHLE understands, the other 31 cosponsors understand, the members of the WTO trade caucus understand, and the White House understands the urgency of having agricultural issues fully represented at the table. That is why the administration supports this. That is why I am pleased to have been an original cosponsor with the minority leader, TOM DASCHLE, on this proposal in February because we all understand the importance of this proposal.

Ambassador Barshefsky went on to say:

> Ensuring that the United States has a permanent trade ambassador will put U.S. farmers in a stronger position in the Seattle round of the WTO negotiations that will begin late this fall.

Ambassador Barshefsky pointed out that when she assumed the position of the U.S. Trade Representative, she appointed Peter Scher as a special trade negotiator for agriculture. He has been the voice for America's farmers and ranchers at the negotiating table, and he has been doing a wonderful job advocating positions that will advance the strength of their interests internationally. However, his position was an administration decision and an appointment as opposed to being a permanent position in the law.

The bill we introduced and the amendment I am offering today makes his position permanent, subject to Senate approval, of course. Our farmers need a representative in the Office of the U.S. Trade Representative who will focus solely on opening foreign markets, ensuring a level playing field for U.S. agricultural products and services, and representing the interests of American farmers, the most productive of all of our sectors of our economy. The opportunity to do that is not only ripe and ready, it is necessary now because we are looking the WTO round in the face. We need to achieve this objective.

In September 1998, American farmers and ranchers faced the first ever monthly trade deficit for U.S. farm and food products since the United States began tracking trade data in 1941. This sounds an alarm for States such as my home State of Missouri. We receive over one-fourth of our farm income from agricultural exports. Already this year the U.S. Department of Agriculture has reported the value of agricultural exports has dropped by over $5 billion since this time last year. We need to be promoting and developing ways of exporting more of the food and fiber we grow in this country. At best, the total agricultural exports will be $49 billion in 1999. This is a reduction from total agricultural exports of $60 billion 3 years ago. We cannot afford to be in a situation where we are vastly increasing productivity and production and curtailing our farmers' amount of exports opportunities. We desperately need to enhance the level of exports for our farmers. We need to make permanent the position of agricultural trade ambassador within the Office of the U.S. Trade Representative.

Also, our agricultural trade surplus totaled $26.8 billion just 3 years ago. By last year, that amount had dropped by almost 50 percent. This year, our annual agricultural trade surplus will have dwindled to about $12 billion.

The bottom line is we need more attention focused on farmers' competitiveness overseas. We need to make this a policy priority. Our priorities need to be reflected in the level of the resources we deploy to do this job of opening markets for farmers and ranchers.

When I am thinking about the Nation's trade policy, especially about agriculture, I ask myself what is good for the State of Missouri. In some significant measure, Missouri happens to be a leader in farming. We are the State with the second highest number of farms—second only to Texas. We have just about every crop imaginable. Missouri is among the Nation's top producers in almost all crops. We are second in terms of beef cows. We are second in hay production. Missouri is one of the top five pork-producing States. Missouri is also among the top 10 States for the production of cotton, rice, corn, winter wheat, milk, and watermelon. With 26 percent of the income in our State coming from exports, our Missouri farmers, like farmers from sea to shining sea, need to know that their ability to export will expand over time rather than become subject to foreign protectionist policies that choke them out of their market share.

During the 1996 farm bill debate, in exchange for decreased Government payments, our farmers were promised more export opportunities. It is time for us to deliver on that promise.

America's farmers and ranchers need a permanent agriculture ambassador who will represent their interests worldwide, especially as we face more negotiations in the World Trade Organization, and also as we have regional negotiations with both Central and South America progressing. There are a lot of opportunities that could be opened up to our farmers and ranchers in the coming years. We need to have someone at the door, always pressing for those opportunities.

Under the legislation which the minority leader and I and 31 others introduced this year, the agricultural ambassador would be responsible for conducting trade negotiations and enforcing trade agreements relating to U.S. agricultural products and services. Also under the legislation, the ambassador must be a vigorous advocate on behalf of U.S. agricultural interests.

It is imperative, in my judgment, that U.S. interests always have a strong, clear voice at the table in international negotiations. Foreign countries will always have agriculture trade barriers. We need to send the message to foreign governments we are serious about breaking down barriers to their markets, so that our farmers and ranchers will be put on more of a level playing field.

Canada and Mexico have already concluded free trade agreements with Chile, for example. Farmers in Canada can send their agricultural products to Chile, and in most instances Canadian farmers face a zero tariff level. Our farmers, on the other hand, are confronted with an 11-percent tariff. That makes it very difficult for us to be competitive. The E.U. is negotiating a trade deal with Mexico, Chile, Argentina, Brazil, Paraguay, and Uruguay. Thus, these countries will give European farmers more access to their markets at the expense of U.S. farmers and ranchers. We can not afford to wait. America must lead, not follow, especially in our own backyard in the Western Hemisphere, but certainly even around the world.

The agricultural ambassador amendment we are offering today is supported by more than 80 agricultural trade associations. Additionally, State branches of these national associations such as the Missouri Farm Bureau Federation and the Missouri Pork Producers Council are weighing in with their strong support.

We need to utilize every opportunity we have to help our farmers and ranchers in America. Making permanent the position of U.S. Trade Representative for agriculture, we are guaranteed the interests of American farmers and ranchers will always have a prominent status and will ensure that our agreements are more aggressively enforced.

It is with this in mind, and because of what I believe is the overwhelming consensus on this measure, the bipartisan nature of it, and the pressing need for it for this year's WTO round, which will begin in Seattle later this fall, that I wanted to bring this amendment to the floor and offer it. I believe this Senate will overwhelmingly endorse this commonsense proposal which has such strong bipartisan support, which is supported by the Administration, and which would render such great service to the farmers and ranchers of the United States of America who lead America in productivity and who can lead America in terms of our balance of trade and exports.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter detailing the list of the national organizations, American farmers, and ranchers supporting the amendment, and I yield the floor.

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

OCTOBER 19, 1999.

Hon. JOHN ASHCROFT,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR ASHCROFT: Thank you for introducing S. 185 which establishes a permanent Chief Agricultural Negotiator in the Office of the United States Trade Representative (USTR). Agriculture plays a significant and positive role in the balance of U.S. trade. As we prepare for the next round of negotiations in the World Trade Organization (WTO) it is important that the interests of U.S. agriculture be given special emphasis.

Agricultural trade will be a primary focus in the next WTO round. U.S. farmers and ranchers are dependent upon the continued expansion of agricultural exports and opening of foreign markets. The issue of foreign agricultural trade barriers continues to grow and is often unique and difficult to resolve. The result of the next round of negotiations will have a major effect on the future of U.S. agriculture. The enactment of this legislation will send a message to the member countries of the WTO that the U.S. is serious about agriculture. It will place a permanent advocate and specialist at the negotiating table on behalf of U.S. agricultural interests and establish a position that will be responsible for enforcing trade agreements relating to U.S. agriculture.

We pledge our support for S. 185 and look forward to working with you to ensure its passage.

Sincerely,

American Cotton Shippers Association, American Farm Bureau Federation, American Feed Industry Association, American Meat Institute, American Soybean Association, Animal Health Institute, Cenex Harvest States, CF Industries, Chicago Board of Trade, Corn Refiners Association, Inc., Farmland Industries, Inc., Florida Phosphate Council.

Idaho Barley Commission, International Dairy Foods Association, National Association of Wheat Growers, National Association of Animal Breeders, National Cattlemen's Beef Association, National Chicken Council, National Corn Growers Association, National Cotton Council, National Farmers Union, National Grain Sorghum producers, National Grange, National Milk Producers Federation.

National Pork Producers Council, National Sunflower Association, Nestle USA, Northwest Horticultural Council, Novartis Corporation, The Fertilizer Institute, United Fresh Fruit & Vegetable Association, US Apple Association, US Canola Association, US Dairy Export Council, US Rice Producers Association, US Wheat Associates, US Rice Federation, Wheat Export Trade Education Committee.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Delaware.

Mr. ROTH. Mr. President, first of all, let me commend the distinguished Senator from Missouri for his leadership on agricultural trade issues. I congratulate him for his knowledge, for his leadership on these issues, and the effectiveness with which he deals with them. I want him to know I rise in strong support of his amendment.

The USTR has had an agricultural ambassador at USTR. In my judgment, it has been a most effective tool for furthering our agricultural trade interests. It is my position that making this a permanent position would be good policy, well deserved by the agricultural sector which, of course, has consistently fought for trade liberalization.

Again, I congratulate the distinguished Senator from Missouri and say I look forward to working with him on this critical issue.

Mr. President, I will take this opportunity to address some of the arguments that have been raised during the debate today and earlier. They were worthy arguments that merit our attention. But I do believe the proponents of this legislation have a more than adequate response.

One of the questions that has been raised is, Why take this bill up now? Some of my colleagues have questioned why we are. Let me help them by putting this in context.

Section 134 of the Uruguay Round Agreements Act, which passed the Congress in 1994, just 5 years ago, directed the President to develop a comprehensive trade and development policy for the countries of Africa. That provision originated with Senator DASCHLE, now the distinguished minority leader. In the statement of administrative action that accompanied the act, the President made it very clear the first measures he intended to consider in complying with that congressional mandate were measures to:

> . . . remove impediments to U.S. trade with and investment in Africa, including enhancements in the GSP program, for the least developed countries.

Mr. President, I see the distinguished leader here. I am happy to yield to the distinguished leader.

The PRESIDING OFFICER. The majority leader.

AMENDMENT NO. 2335 WITHDRAWN

Mr. LOTT. Mr. President, I now withdraw the pending amendment, No. 2335.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

AMENDMENT NO. 2340 TO AMENDMENT NO. 2334

(Purpose: To establish a Chief Agricultural Negotiator in the Office of the United States Trade Representative)

Mr. LOTT. Mr. President, I send an amendment to the desk on behalf of Senator ASHCROFT and others and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Mississippi [Mr. LOTT] for Mr. ASHCROFT, for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BURNS, Mr. BROWNBACK, Mr. GRASSLEY, Mr. INHOFE, Mr. HARKIN, Mr. ROBB, Mr. CRAIG, Mr. DORGAN, Mr. LUGAR, Mr. HELMS, Mr. DURBIN, Mr. INOUYE, Mr. CONRAD, Mr. WYDEN, Mr. GORTON, Mr. THOMAS, Ms. COLLINS, Mr. ROBERTS, Mr. BINGAMAN, Mr. MCCONNELL, Mr. JOHNSON, Mr. FITZGERALD, Mr. GRAMS, Mr. ALLARD, Mr. HUTCHINSON, Mr. BOND, Mr. ENZI, and Mr. CRAPO, proposes an amendment numbered 2340 to amendment No. 2334.

Mr. LOTT. 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:

At the appropriate place, add the following:

SEC. . CHIEF AGRICULTURAL NEGOTIATOR.

(a) ESTABLISHMENT OF A POSITION.—There is established the position of Chief Agricultural Negotiator in the Office of the United States Trade Representative. The Chief Agricultural Negotiator shall be appointed by the President, with the rank of Ambassador, by and with the advice and consent of the Senate.

(b) FUNCTIONS.—The primary function of the Chief Agricultural Negotiator shall be to conduct trade negotiations and to enforce trade agreements relating to U.S. agricultural products and services. The Chief Agricultural Negotiator shall be a vigorous advocate on behalf of U.S. agricultural interests. The Chief Agricultural Negotiator shall perform such other functions as the United States Trade Representative may direct.

(c) COMPENSATION.—The Chief Agricultural Negotiator shall be paid at the highest rate of basic pay payable to a member of the Senior Executive Service.

Mr. LOTT. Mr. President, before I yield the floor for discussion of this amendment, let me reiterate to my colleagues my hope we can continue to consider trade-related amendments to this important African trade CBI legislation.

I know earlier Senator REID offered and debated a trade-related amendment. I think that was the right approach. I thank him for doing that. I encourage all Members who have amendments relating to the pending subject to work with the managers who are here, ready to work, have their amendments offered and disposed of.

Again, this amendment has, I believe, very broad support across the aisle. I think it is the right thing to do, and I am still anxious for us to find a way to get to cloture so we can have the final amending process and debate on this bill and pass it.

This would be a major step for the Senate. Of course, then we still have to go to conference with the House, which has a very different approach from ours to this legislation. It will be a tough conference. But this legislation is supported by the managers on both sides of the aisle, by myself, by Senator DASCHLE, I believe, and by the President. I hope we can continue to look to find a way to move this legislation to a conclusion.

We can get cloture on Friday, and then I believe by Tuesday or Wednesday of next week, we could be completed with this legislation. We will continue to work to seek a way to achieve that. I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I share the majority leader's desire to finish this legislation. I have indicated publicly I want to work with him to find a way to resolve the matters that are outstanding so we can get to final passage. It is regrettable that the tree was filled before a single amendment could be debated and disposed. The majority

leader and I have had conversations in the past, and he is, I am sure, sensitive to the knowledge that this tactic compels Democrats to oppose cloture in order to protect the right of Members to offer an amendment.

Filling the tree actually frustrates the majority leader's stated intention of speedy passage. We could have had a number of amendments today. That has been precluded now because we are in this situation where Senators are prohibited from offering amendments. It is pointless to fill the tree now. We could have allowed amendments for at least 2 days while cloture ripened. If amendments and a good debate and votes were allowed, I think we could have built support for cloture. Under the circumstances, however, there will continue to be a pent-up frustration due to the inability on the part of Senators on both sides of the aisle to offer amendments.

In a sense, filling the tree plays into the hands of the opponents of the legislation. Democrats can never support preemptive filling of the tree or preemptive filing of cloture because I think, in large measure, it is a real affront to the rights of every Senator who wishes to play a part in any debate in this body. While I oppose many of the amendments that could be contemplated and could be offered, I support a Senator's right to offer them.

The majority leader said today he believed he only filled the tree once before in 1999. In fact, this is the seventh time this year he has resorted to this approach. There were six previous occasions: March 8, 1999, S. 280, the Education Flexibility Act; April 22, 1999, Social Security lockbox; April 27, 1999, the Y2K Act; April 30, 1999, S. 557, Social Security lockbox; June 15, 1999, Social Security lockbox; and July 16, 1999, Social Security lockbox.

In addition, of course, the majority leader has twice preemptively filed cloture on measures immediately after calling them up and then moved to other business in order to prevent amendments or debate. That occurred on June 16, 1999, on H.R. 1259, the Social Security and Medicare Safe Deposit Act, and on September 21, 1999, on S. 625, the Bankruptcy Reform Act.

After using these coercive tactics on all of these occasions, I would hope we might learn that they do not work. We do not operate under the rules of the House. We must insist on Senators' rights to offer amendments, even if we ultimately will reject those amendments.

That is not to say that dilatory tactics that go on and on are something that I will support. I will support cloture at some point. But I also support strongly the right of a Senator on the other side of the aisle or a Senator on this side of the aisle to offer an amendment, relevant or not relevant, at least initially.

I respect the Senator's decisions as I always do. I just differ with him in this case. It seems to me if we want to kill this bill, this is the way to do it. If we want to pass the bill, then it seems to me the majority of Democrats will join with the majority of Republicans in finding a way with which to deal with these amendments and ultimately pass this legislation. We can do it, but if we are going to do it, we have to take down this tree. It has to happen sooner rather than later so we do not waste any more time than we have already.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, if I can respond for a moment further, this is a trade bill. This is a bill the Senate would like to pass, I believe. We tried to do fast-track legislation. I believe that was last year or maybe the year before. We did not quite get that done.

This is a major opportunity for us to do something that will be good for America, good for our individual States and constituents, I believe, and good for the Central American countries, the Caribbean area, and Africa.

It is a trade bill. The idea that Senators on both sides of the aisle would bring up issues which would clearly deadlock the Senate and make it highly unlikely that we could get to a reasonable conclusion at a time when we are approaching the end of the session—I have already been told of Senators' desires to offer an amendment dealing with sanctions and their support for a sanctions bill on this side. I understand Senators on the other side said: If you don't offer it, we will offer it.

Clearly, that is an issue we do need to get into. The question of how we deal with sanctions, particularly agricultural sanctions, needs to be thought through carefully. The relevant committees would get into that, have hearings, give thought to it, and have a bill reported out which we could take up, in and of itself, separately in the next session of this Congress next year.

I had a Senator indicate he wants to offer fast track to this bill which, by the way, I support. At least it is a free trade amendment. It clearly is one that will cause a great deal of consternation on the Democratic side of the aisle, perhaps on both sides of the aisle.

Plus, I was told by Senator WELLSTONE he wanted an agricultural amendment. I have been told there is a gun amendment pending, even though we spent 2 weeks debating juvenile justice and gun amendments earlier this year. I was told three Senators might be looking at campaign finance reform again.

Basically to empty our out basket on issues we have already voted on this year causes tremendous problems and delays in completing this very important trade legislation.

I will be glad, once again, to enter a unanimous consent agreement that we go forward and consider first-degree amendments, relevant amendments, on the trade bill. There are a lot of amendments that Senators want to offer that relate to the bill before us.

To the American people, do you understand me? The complaint is: We cannot debate gun amendments, agricultural sanctions, and farm amendments on a trade bill, on a bill that has bipartisan support and Presidential urging. I realize it may be within the rules, but I do not think it is a way to get this bill done.

I hope we can keep looking for a way to move it forward. I do not want to be in a position of trying to give aid and comfort to the opposition to this legislation. Obviously, that is not my preference, but Senator HOLLINGS is going to avail himself of the rules and he will be very willing to help other Senators who want to offer extraneous amendments if that will be helpful to his cause.

He is smiling and I am smiling because I know exactly what he is up to. He is doing an excellent job in trying to stop this legislation he has made clear he is opposed to. That is the way the Senate works. If one feels strongly and one Senator is willing to spend the time and use the rules, he can cause problems and delay a bill.

As far as using the tree, I did not invent the process. I must confess, I was surprised it has been used as much as it has this year. It has been a longer year than I thought, perhaps, or maybe it is a better tool than I had remembered.

Still, I will work with the managers of the bill and Senator DASCHLE, and if there is a key to unlock this bill to get it to its conclusion, I am willing to look for it. I hope we will not, though, as I said, empty out our baskets on both sides of the aisle and come up with everything we have been harboring in our heart of hearts over the past weeks or months.

Let's keep our eye on the bill. This is a big, important bill. There are countries all over the world looking at us saying: Will they keep their word? The President has gone to Central America, I believe, twice—I know for sure once—and said he wants this; we want to help the Caribbean Basin countries and the Central American countries.

I know he wants to do that, and so do I. I have been there. I have met with the Presidents. I have met with the Ambassadors. They are desperate for help. The good thing about it is this is a way we can help them and help ourselves.

In my State, we are going to produce the cotton. We are going to put the fabric together and ship it to Central America through a port. They are going to finish off the product, send it back to the port, and it is going to be available to the American people at a reasonable price.

Everybody wins: American product, American workers, American dock workers, Central American jobs, then back to America where American consumers will get a fair price for this material. That is just one example. And there are many others.

So I certainly understand what Senator DASCHLE is saying. I know there is

a pent-up demand to offer these various and sundry amendments. I understand that, but I do not feel I have any particular obligation to go out of my way to accommodate that.

Sooner or later, the time will come when these things are going to come up, one way or the other. I indicated to Senator WELLSTONE, I would like to know the details of what his amendment is to see if maybe it could be brought up freestanding. I am not so sure we would not want to just say, OK, bring it up. Let's have some limited debate and vote on it. But if you open that door, where and when does it end?

To spend a week on this bill, I was prepared to do that. To spend 2 weeks on it, I am not sure we want to do that. We have to be able to bring an end to this by Tuesday or Wednesday of next week.

That enables and strengthens the hand of the Senator from South Carolina. He knows that we are not willing to run this train endlessly. If we had 2 or 3 weeks, we could grind it down. But I hope that we would not have to do that because we do have some other issues that people on both sides of the aisle do want to do. We need to try to see if we can work out a way to do it.

Well, I am repeating myself. I understand what Senator DASCHLE is saying, and I understand the frustration. But the way to get this done is to continue to see if we can work out an agreement, and then get cloture Friday. Sixty votes; we are going to get probably 52, 53 Republicans who will vote for cloture to go on to the substance of the bill. If we can get 6 or 8 or 10 Democrats—just 6 or 8 or 10—that is all it would take, and we would be on this bill, and we would be done with it by next Wednesday. That is a worthy goal. I hope we can achieve it.

I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Let me make the majority leader an offer.

He says, if there is a way to work this out, we can do it. I think he could get 30 Democratic votes, maybe even 40, on cloture on Friday if we tear down the tree and allow amendments to be offered.

We are talking about two things. We are talking about a Member's right to offer amendments, but we are also talking about the worthiness of the amendment on this particular issue, as the majority leader has stated now on several occasions, rightfully so.

I would be willing to join with the majority leader in doing one of two things. Our predecessors came up with some ingenious ways with which leadership can deal with amendments they don't want to see added—tabling motions and second degree amendments.

I would be willing to work with the majority leader on tabling motions and on second degrees in order to deal with amendments that he and I do not believe are meritorious. And I can already see the wheels turning. He is thinking: Well, there's going to be a difference between what he thinks and I think. But I believe we can work that out. I think we could have an understanding, even ahead of time, about what that means. But it would give Senator HOLLINGS, it would give Senator WELLSTONE, it would give Senator ASHCROFT, it would give everyone who has an amendment the opportunity to offer amendments. The relevant ones, the pertinent ones, we ought to support. The ones that are not in keeping with the spirit of this legislation, we might choose to oppose.

I am prepared to work with the majority leader to see if we might find a way to accommodate that. I want to see this bill pass. The President has insisted that we do all that we can to pass it. Our ranking member and the chairman have done all that they can to get us to this point. It passed by voice vote out of the Finance Committee. There ought to be a way we can get this done, if not in the timeframe that the majority leader has suggested, certainly in not too long a period after that.

But I have to oppose cloture under these circumstances. And there will not be, I would hope, a Democratic defection on cloture because we are not talking now about CBI; we are talking about a Member's right to offer an amendment. And I hope there isn't a Democrat who will say that that right isn't worth protecting under any circumstances.

So that is my offer. I am prepared to sit down this afternoon. We can find a way to do this. This isn't it.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 2340

Mr. BROWNBACK. Mr. President, I rise to address the pending amendment put forward by Senator ASHCROFT.

Both leaders were previously up and talking on the floor about moving the bill forward. I think the underlying Ashcroft amendment is actually a pretty good way to move things forward.

It is something about which most of the parties agree. It is about an ambassador position at the U.S. Trade Representative's Office. I think that is an important and worthy goal. I do not know of anybody here who actually opposes it. I know the chairman of the Finance Committee has spoken already in favor of it. Here is a way maybe we can start to move this train forward.

I want to address it from a couple of perspectives, if I could, because I think this is an important aspect for my colleagues to listen and learn a little bit about.

This is at the U.S. Trade Representative's Office, which is our lead trade negotiator. We are going into the Seattle Round, which the United States will be hosting, of the World Trade Organization. This is the premier set of trade talks.

Agriculture is the lead issue that is going to be discussed during this round of trade talks. We do not have a permanent ag negotiator at the U.S. Trade Representative's Office. So we are going into trade negotiations, which the United States is hosting, where the lead issue is agriculture and we do not have an ambassador with permanent status.

That amendment is something I think most people in this body would actually support, perhaps unanimously. I hope we can move this bill forward.

I am glad that we are having some discussions about how we might be able to move this bill forward.

Here is a pretty simple, commonsense amendment. Most of our States have some agriculture in them. Here would be a representative who could help us make that trade go forward.

This position within the U.S. Trade Representative's Office has been established on an interim basis. It was not put in on a permanent basis. It was thought: Let's try this for a little period of time. It has proven to be effective.

My State of Kansas is a major agricultural exporting State. I think we are sixth in the country as far as agricultural exports. It is a key part of our economy. Being able to export food products is an important part of what we do, as well. So to be able to have somebody with an ambassador status to be able to address these sorts of trade negotiating issues at the USTR is important to my State. It is very important.

It is particularly important now when we are having so much difficulty with farm prices. Almost all of that is due to our inability to crack into markets around the world. Whether it is dealing with China and some of their trade barriers, whether it is dealing with the Europeans and their trade subsidies, their export subsidies, whether it is dealing with tariffs globally, the United States faces high agricultural tariffs around the world.

The United States has some of the lowest agricultural tariffs. This trade ambassador would make this a central focus. It would be her or his job to make sure we keep focused on that particular issue. That is an important one. It is vitally important in this body. It is important across this country, and it is certainly important to my State.

I think it would be an important signal for us to send to the other countries around the world that will be convening in Seattle the latter part of November, the first part of December; that the United States values agriculture; that the signal we are sending is: We are going to beef up the status of the people who we have negotiating agricultural issues. We are going to do so on a permanent basis.

I think, to date, a lot of times other countries have doubted our resolve on some issues, maybe questioned our willingness to hang in there. And here

is the signal to send: No. This is important. We are going to stay in there. We are going to stick with this particular issue.

This is another way we can send that signal. This amendment makes this a clear priority for the United States; that we establish this on a permanent basis.

Agriculture is a lead export industry for the United States. Some have different figures, but either the top or the second leading export of the United States is agriculture and food products. One would think you would have somebody of an ambassadorial status who would be our lead negotiator and could speak with some authority and have not only the title but the status to be able to do so. This amendment is straightforward. This person will exist at the U.S. Trade Representative's Office and have a permanent ambassadorial rank.

It sends an important signal, not only to our trade opponents agriculturally around the world; it sends an important signal to our agricultural producers in this country. My parents, my brother who farms full time, we say to them, it is important we have somebody of status dealing with agricultural trade upon which you are so dependent for your livelihood.

I think many times farmers in this country, particularly after the passage of the Freedom to Farm Act, said Freedom to Farm won't work unless you have freedom to aggressively market. Freedom to market means we have to pound open doors around the world to let our farmers and producers have a fair shot. This helps send a signal to our farmers that we meant it.

We meant it when we said freedom to farm also means we are also going to push freedom to market. Freedom to market means you have to be able to get your foot in the door. Right now they can't get their foot in the door in a lot of places. We have sanctions on a number of countries around the world. We also have high tariffs on a number of places around the world. This sends a signal to our farmers, the agricultural industry, to our agricultural processors, and our agricultural exporters that we deem this to be an important topic as well. I think it is altogether appropriate for us to want that.

We do have people at the U.S. Trade Representative's Office who are very supportive of agriculture, but there are thousands of different issues to deal with of an export nature. They go across many different industries. It is impossible for the U.S. Trade Representative to constantly keep a strong focus on the lead export industry in the country. They have a lot of other matters with which to deal. This will help keep that focus there within the U.S. Trade Representative's Office as well and do so on a permanent basis.

I rise to speak on behalf of this particular industry, on behalf of this particular position. I think it sends the right signal to our opponents who are against us in agricultural trade. I think it sends the right signal to our allies who want to open up agricultural trade opportunities that we think it is important. I think it sends a good signal to our agricultural producers that we deem this as important and that freedom to farm, to work, has to have freedom to market on top of that. I think that works well.

Clearly, a majority of the body wants to pass this bill. A supermajority of this body wants to pass this bill. This is an important trade initiative the chairman and ranking member have put forward. This amendment could help us move forward because it is an amendment which is probably unanimously supported. So as a facilitating effort, to try to move the total package forward, I think this one is a good start. I submit to my colleagues and to the leadership it is a good possibility.

I commend the chairman of the Finance Committee for the excellent work he has done on agricultural trade issues, which is important to his State as well, supporting this particular amendment and putting together a very important trade bill. I hope to be a part of the process to make sure it moves forward. I hope those who seek to stop it can be heard, but let us have a clear vote on this particular issue so we can have the will of the body be done.

I congratulate the chairman and thank him for his efforts and work.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the distinguished leader came to the floor to withdraw his amendment and substitute the amendment of the Senator from Missouri. He remarked, in the first instance, that we have to hasten it along. We would like to have had the bill up. We would like to have had fast track.

Then he insists on fast track on this particular bill. He filled the tree right back up again; namely, we cannot offer amendments. So in one breath he says he would like to have fast track and he is instituting fast track on this particular trade measure. He is an outstandingly talented individual, a fine looking gentleman, and so he stands there with that smile, so reasonable and says: I would like to be sure to check these amendments; we have to make sure they are relevant; I will go along with the Ashcroft agricultural amendment, but I haven't gone along with the Wellstone agricultural amendment.

We heard earlier this morning, of course, that the Wellstone agricultural amendment is not relevant. You can look at this bill. You can go right on down the list. You can find out that it is trade benefits for the Caribbean Basin Initiative. They have cover over of tax on distilled spirits, Generalized System of Preferences, trade adjustment assistance affecting the welfare of America's workforce. Nothing in here on agriculture for the CBI and the sub-Sahara.

Senator WELLSTONE, who has been trying since January to get up an agricultural amendment, has been put down. He tried all day yesterday and was put down this morning.

But if you want to take one of my friend's agricultural amendments—namely, the distinguished Senator from Missouri, who is running for reelection—well, wait a minute now, let's withdraw that last amendment I had and let's put up the irrelevant agricultural amendment of the Senator from Missouri. Irrelevant absolutely.

Anybody knows a measure of this kind would go before government ops about an agriculture negotiator in the trade office.

And then the argument: We have the President and the leaders and otherwise and so many cosponsors. Well, I have the minimum wage amendment the President has been trying to get up all year long. I have the minimum wage amendment the minority leader would like to have a vote upon. I have a minimum wage amendment that doesn't have 31 but has 27 cosponsors.

It sort of fits the pattern, is my point, of the reasoned argument of the distinguished majority leader. But no, not that Wellstone agricultural amendment. That is irrelevant, and we don't want to waste the time because we would be here 2 weeks. We would be here 2 months. We are not going to stand for that, but let us have the agricultural amendment of the Senator from Missouri.

Well, that is why I was smiling at my distinguished leader. I was smiling at his duplicity. There it is. You can see it for yourself. I hate to use the word ''arrogant,'' but there is an element of that in this particular procedure. What it insists upon is: I want my way. I am going to control it. You can't put up your amendment.

And then they act dismayed when we don't vote cloture. Well, we just won't vote on the agricultural amendment now. We can keep on debating, if that is the procedure they want to continue and insist upon.

There isn't any question in my mind about agriculture. I will never forget, some years back we had $21—it got up to $23 billion—the best plus balance we have ever had of any commodity is America's agriculture. We have soybeans. I put in a grain elevator when I was Governor so I know about farmers. I know about soybeans. I know about cotton.

I know about exports, and everyone is for America's agriculture, except we oppose that Freedom to Farm thing that wrecked American agriculture—free market forces, free market forces. So they grabbed it up, and all the farmers took the money and ran 3 years ago. Now, the price has gone down and they are broke and they need assistance. That is why the Senator from Minnesota has been on the floor, to try to get some help for America's agriculture, not that bureaucracy over in the office of the Trade Representative

for the purpose of adding another payroll over there. That is the typical Washington political solution: Give another title, add another payroll; just move another little bit on the special trade representative.

And everybody knows that when we come to agriculture, we go to the Secretary of Agriculture, and he is there at every table every time we debate because he is steeped in the agricultural needs of the United States of America, and that is why we made good agricultural agreements. I want them to point out a bad agricultural agreement, other than, of course, NAFTA, the North American Free Trade Agreement, which has the Senators from North Dakota on durum wheat all over the floor here. They are trying to keep them from dumping on the North Dakota wheat farmers. We all know that. It hasn't worked, and everything else like that, but that is exactly what they want—like they are dumping my textiles, killing 420,000 textile jobs since NAFTA. And there it goes.

Then they come around, and let me say that I am glad they removed that sandwich bowl. I will yield in a second. I know there are important statements to be made, and I need help in trying to stop this freight train, stop this steamroller. I have been up here 33 years, and I am still the junior Senator, and I have been trying to get a point of importance with respect to the budget, and nobody listens to me on that. I keep calling it a deficit. The Congressional Budget Office keeps reporting it as a deficit.

The law—section 13.301 of the Budget Act—says that the President and the Congress cannot report a budget with the Social Security moneys in it that would cause it to be a surplus. They violate that, and nobody pays attention to us. Of course, they come up and say the interest payments, which exceed the defense budget and the Social Security budget, and all other budgets—a billion dollars a day. When President Johnson balanced the budget, it was only $16 billion for the entire year. In 200 years of history, the cost of all the wars, from the Revolution right up to World War I, World War II, Korea, Vietnam, we still had less than a trillion-dollar debt, and the interest cost was only $16 billion.

Now, without the cost of a war since that time—the gulf war incidently was taken care of by the Saudis and others—what has it soared to? To almost $5 trillion or $6 trillion, or something—a trillion-dollar debt and an interest cost the CBO reports as $356 billion. But with interest rates and Mr. Greenspan, it is bound to go up. We are seeing all the signs about consumer confidence. We know it is going to be over a billion a day.

So we have fiscal cancer. So we go down this morning at 8 o'clock and borrow a billion and add it to the debt. Tomorrow morning, Friday morning, Saturday morning, Sunday morning, every day for this fiscal year 1999, I will make a bet with anybody, and let them pick out the odds, that they will see a billion dollars a day. Why? Because we are not willing to pay for the Government we are getting. We were willing to, again, add another $100 billion to the deficit just as the year ended, not even a month ago, September 30 of this year—$103 billion more. They won't call that bill the Balanced Budget Act or the Social Security lockbox. I will put it in a lockbox. I got together with the Administrator of Social Security and I said: Write me a bill that will be a true lockbox. I have it. It is hidden in the Budget Committee. They know how to hide it. They don't even want to talk about it. I can't get a hearing on it. I have asked for a hearing. They totally ignore you.

But this one says you take that money and immediately redeem it to the credit of Social Security. And don't put in an IOU the first of the month every month. Put the money back into the Social Security trust fund, just as corporate America is required.

Now I am back to my friend, Denny McLain. We passed the 1994 Pension Reform Act and we said: Look, these fast takeover artists come in and pay off the company debt with the pension fund and then take the rest of the money and run. People who have been working 30, 40, even 50 years, are left high and dry with no pensions. So we put in the Pension Reform Act of 1994 making it a felony to pay off the company debt with the pension moneys.

Unfortunately, one of the all-time great pitchers—which is significant during this World Series fever—Denny McLain of the Detroit Tigers, became head of a corporation and paid off the debt with the company fund. He was sentenced to a prison term for a felony. If you can find little Denny in whatever cell he is in, tell him next time to run for the Senate. You get the good government award when you take the pension money of the people's Social Security fund and pay off your debt, so that you can talk about surplus, surplus, surplus, surplus when you are spending $100 billion more than you are taking in and you have got deficits, deficits, deficits as far as the eye can see.

That is why I told the distinguished chairman of the Budget Committee I would jump off the Capitol dome when he put up that plan called the Balanced Budget Act. They use that jargon and those titles, and the silly press picks up the language and headlines it.

So what do we do? We find out, Heavens above, that we are like Tennessee Ernie Ford, ''another day older and deeper in debt.'' And now, instead of 356, if we only paid out $16 billion on a pay-as-you-go basis, since President Lyndon Johnson's day, we would have $340 billion to spend. For what? For agriculture. For what? For the research at the National Institutes of Health. For what? For Kosovo expenses. For what? For all the housing the Secretary of Housing has promulgated, and everything else like that.

We could go down and provide for all the programs you could possibly think of. You can double WIC, Head Start, any education programs, just double the education budget. And we can still have what? A tax cut. And still have what? Pay down the debt. With $340 billion—we are spending $340 billion. We are forced to spend it. It is a tax—a tax. What you are doing is raising taxes. You don't want to say it, but you have to pay it, you have to borrow it every day, a billion dollars a day. It is a tax on the American people. With a sales tax, I can get a school; with a gas tax, I can get a highway; with this tax, I get nothing. I served on the Grace Commission on waste, fraud, and abuse. This is the biggest waste ever created in the history of any government. They don't want to talk about that. They want to talk about the sub-Sahara.

We are building libraries down in Little Rock now. We are headed for the last roundup. So if we can show that we did something in Africa, and we did something in the CBI, oh isn't it wonderful? The President wants the minimum wage. Leaders want the minimum wage. I have 27 cosponsors who want the minimum wage. It is relevant. Trade adjustment assistance is relevant to the workforce of America and minimum wage is just as relevant to the workforce of America.

If the majority leader would come out here and say, all right, I will let you have the agricultural amendment, or rather we should say we will have this agricultural amendment, and the distinguished Senator from Missouri, if he just calls up our minimum wage, and we will agree to 5 minutes to a side, and 10 minutes, and vote. They don't want to vote. They want the political cover of parliamentary maneuver, acting as if it is serious here, and we could work this out, and this is a big responsibility on my leader, but we have to listen to both sides, and we have to be able to move legislation.

We are not going to move any minimum wage. We are not going to move any campaign finance reform. Even though they are relevant?

Time magazine came out day before yesterday and said it is relevant. They wrote a whole article. I refer again to pages 50 and 51. Everybody can read it.

Campaign finance reform is relevant. There isn't any question on this particular bill. The magazines are writing it, but the Senators can't see it. The Parliamentarians can't understand it. They couldn't call that relevant because why? Because the majority leader says you don't call that relevant. You don't call that agricultural amendment of the Senator from Minnesota relevant, but call mine: Look I have come all the way back to the floor and withdrawn my part of the tree, and put up immediately my friend's amendment on agriculture, and yes, it's relevant. We are going to be represented in agriculture. I can tell you now, but

they are going to have some bureaucracy. And that could be a good speaking point when I run for reelection myself. I hate to have to explain why I have to oppose this to my farmer friends because that is going to cause the farm problem in America, as if we didn't have a special Trade Representative with the title of ambassador.

I thank the distinguished chairman of our Finance Committee for finally removing that sandwich bowl. I didn't get over there and see it in the debate. But I see they have, these folks who are interested in textile jobs: the Bank of America, Bechtel, City Group, Daimler-Chrysler, Enro, Exxon, Fleur, and Gap that we have on the list of the Time magazine which is going overseas. They have gone over. Sara Lee and Fruit of the Loom. Actually Fruit of the Loom is already organized in the Cayman Islands as a foreign corporation. McDonalds just sells hamburgers. They wouldn't care if you came naked to buy a hamburger. Modern Africa Fund Managers, Philip Morris, Amoco, Bally's Lakeshore Resort—come on—Mobile, Occidental, Texaco. Where is anybody? The African Growth and Opportunity Act is not clear.

I could keep on talking down and down the list.

I don't know who is going to protect the jobs and the manufacturing capacity of the United States of America. I don't believe in obstructionism. I believe in moving forward. I don't believe there is, other than budget, a more important issue than the matter of manufacturing capacity here in the United States of America, on which I have gone down before and will go again. But there is no doubt we will have the opportunity to point out how we are losing out. We don't have anything to export. We have hollowed out the industrial might of the United States.

The reason they don't listen, I take it now, is they have a candidate for the President who is mixing that in with Hitler and World War II and everything else and all kinds of nonsense. So we lose credibility. Anybody can talk free trade, free trade, dignified, credible, respected, and anybody who talks about protection of the industrial strength of America is some kind of kook. I think they said, ''Unite, we nutcakes.'' Michael Kelly in his column this morning: ''Unite, we nutcakes.''

So here comes another nutcake who is trying to protect American jobs, and is looked upon now by the leadership as getting in the way. Why don't I be more reasonable, and everything else of that kind? Why don't they be more reasonable?

Why don't they allow me to put up Shays-Meehan, which passed overwhelmingly, and for which we have a tremendous need? Why don't they let me put up the minimum wage, which is relevant to the trade adjustment assistance and welfare of the workers? They need it in America.

Why don't we agree to a time? We are not delaying—5 minutes to a side. We can vote this evening on both of those bills, and they can go to all of their appropriations bills that they want so we can get away from this so-called fill up the tree and fast track on this trade bill. They have fast track. They know it. Don't come out and complain and say: We would like to have gotten fast track. Parliamentarily, they have instituted fast tack. That is the position they put the Senator from South Carolina in, and those in international trade.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent to be allowed to proceed as if in morning business for up to 12 minutes.

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

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Tony Martinez, a legislative assistant in my office, be allowed floor privileges during the pendency of this introduction.

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

(The remarks of Mr. BINGAMAN pertaining to the introduction of S. 1806 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

(The remarks of Mr. SMITH of Oregon, Mr. GRAHAM, and Mr. CRAIG pertaining to the introduction of S. 1814 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Delaware.

Mr. ROTH. Mr. President, a few minutes ago I was taking the opportunity to address some of the arguments that have been raised during the debate on this bill these past several days. Some of my colleagues have questioned why we are taking this bill up now. Let me help them by putting this in context.

Section 134 of the Uruguay Round Agreements Act, which passed the Congress in 1994, directed the President to develop a comprehensive trade and development policy for the countries of Africa. That provision originated with Senator DASCHLE, now the distinguished minority leader.

In the Statement of Administrative Action that accompanied the Act, the President made clear that the first measures he intended to consider in complying with that congressional mandate, were measures to:

> Remove impediments to U.S. trade with and investment in Africa, including enhancements in the GSP program for least-developed countries.

Section 134 of the URAA recognized that, as a continent, Africa had been left behind in trade terms. New approaches were needed to integrate Africa fully into the world economy, to allow Africa to take full advantage of the world trading system, and to ensure that Africans themselves had the opportunity to guide their own economic destiny.

Now, 5 years after the Congress originally endorsed the idea, this legislation responds directly to that mandate. The legislation offers a down payment on a new and more constructive relationship with the African continent—one as partners with similar interests in expanding economic opportunity and raising living standards in all our countries.

The President has for the past 2 years indicated in his State of the Union Address his intent to press ahead with this legislation. He identified this legislation as one of his top trade and foreign policy initiatives. In his trip to Africa this past year, he committed to move the bill as part of a new initiative for Africa.

That led to the consideration of this legislation in the 105th Congress. The House passed its counterpart legislation in the spring of this past year, the Finance Committee reported out a bill in all respects the same as that we now have before us, but time ran out before the Senate could act on the bill.

This year the House once again acted, this time in June. By that point, the Finance Committee had already reported out the legislation now on the Senate floor. The Africa bill is timely—indeed, it is past time we acted on this important measure.

The same holds true for the CBI. A proposal for establishing parity between the preferences granted Mexico under the NAFTA and those granted the Caribbean and Central America has been before Congress in one form or another almost since the NAFTA was implemented in late 1993.

In the 105th Congress, there was considerable effort invested by both the Ways and Means and Finance Committees in moving counterpart bills. That work was renewed in the 106th Congress with hearings and markups before both committees.

The CBI title enjoys the same bipartisan support as does the Africa title. Indeed, the President's CBI bill, introduced in this session at his request, is virtually identical to the bill reported from the Finance Committee bill in both the 105th and 106th Congresses.

The Finance Committee bill enjoys the backing of the leadership and members on both sides of the aisle. It is, in fact, a testament to the bipartisan support for this legislation and the considerable push by the White House that we have been given time to debate this bill now.

It is time to reject the isolationist label, the instinct to ignore the broader world around us, and the tendency for focus exclusively inward. It is time to affirm the constructive role that the United States can play in the wider world and fulfill the leadership the world expects from the United States. It is time to act.

It is time to act because it is time we made good on the unfulfilled promises made to both Africa and the Caribbean.

An October, 1998, report of the International Trade Commission makes clear, Africa faces daunting economic challenges. The ITC report highlights the economic and structural problems Africa faces in attracting productive investment.

For all that, the ITC report also reflects the positive changes under way in Africa. The region's GDP rose by 4.8 percent from 1995 to 1997. Since 1990, the region has reached a number of agreements eliminating trade and investment barriers and harmonizing economic policies.

Most of the governments of the region have ''introduced economic reforms to control budget deficits, and inflation, and to stabilize currencies.'' They have liberalized ''regulations on trade and investment,'' reduced tariffs and other import charges and abolished most price controls.

In addition, many of the governments have begun significant programs of privatization. In fact, the governments of sub-Saharan Africa raised ''an estimated $5.8 billion from privatization, primarily through divestitures of utilities and telecommunication firms.''

What this legislation tries to do is meet those governments half way. It is an effort to open our markets to their products as a way of reinforcing their own efforts to encourage productive investment and economic growth.

The legislation is designed to reinforce a growing, the growing interest in Africa among U.S. businesses. Direct investment by U.S. firms more than quadrupled in 1997 alone to $3.8 billion, according to the ITC. We want to encourage that positive trend.

Some may argue that, because this is a grant of unilateral preferences, it is one-sided—that there will be no benefits to the United States. What that ignores is the track record of the last several decades.

Where U.S. investment goes, U.S. trade follows. Significantly, while U.S. investment was increasing in 1996 and 1997 in sub-Saharan Africa, our exports to the region experienced a corresponding growth in capital goods, particularly exports of machinery for use in agriculture and infrastructure projects.

Africa represents an important opportunity to our farmers as well. While agricultural exports fell in dollar terms, largely because of the lower prices available on world markets for all commodities, Africa represents an important potential market for U.S. food exports as the continent increasingly looks offshore to meet its needs.

The real issue is whether or not the region will have the wherewithal to buy what it needs to offset the steady decline in per capita caloric intake that has accelerated in the last 2 to 3 years. The legislation before us would help address that problem. By opening our markets to their products, sub-Saharan African countries can earn the foreign exchange needed to purchase food on world markets, including from U.S. exporters.

Will that be enough? Will this legislation alone be the answer to Africa's problems? Plainly not. As Senator GRASSLEY indicated in his eloquent statement opening the debate on this bill last Thursday, this legislation is no panacea. It is instead a small, but significant step toward a new economic relationship between the United States and sub-Saharan Africa.

Should this legislation be supplemented by other initiatives? It should and it must if it is going to work. But, the fact that it is not the whole answer to Africa's problems or does not reflect all that the United States might do to help Africans secure their own economic destiny is no argument against action. It is time to move ahead and engage constructively with our African partners in the transition they themselves have begun.

The same holds true for the Caribbean and Central America. Through the original CBI program, the United States and U.S. private businesses have played a significant role in the economic progress the region has made over the past 15 years.

This past year, however, natural disasters eliminated much of the progress made in the Caribbean and Central America in recent years. The devastation began with the eruption of a long-dormant volcano that nearly depopulated the island of Montserrat and nearly erased its economy in the summer of 1998.

In September of that year, Hurricane Georges severely damaged both the Dominican Republic and Haiti. An even more devastating hurricane—Hurricane Mitch—struck Central America in late October and early November late in the hurricane season.

Honduras and Nicaragua were particularly hard hit, but the hurricane also did considerable damage to El Salvador, Guatemala, and Belize. Hurricane Mitch left 11,000 dead and an even greater number homeless. Much of the resulting damage was long-term—massive property damage and soil erosion, the devastation of crop lands and manufacturing sites, putting thousands out of work. The region will take years to recover.

Those devastating circumstances have given renewed impetus to an idea that surfaced almost immediately after the implementation of the NAFTA—the expansion of tariff preferences under the CBI to match those offered under the NAFTA to Mexico.

Will it work? I am confident it will because the legislation is modeled on existing production-sharing arrangements in textiles and apparel and other industries that already account for nearly half of all imports from the CBI beneficiary countries.

In other words, the program has a proven track record. Indeed, bilateral trade in textiles and apparel under existing production-sharing partnerships between U.S. and Caribbean or Central American firms already accounts for 36 percent of current two-way trade between the United States and the CBI region.

For all those reasons, the legislation merits our support.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I am aware there are other Senators who wish to speak. I will only take a moment to thank our chairman, our revered chairman, for his comments, with which I wholly agree, with which the Finance Committee entirely agrees. This bill comes to you, as he has said, from a near unanimous committee. Ninety Senators voted, just yesterday, to move forward.

I would just say, sir, I wish we could have all been present this afternoon when the Congressional Gold Medal was presented to President Ford and Mrs. Ford in the Rotunda. The President gave a wonderful speech, describing the Congress he came into, just as the Cold War commenced; the extraordinary efforts that the 80th Congress made to pass the Marshall Plan, for which they were not entirely rewarded by President Truman, who kept talking about the ''do-nothing'' 80th Congress. But there you are. Then came President Eisenhower and the movement to establish NATO and to fund NATO, in which Speaker Rayburn, Majority Leader Johnson, and great Republicans joined in that matter.

Of his life in politics, in government, he said: I came in and I remained a moderate on social issues, a fiscal conservative on fiscal issues, and a convinced internationalist.

That is the America that fought in the dark, that long struggle about which John F. Kennedy talked. And we prevailed.

The totalitarian 20th century is behind us. Freedoms open up. Are we now to close down at just the moment when everything we have stood for as a nation, from the time of Cordell Hull and the Reciprocal Trade Agreements Act of 1934—every measure we are talking about in this bill, no, it is not the final end-all effort; it is a part of a continuing effort that goes back to Trade Adjustment Assistance. It was established in the Trade Expansion Act of 1962. I was involved in writing that legislation. It said, if you have trade, there will be winners, there will be losers. We will look after the people who are temporarily, as it turns out, disrupted, as economic patterns, trade patterns change.

In 48 hours, or 52 hours, the appropriation for the program, supported by every President since President Kennedy, expires. The authorization in fact ended on June 30. Can we let that happen? Can we believe that we would do this? Surely not.

But unless we are urgently attentive to the matters before us, and work out what are technical differences, it will go down; and we will be remembered

for ending an era of enormous expansion and example to the rest of the world, which the Western World is just beginning to follow on. It is hard to believe.

But listen to what the chairman said and hope in the next 24 hours we can do this, because we can. And, sir, we must.

Under the rules, President Ford, I believe, has free access to the floor. I wish he would come on here and talk to each of us one on one.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. First of all, let me thank the distinguished ranking member of the Finance Committee, Senator MOYNIHAN, for his eloquent remarks. All I can say is, we must not let that happen. And with the kind of bipartisan spirit we had in the Finance Committee, it will not happen.

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

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

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I would like to be recognized to conduct morning business.

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

PRIVILEGE OF THE FLOOR

Mr. REED. I ask unanimous consent that privileges of the floor be granted to Rebecca Morley of my staff.

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

Mr. REED. I thank the Chair.

NATIONAL CHILDHOOD LEAD POISONING PREVENTION WEEK

Mr. REED. Mr. President, I rise today to speak with respect to National Childhood Lead Poisoning Prevention Week. Because of the efforts of my colleagues, Senator COLLINS, Senator TORRICELLI, and myself, this Senate passed a bipartisan resolution a last week to commemorate, during the week of October 24 to 30, National Childhood Lead Poisoning Prevention Week.

I think it is appropriate to recognize this problem that is taking place throughout this country and also recognize what we are trying to do to alleviate this great problem.

As a preliminary point, let me commend my colleague, Senator COLLINS, for her great efforts in this regard. She has been a true leader in this issue. She has been someone who has fought the good fight with respect to this problem. She has participated legislatively. I was very pleased and honored a few weeks ago to have her join me in Providence, RI, for a hearing on this issue. I look forward to joining her in a few weeks in Maine so we can examine the experience in her home State.

I also want to commend my colleague, Senator TORRICELLI, who also is very active as a leader in this effort. Indeed, Senator TORRICELLI and I have introduced legislation, the Children's Lead SAFE Act of 1999, which is critically important to the future of our children in the United States.

This importance has been underscored and highlighted by two recent reports—one earlier this year in January of 1999 by the General Accounting Office, and another report that has been released recently under the auspices of the Alliance To End Childhood Lead Poisoning and the National Center for Lead-Safe Housing.

Both of these reports underscore the need for additional efforts to eliminate childhood exposure to lead and also to provide additional support for screening and treatment of children who are exposed to environmental lead.

Regrettably, there are too many children in this country who are exposed to lead, typically through old lead paint that may be in their home. It is particularly critical and crucial to children who are at a very young age, under the age of 6, because their body is much more likely to absorb this environmental hazard, and also because those are exactly the times in which brain nervous systems are developing, where cognitive skills are being developed. We know lead is the most pernicious enemy of cognitive development in children.

In the United States, too many children are poisoned through this constant exposure to low-levels of lead in their atmosphere. This exposure leads to reduced IQ, problems with attention span, hyperactivity, impaired growth, reading and learning disabilities, hearing loss, and a range of other effects.

Lead poisoning is entirely avoidable, if we have the knowledge and the resources and the effort to prevent young children from being exposed to lead.

In January of this year, as I indicated, the General Accounting Office highlighted the problems in the Federal health care system with respect to lead screening and followup services for children.

We have policies that require all Medicaid children to be screened for lead. Sadly, we have not achieved that level of 100 percent screening. We want to reach that goal. Then after screening all of the children in the United States who may be vulnerable to lead poisoning, we want to ensure these children have access to followup care. Identifying poisoned children is only the first step and is only effective when coupled with proper follow-up care.

Most recently, we received information about that follow-up care from a report, the title of which is: ''Another Link in the Chain: State Policies and Practices for Case Management and Environmental Investigation for Lead-Poisoned Children.'' As I indicated, this report was sponsored by the Alliance To End Childhood Lead Poisoning and the National Center for Lead-Safe Housing.

This report presents a State-by-State analysis of data which suggests, first, there have been some innovative steps taken by the States, but unfortunately there are disappointing gaps in the screening and treatment of children who are exposed to lead throughout the United States.

There is also a great range among the States in their response to this problem of childhood lead poisoning. In my own State of Rhode Island, we have taken some very aggressive steps. Last week, we dedicated a lead center in Providence, RI, which provides comprehensive services for lead-poisoned children, including parent education, medical followup for children who have been exposed, and transitional housing. Many times the source of the pollution is in the home of these children, and because of their low income, there is no place for them to go unless there is this transitional housing. This is an innovative step forward. I am very pleased and proud to say it has taken place in my home State.

If you look across the Nation, you find much less progress. Nearly half of the States have no standards for case management and, thus, the quality of care lead poisoned children receive is often not consistent with public health recommendations. There is no real way to ensure these children are getting the type of care they need because there are no case management policies. Only 35 States have implemented policies that address when an environmental investigation should be performed to determine the source of a child's lead poisoning. There are many States where there is no way to determine where the source of the pollution is coming from that is harming the child.

In addition, the report points out that despite the availability of Medicaid reimbursement for environmental investigation and case management, more than half the States have not taken advantage of this Medicaid reimbursement. In addition, despite the emphasis we have in Medicaid on screening children, only one-third of the States could report on how many of their lead poisoned children were enrolled in Medicaid, suggesting that screening data are not being coordinated, and there really is not comprehensive, coherent screening policy in all too many States.

Senator TORRICELLI and I have proposed legislation that would address these deficiencies. The legislation will improve the management information systems so States know how many children are screened and how many children have been exposed. We also encourage them to integrate all the different agencies and institutions and programs that serve children so we can

have a comprehensive approach. This would include involving the WIC program in the screening, early Head Start, maternal and child health care block grant programs, so we have a comprehensive approach to identifying, treating, following up and educating with respect to lead exposure.

We are committed to doing that. We are committed to ensuring that every child in this country, particularly those children who are beneficiaries of the Medicaid system, have this kind of screening and followup.

Unfortunately, we have found too many States that are not following through on their obligations. Of the 38 States that have enrolled Medicaid children to managed care plans, only 24 reported that their State's contract with the managed care organization contained any language about lead screening or treatment services. So, many States are leaving it up to the managed care company or merely leaving it up to chance whether or not there are good protocols to follow up on lead exposure.

In addition to that, more than 40 percent of States reported that no funding is available to help pay for even a portion of the hazard control necessary to make a home lead safe for a lead-poisoned child. There are not the resources to help these families cope with the reality of homes that are literally poisoning and harming their children. That is one reason why I joined my colleague, Senator TORRICELLI, to address this problem with respect to the Children's Lead SAFE Act of 1999. We would like to see clear and consistent standards for screening and treatment to ensure that no child falls through the cracks. We would to help communities, parents and physicians take advantage of every opportunity they have to detect and treat lead poisoning.

This bill is just one element in a comprehensive, coherent approach to eliminate this preventable disease that afflicts too many children in this country today.

I was pleased that during the appropriations process, the Senate supported the President's request for full funding of the lead hazard control grants program—indeed, particularly pleased when the conferees agreed with the Senate and maintained this funding. It is absolutely critical. We will continue to press forward in terms of screening and treatment, in terms of reducing lead hazards in the homes of children, and in terms of education, so there is no place in this country that fails to recognize the gravity of this situation where children are poisoned by exposure to lead.

Indeed, that is why we are here today. This week is National Childhood Lead Poisoning Prevention Week. We hope by reserving 1 week a year to emphasize the challenges we face, to emphasize the steps which must be taken in the future, we can galvanize additional support so there is no child in this country who is poisoned by lead, whose development—physical, mental, social development—is harmed by such exposure.

At the heart of this effort is the work of many people, but, once again, I thank my colleague and friend, Senator SUSAN COLLINS, who has taken it upon herself to charge forward to make this hope of a lead-safe environment for all our children a reality. I am pleased to be with her sponsoring this resolution, sponsoring this week of commemoration and also, in the days ahead, working to ensure that all the children are as free as we can make them from the harm and the danger of lead exposure.

I ask unanimous consent that the Presidential message recognizing National Childhood Lead Poisoning Prevention Week and the executive summary of ''Another Link in the Chain,'' be printed in the RECORD, following my statement.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, October 20, 1999.

Warm greetings to everyone observing National Childhood Lead Poisoning Prevention Week.

As America's children begin their exciting journey into the 21st century, one of the greatest gifts we can give them is a healthy start. Sadly, however, many children face needless obstacles to healthy development in their own homes. Among the most devastating of these obstacles is lead poisoning. Today nearly 5 percent of children between the ages of 1 and 5 suffer from this condition. While any child can be susceptible to lead poisoning and its effects, low-income children are at a significantly higher risk, since most children are poisoned by lead-based paint and lead-contaminated dust and soil that are found in older, dilapidated housing. For African-American children living in these conditions, the rate of those who suffer from lead poisoning is a staggering 22 percent.

The effects of lead poisoning can be serious and irrevocable. Even low levels of exposure to lead can hinder children's ability to learn and thrive, reducing their IQ and attention span and contributing to learning disabilities, hearing loss, impaired growth, and many other developmental difficulties. My Administration, through the Department of Housing and Urban Development and the Environmental Protection Agency, has taken important steps to eliminate the threat of lead poisoning. We have provided funding for such efforts as removing lead-based paint from housing built prior to 1978, when such paint was outlawed. We have also promoted increased blood testing of young children to determine the levels of lead in their blood.

However, when our children's well-being is at stake, we must do more. I commend the concerned citizens and organizations participating in this year's observance for raising awareness of the dangers of lead poisoning and for teaching families and communities how to prevent it. I urge all Americans to take this occasion to learn more about lead poisoning and to take part in local, state, and national efforts to create a healthier environment for our children.

Best wishes for a successful week.

BILL CLINTON.

CHAPTER 1—EXECUTIVE SUMMARY

The first line of defense in protecting children from lead poisoning is primary prevention, which means controlling lead hazards before children are ever exposed to lead. However, the broad distribution of lead in the U.S. housing stock has made achieving primary prevention for all children an elusive goal. As a result, secondary prevention strategies continue to play a vital role in protecting children from lead poisoning. Secondary prevention entails identifying the lead-poisoned child, providing medical care and case management, identifying the source of the child's lead exposure (environmental investigation), and then ensuring that any lead hazards identified are controlled to prevent the child's further exposure to lead.

Over the past few years, there has been considerable public attention to and controversy surrounding policies for screening young children for lead poisoning. There has also been considerable discussion about primary prevention and housing-based approaches to primary prevention, as a consequence of enactment of Title X and federal funding for the HUD Lead Hazard Control Grants program. In contrast, there has been little discussion of what actually happens once a lead-poisoned child is identified. The Alliance To End Childhood Lead Poisoning and the National Center for Lead-Safe Housing agreed that it was time to reexamine the response to lead-poisoned children nationwide. We decided that characterizing the case management and environmental investigation services now being provided in each state would be a useful first step. We hope this report's documentation of state policies will help sharpen discussion and decision-making at many levels. This report is timely for at least four reasons.

First, this report provides the information needed to ensure that case management and environmental investigation systems are ''in good working order'' to handle the increased caseloads that can be expected from expanded lead screening of high-risk children. Recent reports from the General Accounting Office (GAO) have focused the spotlight on the failure of federal health programs to screen high-risk children for lead poisoning. GAO documented that just 19% of Medicaid-enrolled children aged 1 through 5 are being screened as required by law, and that the majority of children needing case management and environmental investigation are enrolled in Medicaid. As a consequence, considerable attention is being paid now to improving lead screening rates among Medicaid children. In addition, many states are developing CDC-recommended lead screening plans to identify and target the highest-risk children for lead screening.

Second, this report raises a number of policy and program issues that should be considered as states seek to ensure that lead-poisoned children enrolled in Medicaid managed care plans are provided with appropriate follow-up care. Many states are still developing or fine-tuning their mechanisms for overseeing and coordinating care with Medicaid managed care plans, as well as state Children's Health Insurance Programs.

Third, this report can help to inform a number of pending policy decisions. The Health Care financing Administration has been receiving criticism from many quarters for its policy prohibiting Medicaid reimbursement for analysis of the environmental samples needed for an adequate environmental investigation to identify the lead hazards in a poisoned child's home. In addition, the Centers for Disease Control and Prevention's Advisory Committee on Childhood Lead Poisoning Prevention is currently reviewing the evidence base for case management services. Finally, U.S. Senators Robert Torricelli (D–NJ) and Jack Reed (D–RI) and U.S. Representative Robert Menendez (D–NJ) are introducing federal legislation to address these issues in Congress.

Fourth, the sharp decline in the number of children with elevated blood lead levels documented by NHANES III, Phase 2 offers opportunities never before available for using screening and follow-up measures to advance prevention. For the first time, the caseload of lead-poisoned children in jurisdictions historically overwhelmed by the number lead-poisoned children has become ''manageable.'' We have a responsibility to respond promptly and humanely to children with elevated blood lead levels as well as the opportunity to use these interventions to advance prevention. Childhood lead poisoning is entirely preventable. But achieving this goal requires us to sharpen our tools and redouble prevention efforts, rather than being complacent or uncritically flowing ''established procedures'' by rote.

SCOPE OF THE SURVEY

The scope of this survey and report is limited to describing and evaluating the quality of self-reported state policies and practices for environmental investigation and case management. This report therefore could not assess state primary prevention initiatives, lead screening policies and performance, or even medical care provided to lead-poisoned children. The most effective state programs are those that succeed at primary prevention. Once a child is exposed to lead, the overall effectiveness of the response must be judged by performance in all three areas of secondary prevention—and a single weak link in the chain of secondary prevention activities can undermine the effectiveness of the entire response. Having exemplary environmental investigation and case management services is useless if the state fails to screen children at risk for lead poisoning to identify those with elevated blood lead levels. Similarly, providing good environmental investigation and case management services is pointless if these activities do not trigger action to control identified lead hazards.

It is also important to be clear about what is meant by each key term. ''Environmental investigation'' means the examination of a child's living environment, usually the home, to determine the source or sources of lead exposure for a child with an elevated blood lead level. For the purposes of this report, ''case management'' means coordination, provision, and oversight of the services to the family necessary to ensure that lead-poisoned children achieve reductions in blood lead levels. In addition, case management includes coordination, but not provision and oversight, of the clinical or environmental care.

SURVEY METHODOLOGY AND RESPONSES

To gather the information about current policies and practices for case management and environmental investigation, an initial survey and a supplementary survey were sent to directors of state lead poisoning prevention programs. In states where these programs do not exist, we identified knowledgeable respondents by contacting surveillance grantees of the Centers for Disease Control and Prevention (CDC) or other program staff responsible for lead services (often a division of the state health department). Ultimately, we received responses from all 50 states and the District of Columbia. We also received responses from 15 local lead programs, which allowed us to better characterize several important dimensions of current practice of state programs.

KEY FINDINGS AND RECOMMENDATIONS ON INITIATING SERVICES

State blood lead reporting systems

Central reporting of elevated blood lead levels is critical to ensuring timely follow-up care for lead-poisoned children. Although nearly all (47) states have a reporting system for blood lead levels, the utility of the systems for timely referral of children needing follow-up services varies considerably. In addition, the lack of uniform national recommendations for reporting blood lead levels has created a burden on private laboratories and others that must report this information to many different states in a variety of formats, and has made it difficult to assess and compare blood lead data across states.

CDC should establish national standards for blood lead reporting to ensure standardization of blood lead data and enable timely follow-up for lead-poisoned children.

States with blood lead reporting systems should evaluate the effectiveness of their systems in triggering prompt identification and follow-up of lead-poisoned children and address any identified deficiencies.

States without a central reporting system for blood lead levels should establish one as soon as possible.

Blood lead levels at which services are provided

CDC's 1997 guidance recommends that both case management and environmental investigation be provided at blood lead levels of 20 μg/dL or persistent levels of 15–19 μg/dL. Encouragingly, most states are providing services to children at or even below the blood lead thresholds recommended by CDC. For environmental investigation, 20 states perform environmental investigation only at blood lead levels at or above 20 μg/dL (not persistent levels above 15 μg/dL) and 2 states use a trigger of 25 μg/dL. Since environmental investigation permits the identification and subsequent control of lead hazards, early hazard identification by providing environmental investigation at lower blood lead levels is a positive preventive measure.

Some states are able to vary the scope of case management services provided by blood lead level, providing less intensive services at lower blood lead levels in order to intervene before blood lead levels rise. Thus, it is not surprising that many states report offering case management at lower blood lead levels than recommended by CDC. Six states offer case management at precisely the level recommended by CDC, and 28 states offer the service at lower levels (single levels above 15 μg/dL or 10 μg/dL). Fourteen states provide case management only at blood lead levels of 20 μg/dL, but not persistent levels between 15 and 19 μg/dL as recommended by CDC.

At a minimum, states should provide case management and environmental investigation to children at the levels recommended by CDC, and, resources permitting, preventive services and environmental investigation to as many children as possible with blood lead elevations at or above 10 μg/dL.

KEY FINDINGS AND RECOMMENDATIONS ON SETTING STANDARDS FOR SERVICES

Case management standards

The lack of national standards for case management of lead-poisoned children has created variation in approach across the country, and made achieving reimbursement from Medicaid and other insurers more difficult. At present, only 29 state programs indicated they had written standards for case management. However, a consensus document Case Management for Childhood Lead Poisoning, developed by the National Center for Lead-Safe Housing, describing professional standards for case management for lead-poisoned children already serves as a guide for some state and local programs. Other complementary documents exist or are under development.

Any case management protocol or standard must include certain elements to ensure quality care. Our survey found that states performed well in some areas, but needed improvement in others. For example, although most states (43) provide home visits as part of case management, many programs make only a single home visit, which is unlikely to be sufficient for ensuring that steps are taken to improve the health status of the child. In addition, almost one-third (29%) of programs fail to inquire about a lead-poisoned child's WIC status, an important oversight given the importance of good nutrition for lead-poisoned children. Because they are an essential part of the solution, families should be systematically involved in all aspects of the case management process. Yet, our survey found that more than one-third of state programs (37%) fail to include families in the planning process and only one state program indicated that it routinely refers families to parent support groups in the community. The indefinite continuation of cases is also a sign of a weak case management, yet 14 states reported that they had no criteria for when to close a case.

Case management standards must also describe the specific interventions to improve the health status of the child that should be provided by case managers. Nearly all states provide some type of educational intervention, including education focused on lead and lead exposure risks, lead-specific cleaning practices, and nutritional counseling. Two-thirds of state programs (67%) provide assistance with referrals to other necessary services and 80% provide follow-up of identified problems. Six state programs indicate that they now refer young children routinely to Early Intervention programs for identification and treatment of possible developmental problems. Surprisingly, 10 states provide specialized cleaning services to reduce immediate lead dust hazards in homes as part of their case management interventions. However, due to funding considerations, most of these states are not able to make cleaning available except in homes in designated target areas and under special circumstances.

All states should have in place a protocol that identifies minimum standards for initiation, performance, and tracking of case management services for lead-poisoned children, including standards for data collection and outcome measurements and for professional staffing and oversight.

CDC or its Advisory Committee on Lead Poisoning Prevention should endorse a set of national standards for case management for lead-poisoned children, beginning with a definition of the term case management. The consensus standards developed by the National Center for Lead-Safe Housing (*Case Management for Childhood Lead Poisoning*) offer a thorough, current, and complete set of expert standards for quick review and endorsement.

Once national standards are in place, state protocols should be reviewed for consistency. In the interim, states should utilize written protocols specifying the services to be provided along with performance standards and record-keeping criteria.

Case management standards should include a minimum of two case management visits to the home of a lead-poisoned child.

State case management protocols should include standards for assessment, specifically including assessment of WIC status.

State programs should evaluate the extent to which families are being involved in case management and make necessary program modifications to ensure that families are fully involved in planning, implementation, and evaluation efforts.

States should examine their referral practices to ensure that parents of lead-poisoned children are routinely referred to available resources, including community-based parent support groups, where they exist, in order to connect families with another source of support and assistance.

All states should have case closure criteria that encompass reduction in a child's blood lead level and control of environmental lead hazards and procedures for administrative closure when needed.

States that routinely follow children until 6 years of age should evaluate whether such a lengthy follow-up benefits the child and family.

Case management standards should specify recommended interventions, including: basic educational interventions; referrals to Early Intervention services for developmental assessment, referral services for WIC, housing (emergency and long-term Solutions), health care, and transportation, as needed; follow-up of identified problems as needed; and, follow-up to ensure that families receive needed services.

Environmental investigation standards

State programs vary widely as to what activities constitute an environmental investigation to determine the source of lead exposure. Only 35 states have written protocols for environmental investigation. Where written protocols do exist, the scope of services and the kinds of data collected vary extensively. For example, some programs rely almost exclusively on XRF analysis to test the lead content of paint, and interpret a positive reading for the presence of lead-based paint as source identification. Other programs focus on current pathways of exposure by taking dust wipe and paint chip samples, assessing paint condition, and in some cases evaluating exposures from bare soil and drinking water. And, still other programs operate on a case-by-case basis.

Just 35 states had minimum requirements in place for those who perform environmental investigations for lead-poisoned children; most frequently they required state-certified risk assessors or lead inspectors. Training in the certified disciplines of risk assessor and lead inspector provides a core foundation of knowledge as well as credentials that may be important in any legal proceedings. At the same time, additional training beyond these certified disciplines is needed, because the scope of the environmental investigation of a lead-poisoned child is much more comprehensive than a standard residential lead inspection, and somewhat broader than a risk assessment.

The responses to our survey do not make it possible to determine the extent to which states are performing (or requiring to be performed) clearance testing after work has done to respond to lead hazards identified in the home of a lead-poisoned child. Follow-up visits are essential to ensure that corrective measures were taken and lead safety precautions followed. Because lead-contaminated dust can be invisible to the naked eye, clearance dust tests are critical to ensure the effectiveness and safety of the corrective measures in the vast majority of situations. Post-activity dust tests should be taken after completion of any paint repair or other projects that could generate lead-dust contamination.

Many program staff expressed frustration that environmental investigations frequently do not result in any corrective action. The ultimate measure of the success of an environmental investigation is the action that results to control lead hazards to reduce the child's continued lead exposure. At the extreme, conducting a full environmental investigation is irrelevant if no measures to reduce lead exposure occur as a consequence.

States should have a written protocol identifying the components of an environmental investigation for a lead-poisoned child. Appropriate flexibility and customization based on specific case factors and local sources are legitimate and important elements.

The protocol for environmental investigation should include routine collection of data on important pathways of exposure (particularly interior dust lead) and documentation of poor paint condition. The XRF analyzer should never be relied upon as the only tool for environmental investigation. Chapter 16 of HUD's Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing provides the most comprehensive and current guidance for environmental investigations.

State programs should begin using the more protective dust lead standards being proposed by EPA and HUD: no higher than 50 μg/square foot for floors and 250 μg/square foot for window sills.

Environmental investigations need to generate ''actionable'' data to ensure that all lead hazards identified are controlled—the ultimate measure of effectiveness. In most states, improved systems are needed to document and track corrective actions to control lead hazards to help ensure that environmental investigations actually result in health benefits to children.

Health department program staff performing an environmental investigation for a lead-poisoned child should be trained and certified as lead professionals. This will serve to increase professionalism in the field as well as give the results of the investigation greater standing if challenged in court.

Individuals conducting environmental investigations need additional training to assess sources of lead exposure beyond the scope of the traditional EPA/HUD risk assessment.

When state or local programs or managed care organizations contract environmental investigations out to certified lead evaluators, it is important that they be charged with conducting a comprehensive evaluation of potential exposure sources as described in Chapter 16 of HUD's Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing.

State programs need to make clearance dust tests a routine check to confirm that lead dust hazards are not left behind after corrective measures are taken in the home of a lead-poisoned child.

Lead hazard control: Legal authority and resources

Although this survey was not able to quantify the extent to which state and local programs succeed in controlling hazards identified in home of a lead-poisoned child, many programs indicated that this is a major problem. Twenty-eight states, more than 54%, do not have legal authority to order remediation of homes with identified lead hazards. More than 40% of all states (22 state programs) indicate that no funding is available in their state to help property owners pay for even a portion of the necessary lead hazard control. No state reported sufficient funds for lead hazard control. The lack of legal authority to order remediation coupled with the lack of resources to fund abatement and lead hazard control is a major stumbling block for lead poisoning prevention and treatment progress nationally.

States should consider the model legislative language reflecting the principles and recommended lead-safety standards of the National Task Force of Lead-Based Paint Hazard Reduction and Financing developed by the National Conference of State Legislatures.

KEY FINDINGS AND RECOMMENDATIONS ON FINANCING SERVICES

For both case management and environmental investigation, adequate funding for services is a central challenge to providing timely and quality services. Most programs have patched together funding from federal, state, and local sources as best they can. For case management, 23 states reported relying primarily on federal funds, 12 states rely primarily on state funds, and 4 states on Medicaid. Six states reported a combination of sources. Even in states with Medicaid reimbursement, Medicaid provides only part of the support for case management. For environmental investigation, CDC grant funds are the most common source of funds for environmental investigation, with 22 states reporting reliance on this funding source; some use CDC funds exclusively. Medicaid reimbursement is the next most common source of funding for environmental investigation, with 20 states receiving at least some reimbursement for services provided for Medicaid-enrolled children. State funds provide support in 17 states and local or county funds in 15 states. Other sources fill in the gaps.

However, it appears that financing is not the strongest area of state case management and environmental investigation programs. Many state program staffs are not aware of how their programs actually receive funds for case management and environmental investigation services, and others seemed to be confused about the concept of ''reimbursement'' for services. At least 6 states provided different answers to the GAO than they provided to us on the question of state Medicaid policy for reimbursement of environmental investigations. GAO surveyed EPSDT agencies while we surveyed program staff responsible for lead-related services, but both should be expected to be able to answer this question accurately.

Twenty states currently seek and receive Medicaid reimbursement for case management, and 22 states report Medicaid reimbursement for environmental investigation, (although apparently slightly fewer are actually collecting Medicaid dollars at this time). States using state (or local) funds for environmental investigation or case management without receiving Medicaid reimbursement are effectively forgoing the federal Medicaid match for state spending. By all rights, Medicaid should pay the costs of these medically necessary treatment services for enrolled children. In addition, by securing Medicaid reimbursement, states may be able to shift the state's share of costs to the Medicaid budget, rather than using the limited funds designated for lead poisoning prevention or other public health functions. Similarly, states that use CDC lead poisoning prevention grant funds for environmental investigation without securing Medicaid reimbursement should consider the opportunity costs. Since CDC grant funds are finite and scarce, the decision not to seek Medicaid reimbursement means forgoing other possible uses, such as initiatives targeted to primary prevention.

The amounts reimbursed by Medicaid for both services vary dramatically from state to state, ranging from $38 to $490 for environmental investigation and from $25 for one educational visit to a maximum of $1,610 for 8 months of follow-up for case management. Although the set of services provided varies to some extent state-by-state, the actual cost of providing the services is unlikely to vary so widely. Ideally, reimbursement should reflect the actual costs of service delivery. State and local programs cannot successfully bill Medicaid or managed care for services provided unless they can document the actual cost of providing those services.

States following HUD Guidance for investigating the home of a lead-poisoned child are likely to need to conduct a number of specific laboratory tests, possibly including interior dust wipes, paint chips, soil, and drinking water. Yet a vital source of funding for environmental investigation has recently been restricted. In September 1998, HCFA

erected a barrier to quality care when it ''clarified'' its policy on reimbursement for environmental investigation in its update to the State Medicaid Manual. HCFA's written policy now inappropriately prohibits reimbursement for the environmental sampling and analysis (such as measuring lead in dust, soil, and water) that is needed to investigate the source of lead exposure in a poisoned child's home—and makes it impossible to achieve the essential purpose of environmental investigation. In effect, the new language limits coverage only to XRF analysis to determine the lead content of paint, which usually does not confirm the immediate exposure hazard or reveal what control action is needed to reduce exposure.

Several states reported arbitrary limits on State Medicaid reimbursement for environmental investigation services, such as limiting payment to one investigation per child per lifetime. It appears that such limits on environmental investigation are illegal, since the federal EPSDT statute entitles Medicaid children to all services medically necessary to respond to a condition identified during an EPSDT screen.

Only one-third of states could report how many or what percentage of their cases were even enrolled in Medicaid. States must be able to document the number of Medicaid-enrolled children receiving services in order to receive or make informed decisions about reimbursement.

Thirty-eight states reported the enrollment of at least some Medicaid children into managed care plans, but only 24 of these reported that their state's contract(s) with managed care organizations (MCOs) contained any language about lead screening or treatment services. Most reported that the language dealt only with lead screening or generic EPSDT screening requirements, missing an opportunity to describe clear duties for health care providers for lead screening and follow-up care.

State Medicaid agencies that have not yet established mechanisms for Medicaid reimbursement for case management and environmental investigation should do so immediately.

Health departments providing case management and environmental investigation should contact the Medicaid agency to ensure that reimbursement is available to public sector service providers, customized for the specific situation.

CDC should require its CLPP grantees to pursue Medicaid reimbursement of case management and environmental investigation as a condition of funding.

HCFA should revise its guidance to permit Medicaid reimbursement for the costs of the laboratory samples necessary to determine the source of lead exposure in the home of a lead-poisoned child.

Medicaid should fund emergency services to reduce lead hazards for children with EBL, including lead dust removal and interim measures to immediately reduce hazards in the child's home. If the child's home can not be made safe, Medicaid should reimburse the cost of emergency relocation.

State programs should determine and document the actual costs of providing case management and environmental investigation services.

State lead programs should negotiate adequate reimbursement rates with the State Medicaid agency, based on documentation of the costs of providing services.

Based on current costs of service delivery, state and local programs should ensure that their budgets and funding requests seek the resources necessary to adequately manage their caseloads.

States should consider billing private insurance providers for services provided to children enrolled in such plans.

HCFA should disallow, and states should discontinue the use of, arbitrary limits on State Medicaid reimbursement for environmental investigation services unless they are shown to have a medical basis.

State programs should establish the administrative means necessary to track the insurance status (especially Medicaid enrollment) of lead-poisoned children receiving case management and environmental investigation services.

CDC should require its CLPP and Surveillance grantees to pursue collection of data on the insurance status (especially Medicaid enrollment) of the children receiving case management and environmental investigation services.

State Medicaid contracts with MCOs should contain clear language describing the specific duties of the MCOs, making clear whether they are expected to deliver services, make referrals, or provide reimbursement to other agencies for services provided. States should address lead screening, diagnosis, treatment, and follow-up services explicitly, rather than relying on general language referencing EPSDT. States should familiarize themselves with and utilize the lead purchasing specifications for Medicaid management care contracts that have been developed by the Center for Health Policy and Research at the George Washington University (available at ''www.gwumc.edu/chpr''). Where such language has already been incorporated into contracts, it should be enforced.

Where case management and environmental investigation are provided by public sector providers and Medicaid children are enrolled in capitated managed care plans, states should consider financing case management and environmental investigation through a ''carve-out'' to ensure that providers are reimbursed for their costs of providing services.

KEY FINDINGS AND RECOMMENDATIONS ON TRACKING AND EVALUATING SERVICES

Very few programs are tracking outcomes of children identified as lead poisoned. Most states count the number of home visits or completed environmental investigations, but very few monitor the outcomes for children and the corrective measures taken in those properties found to have poisoned a child. For example, eight states did not know how many lead-poisoned children needing follow-up care had been identified in 1997 and 23 states did not know how many of their lead-poisoned children had actually received services.

Only 15 states reported providing oversight to ensure that all children identified as lead-poisoned receive appropriate follow-up care, including case management and environmental investigation services. Such oversight would be particularly useful in the 24 states that rely on providers outside the health department to provide case management services. Only 13 states indicated that they collected and tabulated data on the identified source(s) of lead exposure from environmental investigations.

Tracking case management and environmental investigation activities is not enough in itself. The ultimate measure of effectiveness is reducing the child's lead exposure and blood lead level. Case management and environmental investigation programs should be thoroughly evaluated to identify programs that are effective, as well as to identify problems that require additional staff training, technical assistance, or other attention. In particular, this survey suggests that staff in many states could benefit from training in key areas, such as program evaluation and Medicaid and insurance reimbursement.

States should establish the administrative capacity at either the state or local level to track delivery of case management and environmental investigation services to lead-poisoned children, to track outcomes of interest for individual children, and to ensure that appropriate services are provided to lead-poisoned children.

CDC should require its CLPP grantee to report on case management service delivery outcome measures in their required reports. Such reporting would help build capacity for tracking and begin to document the effectiveness of program follow-up efforts.

States should establish, collect, and report outcome measures for case management.

All states should collect and aggregate data on lead sources, including the proximate cause(s) of lead exposure identified through environmental investigation, and the lead hazard control actions taken, along with relevant information allowing characterization of the lead hazards (e.g., age and condition of housing, renter or owner-occupied, source and pathway of exposure, etc.)

CDC requires its grantees to provide data through its STELLAR database, but its data fields have proven to be limiting, especially for non-paint sources, and many grantees report their dissatisfaction with STELLAR. CDC should consider moving to an alternative software package with greater flexibility and easily available support. Until CDC revises its requirements, states should use standard office database software to keep these records.

CDC should undertake or fund formal evaluations of state case management and environmental investigation programs. Programs should be given the tools and opportunity to meet goals and improve performance. However, if state or local programs are not able to achieve basic standards of performance in follow-up of lead-poisoned children, federal funding should be terminated.

CDC should sponsor a system of peer evaluation for state and local lead programs. A pear evaluation program would allow state program staff to learn from and share with one another, reinforcing the replication of innovative and effective practices.

The PRESIDING OFFICER (Mr. CRAIG). The Senator from Maine.

Ms. COLLINS. Mr. President, I am very pleased to join my friend and colleague, Senator JACK REED of Rhode Island, in discussing the passage of a resolution we introduced designating this week, October 24 through the 30th, as National Childhood Lead Poisoning Prevention Week.

Senator REED has been such a strong advocate and leader on lead poisoning issues. I have enjoyed working with him on this important public health issue.

It is my hope the designation of this week as National Childhood Lead Poisoning Prevention Week will help to increase awareness of the significant dangers and prevalence of childhood lead poisoning across our Nation.

Great strides have been made in the past 20 years to reduce the threat that lead poses to human health. Most notably, lead has been banned from many products, including residential paints, food cans, and gasoline. These commendable steps have significantly reduced the incidence of lead poisoning. But unfortunately, contrary to what many people think, the threat has not been eradicated. In fact, it remains and continues to imperil the health and well-being of our Nation's children. In

fact, lead poisoning is the No. 1 environmental health threat to children in the United States.

Even low levels of lead exposure can have serious developmental consequences, including reductions in IQ and attention span, reading and learning disabilities, hyperactivity and behavioral problems. The Centers for Disease Control and Prevention currently estimates that 890,000 children, age 1 through 5, have blood levels of lead that are high enough to affect their ability to learn—nearly a million children.

Today, the major lead poisoning threat to children is posed by paint that has deteriorated. Contrary to popular belief, it is the dust from deteriorating or disturbed paint, rather than paint chips, that is the primary source of lead poisoning. Unfortunately, it is all too common for older homes to contain lead-based paint, particularly if they were built before 1978. More than half of the entire housing stock and three-quarters of homes built before 1978, contain some lead-based paint. Paint manufactured prior to the residential lead paint ban often remains safely contained and unexposed for decades. But over time, often through remodeling or normal wear and tear, the paint can become exposed, contaminating the home with dangerous lead dust.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

PRESIDENTIAL AND SENATORIAL COMMISSION ON NUCLEAR TESTING TREATY

Mr. WARNER. Mr. President, I address the Senate today with regard to a bill that I am introducing which provides for the establishment of a commission to be known as the Presidential and Senatorial Commission on a Nuclear Testing Treaty.

On October 15, shortly after the historic debate in the Senate and the vote taken on the Comprehensive Test Ban Treaty, I addressed the Senate, suggesting that the President and the Senate explore options by which a commission could be appointed for the purpose of assessing issues relating to testing of nuclear weapons, and the possibility of crafting a treaty that would meet the security interests of our Nation, while enabling America to once again resume the lead in arms control.

Following the historic debate and vote, I voted against that treaty, and I would vote again tomorrow against that treaty, and the day after, and the day after that. I say that not in any defiant way, but simply, after three hearings of the Armed Services Committee and one of the Foreign Relations Committee, after very careful analysis, after hours of discussion with my colleagues, after participating in the debate, it was clear to me that the record did not exist to gain my support nor, indeed, the support of two-thirds majority of the Senate.

It is my view that the Senate and the President will join together to provide bipartisan leadership to determine, in a collaborative way, how to dispel much of the confusion in the world about why this Senate failed to ratify the treaty, to explain what the options are now, and to show that we are analyzing all of the other possibilities relating to a nuclear testing treaty. This, hopefully, will dispel such confusion. Much of that confusion is based on misconceptions and wrong information. But we can overcome that.

We must explain that this Government has coequal branches—the executive, headed by the President; and the legislative, represented by the Congress—and how our Constitution entrusts to this body, the Senate, sole authority to give advice and consent. This body exercised that obligation, I think, in a fair and objective manner. But we are where we are.

My bill is somewhat unique, Mr. President. I call for a commission with a total of 12 members—6 to be appointed by the majority leader of the Senate; 6 to be appointed by the distinguished Democratic leader of the Senate, with coequal responsibility between two members to be designated as cochairmen. I did that purposely to emphasize the need for bipartisanship. We, the Senate, will not ratify the treaty unless there are 67 votes in the affirmative. This last vote was 19 votes short—votes cast by individuals of this body of clear conscience. That significant margin of 19 votes, in my judgment, can only be overcome through a bipartisan effort to devise a nuclear testing treaty seen clearly as in our national interests.

The cochairmen will be appointed—first, one by the distinguished majority leader of the Senate, and the second by the President, in consultation, of course, with the distinguished minority leader. That brings the President well into the equation. He will undoubtedly be in consultation with the distinguished minority leader throughout the series of appointments by the minority leader.

This commission can have no more than two Members of the Senate appointed by the majority leader, and no more than two Members of the Senate, if he so desires, appointed by the minority leader. Therefore, up to four Senators could participate. But the balance of the 12—eight members—will be drawn from individuals who have spent perhaps as much as a lifetime examining the complexity of issues surrounding nuclear weapons, the complexity of the issues surrounding all types of treaties, agreements, and understandings relating to nonproliferation.

We saw them come forward in this debate—individuals such as former Secretaries of Defense, former Secretaries of State, men and women of honest, good intention, with honest differences of opinion, and those differences have to be bridged. By including eight individuals not in the Senate along with four Senators—if it is the will of the leaders—we can lift this issue out of the cauldron of politics. We can show the world that we are making a conscientious effort to act in a bipartisan manner. The experts the majority leader and the ones the minority leader, in consultation with the President, would pick will be known to the world—former Secretaries of Defense of this Nation, former Secretaries of State, former National Laboratory Directors, individuals whose collective experience in this would add up to hundreds of years. In that way, I believe we will bring credibility to this process and will result in this commission being able to render valuable advice and recommendations to the Senate and the President at the end of their work.

Several years ago, I was privileged to be the Ranking Member of the Senate Select Committee on Intelligence. There was a great deal of concern in the Senate toward the Central Intelligence Agency and how it was operating at that time. As a matter of fact, some of our most distinguished Members—one indeed I remember clearly—called for the abolishment of the CIA. This individual was extremely disturbed with the manner in which they were conducting business.

I took it upon myself at that time to introduce in the Senate legislation calling for the establishment of a commission to make an overall study of our intelligence and to make recommendations to the President and the Congress. Congress adopted the legislation I introduced and it was enacted into law.

The first chairman of that commission was Les Aspin, former Secretary of Defense, who, unfortunately, had an untimely death. He was succeeded by Harold Brown, former Secretary of Defense and former Secretary of the Air Force, who I knew well. I served with him. Our former colleague, Senator Rudman, was also closely involved. I was privileged to be on that commission. It did its work. It came up with recommendations. The intelligence community accepted those recommendations. The CIA survived and today flourishes.

I have given the outline of the commission I am proposing today. Let me briefly refer to the basic charge given the commission and the work they should perform.

Duties of the commission: It shall be the duty of the commission, (1) to determine under what circumstances the nuclear testing treaty would be in the national security interests of our Nation; (2) to determine how a nuclear testing treaty would relate to the security interests of other nations. I was motivated to do this because of the misunderstanding about the important and decisive action taken by this body.

(3) To determine provisions essential to a nuclear testing treaty such that that treaty would be in the national security interests of the United States;

(4) to determine whether a nuclear testing treaty would achieve the nonproliferation and arms control objectives of our Nation.

The bill includes a number of other recitations and other important provisions.

We deal with the question of verification. We deal with the question of the science-based stockpile stewardship program, now being monitored and more fully developed by the Department of Energy.

All of this is carefully covered in this legislation I make to this body tonight.

This is one Senator who believed he had an obligation to confer with his colleagues about this important matter. I believe it is important that this legislation be laid down as a starting point. It may well be that other colleagues have better ideas. I take absolutely no pride of authorship in this effort. Perhaps others can contribute ideas as to how this legislative proposal might be amended.

Eventually, collectively, I hope we can work with our leadership in establishing some type of commission so the consideration of a nuclear testing treaty can go foward and people around the globe will have a better understanding of our efforts to achieve a more secure world.

I went back to do a little research which proved quite interesting. We have heard so many times in this Chamber that politics should stop at the water's edge. I was reminded of this as I was privileged, along with many others in this Chamber, to attend the presentation to the former President of the United States, Gerald R. Ford, and his lovely wife, Mrs. Betty Ford, the Congressional Gold Medal.

I took down some notes from President Ford's wonderful speech. I had the privilege of serving under President Ford as Secretary of the Navy and, indeed, Chairman of the Bicentennial. I have great respect for him.

He talked about Senator Vandenberg and how Senator Vandenberg was an absolute, well-known conservative. Yet it was Senator Vandenberg's leadership that got the Marshall Program through the Senate of the United States. The Marshall Program was a landmark piece of legislation initiated by President Truman. Indeed, in some of the accounts of history, some people said it should be called the Truman Plan. But Truman said ''Oh, no, don't name it after me because the Congress won't accept it; name it after George Marshall''—showing the marvelous character of the wonderful President.

President Ford also talked about Everett Dirksen. He said:

> The executive branch and the legislative branch worked with him arm in arm on relationships that were important between this country and the rest of the world.

Those are Ford's words.

Bipartisanship helped get the Marshall Plan through and enabled this country to show strength in the face of the cold war period.

That is history, ladies and gentleman.

I don't suggest in any way that I am making history here tonight. But I think it is very important that other Senators take time to look at this and contribute their own ideas. It will require a significant measure of bipartisanship to achieve the objectives of the commission I am proposing. Let's see what we can do to work with our leadership and go forward.

The events of history are interesting. Senator Vandenberg, chairman of the Foreign Relations Committee, in 1948, thought Tom Dewey was going to win the Presidency. He wrote into the Republican platform the following phrase. I quote him:

> We shall invite the minority party to join us under the next Republican administration in stopping partisan politics at the water's edge.

As it turned out, Truman won that historic election. And what did Vandenberg do but go on and work with President Truman in the spirit of that statement that he put into the Republican platform, and the first landmark that the two achieved was the Marshall Plan.

Mr. President, I yield the floor.

THE LATE CHARLES E. SIMONS, JR., SENIOR UNITED STATES DISTRICT JUDGE

Mr. THURMOND. Mr. President, it gives me no pleasure to rise today and seek recognition, for it is to carry out a very sad task, which is to mark the passing of one of my longest and closest friends, Judge Charles E. Simons, Jr. of Aiken, South Carolina.

Judge Simons has served with distinction as a Federal District Court Judge for the District of South Carolina since his confirmation in 1964. It was my pleasure to recommend this talented and bright man to President Johnson, and everyone who monitors the Federal Bench has been impressed with the skill and insight in which Judge Simons adjudicated cases. His reputation is that of being a tough, but fair, judge whose impartiality is above reproach and whose commitment to the rule of law is well known. The respect and admiration of the legal community for Judge Simons is evidenced by the fact that the Federal Courthouse on Park Avenue in Aiken was dedicated in his honor in 1987. Certainly a fitting tribute to a man who dedicated thirty-five years of his life to the Federal Bench and had served as the Chief Judge of the District Court for six years.

I must confess that Charles Simons was well known to me before I advanced his name to the President, for he and I had been law partners in Aiken, South Carolina for many years. He was such an able and intelligent man, he was a great asset to our practice. In 1954, we had to end our partnership because of my election to the United States Senate, but Charles Simons continued to prosper as an attorney, earning a well deserved reputation as an outstanding general practice lawyer.

While Charles Simons loved his work and the law, it was not an all consuming passion, and he enjoyed many other activities outside the courtroom. South Carolina is a beautiful state, and its citizens eagerly engage in activities that allow them to spend as much time as possible outside enjoying the natural beauty of the Palmetto State. For Charles Simons, these activities included golf, hunting, and fishing, each which he pursued with an unflagging enthusiasm. These pursuits not only allowed him a temporary reprieve from the weighty responsibilities of the duties of a Federal District Court Judge, but they also allowed him to spend time with his friends.

One of the things that bonds friendships is shared interests, and both Charles and I had a shared interest in physical fitness. He remained a fit and active man right up until July of this year when he suffered brain damage as a result of a fall. Sadly, surgery did not return Charles to his previous health and he began a decline that resulted in his death yesterday at the age of eighty-three. Though his passing was not entirely unexpected, it still is a blow to his family and friends and to the South Carolina legal community.

While many mourn the death of Charles Simons, we should take the opportunity to be certain we celebrate his life and accomplishments. He served the nation in a time of war, he was an accomplished attorney, a respected judge, and a devoted family man. He leaves a body of work that stands as case law and he has set a standard for other public servants to follow. All these accomplishments are even more impressive when one considers Charles' humble beginnings and the fact that he accomplished all he did through hard work, determination, and intelligence.

I am deeply saddened to have lost such a good friend and I share the grief of the Simons' family. They have my deepest sympathies and my heartfelt condolences on the death of Charles.

REPORT ON CONFERENCE FOR LABOR-HHS APPROPRIATIONS

Mr. SPECTER. Mr. President, a few moments ago, a conference on the appropriations bill for Labor, Health and Human Services, and Education was completed. It was a rather unusual procedure because the conference report was incorporated into the conference of the District of Columbia appropriations bill. That arose in light of the fact the House of Representatives had not passed a bill on Labor, Health and Human Services, and Education—an appropriations bill for those three departments, but the Senate did.

The procedure was adopted to have an informal conference with Senator HARKIN, ranking member of the subcommittee, and myself representing

the Senate, and Congressman JOHN PORTER, chairman of the House subcommittee representing the House. I had talked to the ranking Democrat, Congressman OBEY, and had invited him to participate. He did come to one of the meetings but said he did not intend to participate because of his objection to the nature of the proceedings, in light of the fact that the House had not passed an appropriations bill.

This is not the ideal, proceeding in the manner I have described, but it is the best that could be done under the circumstances. There is a real effort to complete the 13 appropriations bills and submit them to the President before the close of business tomorrow so it all would be on the President's desk before the current continuing resolution expired. It may be that the President will veto the District of Columbia bill and the inclusion of the appropriations bill on Labor, Health and Human Services. If that is to follow, then we will be proceeding to try to reach an accommodation as to what the bill ought to be.

My suggestion is the bill, which has been submitted, is a good bill, not a perfect bill—I haven't seen one of those in the time I have been in the Senate—but, I submit, a good bill.

It contains a program level of $93.7 billion, which is about $2 billion less than the program level passed by the Senate. This bill was crafted by Senator HARKIN and myself on a bipartisan basis, crafted in a way to obtain the signature of the President of the United States. We have directed very substantial funding to the three departments where the total bill is $6 billion over fiscal year 1999 and an increase of some $600 million over what the President requested.

Education is a priority in America of the highest magnitude. This bill contains a program level of $35 billion for the Department of Education, constituting an increase of $2 billion over fiscal year 1999 and some $300 million over the administration's request.

I ask unanimous consent that a brief summary be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks, and for the purposes of this oral statement, I will summarize the highlights.

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

(See Exhibit 1.)

Mr. SPECTER. With respect to the very important issue of Head Start, the bill contains $5.2 billion, which is an increase of $608.5 million over the fiscal year 1999 level, and it matches the very substantial request for an increase requested by the President.

Special education, another very important item, contains $6.035 billion, an increase of some $912.5 million over last year.

On the program GEAR UP, which is to support early college preparation for low-income elementary and secondary schoolchildren, there is an increase of some $60 million, a 50-percent increase over last year's funding level of $120 million. I mention GEAR UP specifically because we have not met the President's request, which was a doubling to $240 million from $120 million, but accommodating as far as we could some 50-percent increase, or some $60 million.

There is a contentious issue on class size, and the President has requested some $1.4 billion with the money to be directed to class size reduction. We have appropriated $1.2 billion, which is the same as last year's appropriation, a very substantial sum of money, and we have done it in a way which is somewhat different from the President's request. This class size reduction is the priority specified in our bill. But we do allow the local school districts, if they decide, in their wisdom, they want to use the money for something else, such as professional development or any other need of the school district, to direct the funds in that manner.

The President would like to have it limited only to classroom size reduction. This is a matter I have personally discussed with President Clinton, and it seems to me that, public policy-wise, the provisions of this bill are the preferable ones. I say that because we give priority to what the President wanted—that is, classroom reduction size—but if the local school district makes a determination that their local needs are different, they ought to have the latitude to make that change. That does not provide a straitjacket coming out of Washington, DC, but states the preference and allows the latitude for the local district to make the change.

This bill contains a program for fighting school violence, with some $733.8 million being reallocated from existing programs to focus on the cause of youth violence. I convened three extensive roundtable discussions, or seminars, in effect, with experts from a variety of agencies within the Department of Education, the Department of Health and Human Services, the Department of Labor, and also the Department of Justice, to analyze the problems of school violence. We came up with a variety of programs from existing funds to be directed in this manner.

The bill also contains very substantial increased funding for the National Institutes of Health. Congressman PORTER, Senator HARKIN, and I think the Congress generally has acknowledged that the National Institutes of Health are the crown jewels of the Federal Government. Sometimes I say they are the only jewels of the Federal Government. But enormous increases have been made in medical research to combat Parkinson's disease, with the experts now telling us we may be within 5 years of conquering Parkinson's. There have been enormous advances on Alzheimer's, breast cancer, lung cancer, prostate cancer, heart ailments, and the whole range of medical problems.

Stem cells have become a focal point of medical research. Almost a year ago, they burst upon the scene and provide a real opportunity—a veritable fountain of youth—with these cells being replaced in the human body to conquer these medical maladies. In essence, the bill is a very comprehensive effort to deal with the funding needs of these three major departments.

Another aspect of the conference today was an effort to have offsets in order to obtain the goal that we not touch Social Security, and we have done that with an across-the-board cut of 0.95 percent in budget authority and 0.57 percent in outlays. That is a little less than a 1-percent cut across the board in budget authority and a little more than a half-percent cut in outlays.

Frankly, I do not like an across-the-board cut. But among all of the alternatives we were considering to avoid touching Social Security, this was the least undesirable of the alternatives. And while there will be cuts below what I would like to see, the increases, by and large, are sufficient so that there will be a net increase nonetheless.

For example, in the Head Start program, we increase funding by some $608 million. The 1-percent cut will reduce that figure by $38.7 million, to about a $569 million increase. On special education, for example, we had a $912 million increase. A 1-percent across-the-board cut will reduce that by $23 million, so there still will be a net increase of some $889 million.

We have structured this bill with some advances, but we have made a determination not to come in with advances higher than what the President had proposed. It is my hope that President Clinton will sign this bill. From all of the collateral considerations, it appears unlikely he will sign the bill.

I have personally contacted Mr. Jack Lew, Director of the Office of Management and Budget, in an effort to negotiate with the White House in advance of this conference report. But there have been objections raised by some on the Democratic side in the House to having those discussions move forward because the House, in fact, did not pass a bill on Labor, Health, and Human Services.

If this is another step in the legislative process, so be it, with the bill heading toward the President's desk. If he signs it, great; if he vetoes it, we are prepared to go to work and try to move through what ought to be done. If someone has a better idea on offsets, we are prepared to listen. The objective of not touching Social Security, I think, is a consensus objective. The objective of not raising taxes, again, is a consensus objective. We have provided, I think appropriately—some would say generously—for important education and health programs, worker safety programs, and we will be prepared to move forward to see to it that these very important functions are carried

out and to seek agreement between the legislature—the Congress—and the administration.

One final note: In my discussions with the President when we talked about his interest in having classroom size done to his specifications, I think it is fair to note that the Constitution gives the principal authority on the appropriations process to the Congress. Of course, the President has to sign the bill. But constitutionally, the Congress has the principal line of responsibility. The President would like to have this appropriations bill serve as an authorization vehicle. The authorizers are not happy about that with the process in the Congress for a separate committee to do the authorization and the separate committee to do the appropriations. We have undertaken the authorization but have exercised our congressional preference in setting public policy to establish the President's program for classroom size as the priority, but giving the latitude to the school districts to do it differently. We think that is consistent with the constitutional responsibility we have.

We think some deference ought to be paid to our determination of public policy. But again we are prepared to work with the President to reach a bill which will be acceptable to both the Congress and the President.

I thank the Chair.

EXHIBIT 1

FISCAL YEAR 2000 LABOR-HHS-EDUCATION APPROPRIATIONS CONFERENCE AGREEMENT

Budget Summary and Bill Totals—The bill contains a program level of $93.7 billion, an increase of $6 billion over the FY '99 program level of $87.7 billion, and in increase of $600 million over the President.

BILL HIGHLIGHTS

School Violence Initiative totals $733.8 million. These funds were reallocated from existing programs to focus on the causes of youth violence and to better identify, treat and prevent youth violence.

Department of Health and Human Services—The bill contains a program level of $39.8 billion for the Department of HHS, an increase of $1.6 billion over the FY '99 appropriation and a decrease of $900 million above the budget request.

National Institutes of Health—$17.9 billion, an increase of $2.3 billion over the FY '99 appropriation, and $2 billion over the budget request.

NIH Matching Fund—$20,000,000 is available in the Public Health and Social Services Fund for a matching fund program at NIH that would establish partnerships with the pharmaceutical and biotechnology industry to accelerate new antibiotic development.

Substance Abuse and Mental Health Services—$2.5 billion, up $62 million over FY '99.

Head Start—$5.2 billion, an increase of $608.5 million over FY '99 and the same as the budget request.

Consolidated Health Centers—$1 billion, an increase of $99 million to increase health services for low income individuals.

AIDS—$4.4 billion for prevention and treatment activities, including $2 billion for research at the NIH; $1.6 billion for Ryan White programs and $85 million to address global and minority AIDS.

Ricky Ray—$50 million to compensate hemophilia victims and their families.

Home Delivered Meals—$147 million, an increase of $35 million over FY '99. This increase will provide an additional 27 million meals to elderly individuals in their homes.

Low Income Home Energy Assistance—$1.4 billion for heating and cooling assistance as an advance for FY 2001.

Department of Education—The bill contains a program level of $35.0 billion for the Department of Education, an increase of $2 billion over the FY '99 program level and $300 million over the Administration's request.

Pell Grants—The bill increases the maximum Pell Grant to $3,300, increased $175 over last year.

Campus-based aid—$934 million is included for the Work Study program which provides part-time employment to needy college students, an increase of $64 million over last year. Also increased by $10 million is the Supplemental Educational Opportunity Grant program for a total of $631 million in FY 2000.

Special Education—$6.036 billion is included, an increase of $912.5 million over last year.

Class size/Teacher Assistance Initiative—$1.2 billion, the same as last year for a class size/teacher assistance initiative. Local education agencies would have the choice of using funds first for class size reduction, and if they determine that they do not wish to use funds for reducing class size, funds may be used for professional development or any other need of the school district.

21st Century Learning Centers—$300 million is recommended to help local education agencies with after school programs, an increase of $100 million over last year's initial funding level.

Impact Aid—$910.5 million to assist school districts that are adversely affected by Federal installations. This amount is an increase of $46.5 million over FY '99, and a $174.5 million increase over the Administration's request.

GEAR UP—$180 million to support early college preparation for low-income elementary and secondary children, an increase of $60 million over last year's funding level. The President requested $240 million.

Department of Labor—The bill contains a program level of $11.2 billion for the Department of Labor, an increase of $300 million over the FY'99 program level, and $400 million below the Administration's request.

Dislocated Worker Assistance—$1.6 billion, an increase of $195 million over FY'99.

Job Corps—$1.3 billion, an increase of $49 million.

Related Agencies—The bill contains a program level of $7.7 billion, an increase of $164.2 million over FY'99 and $200 million below the budget request.

Corporation of Public Broadcasting—$350 million, an increase of $10 million over the FY'99 appropriation, and the same amount recommended by the Administration.

National Labor Relations Board—$199.5 million, an increase of $15 million over the FY'99 appropriations, and $11 below the budget request.

With an 1%-across-the-board decrease in spending from the Conference Agreement, many programs will still be increased from last year's level and above the President's request. For example:

Head Start will be increased by $468 million over the FY99 level—to $5,228 billion, allowing over 33,000 additional children to be served.

Home-delivered meals to seniors will be increased $33 million over last year's level, funding 25.5 million more meals than in FY99.

NIH will be increased to $17.7 billion—$2.1 billion over last year's level, and $1.8 billion over the President's budget request.

Ryan White AIDS program will be increased to $1.5 billion—$123.6 million over the FY99 level and $24 million over the President's budget request.

The Community Services Block Grant will be increased to $504.9 million—$4.9 million above the President's request, providing more services to low-income families.

The Maternal and Child Health Block Grant will be increased to $702.9 million—$8.1 million more than the FY99 level and $7.9 million more than the President's budget request.

Job Corps will be funded at $1.35 billion, an increase of $5.1 million over the President's request and $43 million over the FY99 level.

The conference agreement provides $5.735 billion for Special Education State grants, an increase of $679.8 million over the President's request and $628.2 million over the FY 1999 level.

Education technology programs will be funded at $733.2 million, an increase of $35.1 million, or 5%, over the FY 1999 level.

The Impact Act program will be funded at $901.4 million, an increase of $165.4 million over the President's request and $37.4 million over the FY 1999 level.

The maximum award for the Pell Grant program will be increased to a record high of $3,275, an increase of $25 over the President's request and $150 over the FY 1999 appropriation.

HISPANIC HERITAGE MONTH

Mr. BINGAMAN. Mr. President, I want to commemorate the 30-day period from September 15 through October 15 which was designated by the President as Hispanic Heritage Month.

Around the country, and in my home state of New Mexico, Hispanics have been making outstanding contributions to public service, business, education, and to our communities. Hispanic Heritage Month signals a time of recognition and celebration of an enriched legacy, tradition, and culture that has been present in our country for over 400 years.

We in New Mexico are well familiar with the fact that the Hispanic presence in the United States reaches far back to 1528, and in New Mexico to 1539. We also know that Hispanics have influenced greatly our architecture, food, clothing, literature, music, and certainly our family values. Many of our landmark cities have grown from early Spanish settlements; cities such as Los Angeles, San Antonio, San Francisco, and Santa Fe, to name only a few.

Although we know that Hispanics make up the fastest-growing minority group in this country, and by 2025 will be the largest minority group in our national population growth, too many Americans still are not aware of the historic significance and contributions of Hispanics in American life. That is why Hispanic Heritage Month is important as a recognition of the accomplishments and contributions of Hispanics in our country.

There are countless, New Mexicans who have contributed greatly to our Hispanic community through hard work and the belief that one can accomplish what one sets his or her mind to do. Today I'd like to mention two of these individuals from New Mexico, who have contributed to their communities and have made a difference in my home State.

At the age of 5, Mike Lujan was already contributing to his family's household income to help support his parents and 14 siblings. Mike encountered difficulties in high school and graduated with a 1.7 grade-point-average. However, because of his determination Mike enrolled in college, sought tutoring, and this year, he will be celebrating a quarter century of teaching in the Santa Fe Public Schools. During his time as a teacher and head wrestling coach, Mike Lujan has been honored with USA Weekend's ''Most Caring Coach'' award and the national Jefferson Award given to ''a citizen who cares'' which is presented by a three-star general at the Pentagon.

This past August, Mike's story was told in ''Vista'' a magazine which discusses Hispanic Issues and salutes Hispanics in a variety of areas. The article about Mike closes with a quote from him which says, ''One of the secrets for success is to remember your roots. Once you forget who you are, you can't help others.''

The second individual I would like to recognize is Tony Suazo, a native of Canjilon, located in northern New Mexico. Tony was recognized as 1 of 10 northern New Mexicans, by the Santa Fe New Mexican, for their volunteer and professional achievements in the community. Every Christmas, Tony Suazo walks through the streets of Espanola, NM, in a Santa Suit, with a bag of toys thrown over his shoulder. He plays Santa Claus at the ''Put a smile on a Child's Face'' annual children's Christmas party. This party draws about 3,000 people, and every child who walks through the door receives a gift. Every year leading up to this event, Tony closes his business 6 weeks before the Christmas party. He then runs around town faxing fliers about the event and collects the toys, to be given as gifts, in front of local shopping centers.

You see, Mr. President, Tony Suazo and his wife close their business down 6 weeks prior to this event and live off their savings during that time. He does not miss his lost income because, as his wife puts it, ''His dream is to see every child, whether they are needy or not, have a toy.'' Tony has been awarded the Espanola Valley Chamber of Commerce's Man of the Year.

These two individuals serve as an example of Hispanics who have been making contributions to our communities—believing in themselves, believing in hard work, and believing that they can achieve their goals.

Mr. President, at this time let me just say a couple of sentences in Spanish because that is a very important part of the Spanish tradition in my State.

Sr. Presidente, conozco sólo una manera de rendir tributo a una cultura cuyo idioma es tradicionalmente sinónimo de identidad. El idioma español imparte un sentido de conciencia, historia y tradición que en inglès, mi lengua materna, es a veces imposible expresar.

Sin idioma no habrían anècdotas, y sin las anècdotas del dirigente Lujàn, Tony Suazo y de un sinnùmero de hispanos-americanos, nuestra nación sin duda alguna experimentaría un vacío en la médula misma de su identidad.

Let me just summarize that or translate it:

Mr. President, there is only one way I know to pay full tribute to a culture for which language is often synonymous with identity. The Spanish language imparts a sense of feeling, history, and tradition, which my own native tongue of English often fails to convey.

Without language, there would be no stories, and without the stories of Coach Lujan, Tony Suazo, and countless other Hispanic-Americans, our nation would surely suffer from the great void at the very heart of its identity.

Mr. President, it is with great pride that I call on all my colleagues and on all Americans to join me even though I am a little late with this, in celebrating Hispanic Heritage Month and to come together as individuals, families, and communities to learn more about this extremely important culture in our country.

CBO COST ESTIMATE

Mr. JEFFORDS. Mr. President, on October 19, 1999, I filed Report No. 106–196 to accompany S. 976, a bill to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services for children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence. At the time the report was filed, the estimate by the Congressional Budget Office was not available. I ask unanimous consent that a copy of the CBO estimate be printed in the RECORD.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 26, 1999.

Hon. JAMES M. JEFFORDS,
Chairman, Committee on Health, Education, Labor, and Pensions, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 976, the Youth Drug and Mental Health Services Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Julia Christensen (for federal costs), who can be reached at 226–9010, and Leo Lex (for the state and local impact), who can be reached at 225–3220.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

S. 976—Youth Drug and Mental Health Services Act

Summary: S. 976 would reauthorize certain programs of the Substance Abuse and Mental Health Services Administration (SAMHSA) through fiscal year 2002. The bill would consolidate programs currently operated under the Knowledge and Development Application (KDA) and Targeted Capacity Expansion (TCE) programs into three programs that target priorities for mental health and prevention and treatment of substance abuse. The bill would explicitly repeal certain programs and would transfer general discretionary grant authority for demonstrations, training, and other purposes to these new programs. In addition, the bill would reauthorize SAMHSA's Mental Health and Substance Abuse Prevention and Treatment Block Grants and would continue the transition of those block grant programs into federal-state performance partnerships. S. 976 also would create several new programs that focus on children and adolescents.

To fund programs administered by SAMHSA, the bill would authorize the appropriation of about $4.1 billion for 2000 and such sums as may be necessary for 2001 and 2002. Assuming the appropriation of the necessary amounts, CBO estimates that implementing S. 976 would cost about $1.5 billion in 2000 and $12.2 billion over the 2000–2004 period. Enacting S. 976 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 976 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). However, the bill would provide significant funding to both public and private entities for programs dealing with substance abuse and mental health.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 976 is shown in the following table. For the purposes of this estimate, CBO assumes that the bill will be enacted this fall and that the necessary appropriations will be provided for each fiscal year. The table summarizes the budgetary impact of the legislation under two different sets of assumptions. The first set of assumptions provides the estimated levels of authorizations with annual adjustments for anticipated inflation, when appropriate, after fiscal year 2000. The second set of assumptions does not include any such inflation adjustments. The costs of this legislation would fall within budget function 550 (health).

	By fiscal years, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
SAMHSA Spending Under Current Law:						
Budget Authority [1]	2,488	(2)	0	0	0	0

	By fiscal years, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
Estimated Outlays	2,235	1,427	182	75	0	0
Proposed Changes:						
Estimated Authorization Level	0	4,122	4,266	4,358	0	0
Estimated Outlays	0	1,452	3,317	3,976	2,634	787
SAMHSA Spending Under S. 976:						
Estimated Authorization Level [1]	2,488	4,122	4,266	4,358	0	0
Estimated Outlays	2,235	2,879	3,499	4,050	2,634	787
Without Adjustments for Inflation						
SAMHSA Spending Under Current Law:						
Budget Authority [1]	2,488	([2])	0	0	0	0
Estimated Outlays	2,235	1,427	182	75	0	0
Proposed Changes:						
Estimated Authorization Level	0	4,122	4,122	4,122	0	0
Estimated Outlays	0	1,452	3,267	3,828	2,510	750
SAMHSA Spending Under S. 976:						
Estimated Authorization Level [1]	2,488	4,122	4,122	4,122	0	0
Estimated Outlays	2,235	2,879	3,449	3,903	2,510	750

[1] The 1999 level is the amount appropriated for that year.
[2] Amounts appropriated for SAMHSA in Public Laws 106–62 and 106–75, the fiscal year 2000 continuing resolutions that provide funding through October 29, 1999, are not included in this estimate. Thus far, no full-year appropriations for SAMHSA programs have been provided for 2000.

Basis of Estimate

Provisions relating to services for children and adolescents

Projects for Children and Violence. S. 976 would authorize two discretionary grant programs that focus on issues surrounding children and violence. The bill would authorize the appropriation of $100 million in 2000 and such sums as necessary for 2001 and 2002 for making grants to public entities in support of local community programs. The bill also would allow the Secretary of Health and Human Services (HHS) to use those funds to carry out community assistance programs. Projects supported by grants must adopt a comprehensive approach to helping children deal with violence. S. 976 also would authorize $50 million in 2000 and such sums as necessary for 2001 and 2002 for a grant program to sponsor the development of best practices for treating psychiatric disorders associated with violence-related stress. Grant assistance would also be available to establish technical assistance centers that would directly help communities deal with violence. These programs would cost $18 million in 2000 and $422 million during the 2000–2004 period, assuming appropriation of the necessary amounts.

High-Risk Youth. The bill would reauthorize the High-Risk Youth Program at such sums as necessary for 2000 through 2002. Based on the amount spent on this activity in the past, CBO estimates that continuing the program would require appropriations of about $7 million a year for 2000 through 2002. Subject to the appropriation of the estimated amounts, CBO estimates that implementing this provision would cost $2 million in 2000 and $21 million during the 2000–2004 period.

Substance Abuse Treatment Services for Children and Adolescents. Section 104 of S. 976 would authorize three grant programs that would provide assistance to public and private nonprofit entities for substance abuse services for children and adolescents. Those programs would increase access to substance abuse treatment and early intervention services for children and adolescents and target prevention activities against methamphetamine or inhalant abuse and addiction among youths. The bill would require that SAMHSA conduct an evaluation of methamphetamine and inhalant prevention programs and submit to the Congress an annual report on the effectiveness of those programs. The bill also would authorize a grant program that would fund up to four youth interagency research, training, and technical assistance centers. S. 976 would authorize $74 million in 2000 for these programs and such sums as necessary amounts, CBO estimates that these programs would cost $7 million in 2000 and $205 million during the 2000–2004 period.

Comprehensive Community Services for Children with Serious Emotional Disturbances. S. 976 would reauthorize the Comprehensive Community Mental Health Services for Children and Their Families Program through 2002. The bill would allow the Secretary of HHS to waive certain program requirements for territories, Indian tribes, and tribal organizations. The bill also would increase the grant duration from five years to six years. It would permit current grantees to receive a noncompetitive award in the sixth year equal to the amount awarded in the fifth year. The bill would authorize $100 million for the program in 2000 and such sums as necessary for 2001 and 2002. Subject to appropriation of the necessary amounts, CBO estimates that implementing this provision would cost $16 million in 2000 and $290 million over the 2000–2004 period.

Services for Children of Substance Abusers. S. 976 would reauthorize the Services for Children of Substance Abusers Program and transfer its authority within HHS from the Health Resources and Services Administration (HRSA) to SAMHSA. This program was never directly funded under HRSA. The reauthorized program would provide grants to public and private nonprofit entities to support a range of services for children of substance abusers, including primary health care, counseling, and referral services. It also would provide services to affected families and would allow funds to be used for training certain providers of services covered under the program. For this program, S. 976 would authorize appropriations of $50 million in 2000 and such sums as necessary for 2001 and 2002. Implementing this program would cost $5 million in 2000 and $148 million during the 2000–2004 period.

Services for Youth Offenders. Section 107 of the bill would authorize a program to award competitive grants to state and local juvenile justice agencies. Funds would support services for youth offenders following their discharge from juvenile or criminal justice facilities. Individuals qualifying for those services also must have or be at risk of developing a serious and diagnosable mental, behavioral, or emotional disorder. The bill would limit spending on funds used toward planning and transition costs for youths during their incarceration to 20 percent of the amount of each grant. S. 976 would authorize $40 million in 2000 and such sums as necessary for 2001 and 2002. CBO estimates that implementing this program would cost $4 million in 2000 and $111 million during the 2000–2004 period.

Emergency Response. S. 976 would permit the Secretary of HHS to use up to 3 percent of discretionary funds appropriated to SAMHSA under title V of the Public Health Service Act, excluding amounts appropriated to the Project for Assistance in Transition from Homeless (PATH) Program, to make noncompetitive grants to address emergency situations. The bill would require that the Secretary publish objective criteria that would be used to establish the appropriate uses for the emergency funds.

Other Provisions. The bill also would reauthorize the general authorities of SAMHSA under section 501 of the Public Health Service Act. S. 976 would authorize $25 million in 2000 and such sums as necessary for 2001 and 2002 for the purpose of providing grants, cooperative agreements, and contracts under section 501. According to SAMHSA, authorizations for this program are intended as a safety-net mechanism for the agency; therefore, CBO estimates that no additional amounts would be required for 2001 and 2002. However, assuming the appropriation of the authorized amount in 2000, CBO estimates that minimal spending would arise from this authority—about $1 million in 2000 and $8 million over the 2000–2004 period.

Provisions relating to mental health

Priority Mental Health Needs of Regional and National Significance. S. 976 would consolidate SAMHSA's discretionary authorities for certain mental health activities, including those currently funded through its KDA program, under a new program. The bill would repeal certain programs and would transfer general discretionary grant authority for demonstrations, training, and other purposes to the new program. Under the consolidated program, competitive grants would be disbursed to states, political subdivisions of states, Indian tribes and tribal organizations, other public entities, and private nonprofit organizations. Funds could be used to provide training and technical assistance, develop best practices in the mental health field for prevention, treatment and rehabilitation (and evaluations), establish programs to help states and communities target gaps in prevention services, and develop family and consumer networks. S. 976 would authorize $300 million in 2000 and such sums as necessary for 2001 through 2002. Subject to appropriation of the necessary amounts, CBO estimates that this program would cost $30 million in 2000 and $862 million during the 2000–2004 period.

Community Mental Health Services Performance Partnership Block Grant. S. 976 would provide for a full transition of SAMHSA's Block Grants for Community Mental Health Services Program to the Community Mental Health Services Performance Partnership model. The bill would authorize the appropriation of $450 million for the program in 2000 and such sums as necessary for 2001 and 2002. Subject to appropriation of the necessary amounts, CBO estimates that this provision would cost $189 million in 2000 and $1.3 billion during 2000 through 2004.

Under the performance partnership grant program, states enter into agreements, or

''performance partnerships,'' with the Secretary of HHS. The federal-state partnership identifies goals and objectives and develops performance indicators, that will be used to help states and grant recipients ultimately reach their programmatic targets. The program is designed to foster the development of networks that promote a comprehensive approach to community-based mental health care. The bill would replace the current requirements for state plan submissions with five broad criteria. In addition, S. 976 would establish the amount each state received in 1998 as the minimum for 2000 and subsequent years.

Grants for the Benefit of Homeless Individuals. The bill would authorize $50 million for this program in 2000 and such sums as necessary for 2001 and 2002. The program received no appropriation in 1999. This program would cost $8 million in 2000 and $146 million over the 2000–2004 period, assuming appropriation of the necessary amounts.

PATH Program. The Projects for Assistance in Transition from Homelessness Program would be reauthorized through 2002. The bill also would provide the Secretary of HHS with new authority to waive requirements for entities to provide certain services under the program. The bill would authorize the appropriation of $75 million a year from 2000 through 2002. Subject to the appropriation of the authorized amounts, this program would cost $29 million in 2000 and $218 million during 2000 through 2004.

Protection and Advocacy. S. 976 would reauthorize the Protection and Advocacy for Mentally Ill Individuals Act of 1986 at such sums as necessary for 2000 through 2002. The provision also would revise the minimum allotment formula under the formula grant. In addition, the bill would change the name of the act to the ''Protection and Advocacy for Individuals with Mental Illnesses Act.'' CBO estimates that carrying out this provision would require appropriations of $23 million a year, adjusted for inflation. Implementing this program would cost $12 million in 2000 and $70 million during the 2000–2004 period, assuming appropriation of the estimated amounts.

Provisions relating to substance abuse

Priority Substance Abuse Treatment Needs of Regional and National Significance. S. 976 would replace SAMHSA's substance abuse treatment projects as currently funded under the KDA and TCE programs with a new program that targets treatment needs. The bill would repeal certain programs and would consolidate general discretionary grant authority for demonstrations, training, and other purposes under the new program. The bill would authorize $300 million in 2000 and such sums as necessary for 2001 and 2002. Assuming appropriation of the necessary amounts, this program would cost $39 million in 2000 and $870 million during 2000 through 2004.

Priority Substance Abuse Prevention Needs of Regional and National Significance. Similarly, S. 976 would replace SAMHSA's substance abuse prevention activities as currently funded under the KDA and TCE programs with a new program that funds projects targeting prevention needs. The new program would consolidate SAMHSA's discretionary grant authority for certain substance abuse prevention programs within a single program. The bill would authorize $300 million in 2000 and such sums as necessary for 2001 and 2002. Subject to the appropriation of necessary funds, this program would cost $36 million in 2000 and $869 million during the 2000–2004 period.

Substance Abuse Prevention and Treatment Performance Partnership Block Grant. S. 976 would provide for a full transition of the Substance Abuse Prevention and Treatment Block Grant to the Substance Abuse Prevention and Treatment Performance Partnership Block Grant model. The bill would authorize $2 billion for 2000 and such sums as necessary for 2001 and 2002. We estimate that this provision would cost $988 million in 2000 and $6.1 billion over the 2000–2004 period, assuming appropriation of the necessary funds.

Under the performance partnership model, the Secretary works with the states and other interested groups to develop programmatic goals, objectives, and performance measures with the intent of reducing the prevalence of substance abuse and improving access to preventive and treatment services.

S. 976 would repeal or amend some of the requirements under current law, while retaining others. For example, the bill would remove the mandate that states use 35 percent of funds for alcohol abuse prevention and treatment activities and 35 percent of funds for other drug abuse prevention and treatment activities. In addition, the bill would allow states to request waivers of certain other spending allocation requirements. S. 976 would provide states with greater flexibility in allocating grant funds and allows an additional year to obligate and spend them. The bill also would permanently revise the minimum allotment determination.

Alcohol and Drug Prevention or Treatment Services for Indians and Native Alaskans. S. 976 would authorize grants to provide substance abuse prevention and treatment services for Indian tribes, tribal organizations, and Native Alaskans. The bill also would establish a commission to study and report on health care issues in these populations. It would authorize $15 million for the prevention and treatment program and $5 million for the commission in 2000 and such sums as necessary in 2001 and 2002. Subject to appropriation of the necessary amounts, these provisions would cost $2 million in 2000 and $55 million during 2000 through 2004.

Other provisions

Data Infrastructure. S. 976 would authorize such sums as necessary for 2000 through 2002 for a new grant program to support data infrastructure development in the states. To facilitate compliance with performance partnership requirements, the bill would provide financial assistance for states to develop and operate mental health and substance abuse data collection, analysis, and reporting systems. CBO estimates that the necessary authorization would be $100 million in each year, adjusted for inflation. Assuming appropriation of the estimated amounts, implementing this provision would cost $10 million in 2000 and $271 million over the 2000–2004 period.

Miscellaneous Provisions. The bill would provide states with additional flexibility in their use of federal grant funds while enhancing accountability through effective performance measurements. The bill also would reduce some of SAMHSA's administrative costs associated with managing its programs. On balance, CBO estimates that the administrative burden associated with the proposed expansion of programs under SAMHSA's management, including the costs of promulgating new regulations and submitting additional reports to the Congress, would exceed any savings that would be generated by the bill. Although S. 976 does not explicitly authorize funding for program management, CBO estimates authorizations of appropriations for SAMHSA program administration under S. 976 at $58 million in 2000 and subsequent years, adjusted for inflation. Assuming appropriation of the necessary amounts, such administrative expenses would cost $57 million in 2000 and $180 million over the 2000–2004 period.

S. 976 also would require the Secretary of HHS to develop and implement new rules concerning use of seclusion and restraints on residents of certain facilities supported by federal funds. The bill also would apply nondiscrimination and institutional safeguards to religious providers of substance abuse services. In cases where a client objects to the religious nature of the organization, the bill would require that appropriate referral services be provided. CBO assumes that, as a condition of grant assistance, states would bear the cost of enforcing compliance with the referral requirement. Finally, the bill would require that the Secretary of HHS submit a report to the Congress within two years of enactment on the issue of prevention and treatment of individuals with co-occurring mental health and substance abuse disorders.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting S. 976 as amended by the managers' amendment of October 22, 1999, would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

Estimated impact on state, local, and tribal governments: The bill would provide grants to state, local, and tribal governments, as well as other private and nonprofit entities, for substance abuse and mental health programs. The grant programs cover a variety of activities including prevention, intervention, training, counseling, mental health, and community and youth services.

In most cases, the funds authorized by this bill would be available for grants to both public and private (including nonprofit) entities. However, two large block grants would make funds available to states: the Community Mental Health Services Performance Partnership Block Grant ($450 million in fiscal year 2000) and the Substance Abuse Prevention and Treatment Performance Partnership Block Grant ($2 billion in fiscal year 2000). The bill also would authorize $40 million in fiscal year 2000 for grants to state and local juvenile justice agencies that provide services to youth offenders who have or who may be at risk of developing mental, behavioral, or emotional disorders.

In some cases, additional conditions of assistance would be placed on grant programs. However, these conditions would not be intergovernmental mandates as defined in UMRA, and overall, state, local, and tribal governments would benefit from increased funding, the extension of existing grant programs, and in many cases a greater degree of flexibility in administering substance abuse programs.

Estimated impact on the private sector: The bill contains no private-sector mandates as defined in UMRA.

Estimate prepared by: Federal Costs: Julia Christensen. Impact on State, Local, and Tribal Governments: Leo Lex.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, October 26, 1999, the Federal debt stood at $5,678,650,010,507.85 (Five trillion, six hundred seventy-eight billion, six hundred fifty million, ten thousand, five hundred seven dollars and eighty-five cents).

One year ago, October 26, 1998, the Federal debt stood at $5,555,572,000,000

(Five trillion, five hundred fifty-five billion, five hundred seventy-two million).

Five years ago, October 26, 1994, the Federal debt stood at $4,713,110,000,000 (Four trillion, seven hundred thirteen billion, one hundred ten million).

Ten years ago, October 26, 1989, the Federal debt stood at $2,878,967,000,000 (Two trillion, eight hundred seventy-eight billion, nine hundred sixty-seven million).

Fifteen years ago, October 26, 1984, the Federal debt stood at $1,599,295,000,000 (One trillion, five hundred ninety-nine billion, two hundred ninety-five million) which reflects a debt increase of more than $4 trillion—$4,079,355,010,507.85 (Four trillion, seventy-nine billion, three hundred fifty-five million, ten thousand, five hundred seven dollars and eighty-five cents) during the past 15 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 1:50 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 1652. An act to designate the Old Executive Office Building located at 17th Street and Pennsylvania Avenue, NW, in Washington, District of Columbia, as the Dwight D. Eisenhower Executive Office Building.

S. 437. An act to designate the United States courthouse under construction at 333 Las Vegas Boulevard South in Las Vegas, Nevada, as the ''Lloyd D. George United States Courthouse.''

The message also announced that the House has agreed to the amendments of the Senate to the bill (H.R. 1175) to locate and secure the return of Zachary Baumel, a United States citizen, and other Israeli soldiers missing in action.

The message further announced that pursuant to section 1404 of Public Law 99–661 (20 U.S.C. 4703), the Minority Leader appoints the following Member to the Barry Goldwater Scholarship and Excellence in Education Foundation: Mr. OWEN B. PICKETT of Virginia.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1255. An act to protect consumers and promote electronic commerce by amending certain trademark infringement, dilution, and counterfeiting laws, and for other purposes.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 970. An act to authorize the Secretary of the Interior to provide assistance to the Perkins County Rural Water System, Inc. for the construction of water supply facilities in Perkins County, South Dakota.

H.R. 1528. An act to reauthorize and amend the National Geologic Mapping Act of 1992.

H.R. 1753. An act to promote the research, identification, assessment, exploration, and development of gas hydrate resources, and other purposes.

H.R. 2496. An act to reauthorize the Junior Duck Stamp Conservation and Design Program Act of 1994.

H.R. 2885. An act to provide uniform safeguards for the confidentiality of information acquired for exclusively statistical purposes, and to improve the efficiency and quality of Federal statistics and Federal statistical programs by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards.

H.R. 2970. An act to prescribe certain terms for the resettlement of the people of Rongelap Atoll due to conditions created of Rongelap during United States administration of the Trust Territory of the Pacific Islands, and other purposes.

H.R. 3061. An act to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 20. Concurrent resolution concerning economic, humanitarian, and other assistance to the northern part of Somalia.

H. Con. Res. 46. Concurrent resolution urging an end of the war between Eritrea and Ethiopia and calling on the United Nations Human Rights Commission and other human rights organizations to investigate human rights abuses in connection with the Eritrean and Ethiopian conflict.

H. Con. Res. 102. Concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict.

H. Con. Res. 188. Concurrent resolution commending Greece and Turkey for their mutual and swift response to the recent earthquakes in both countries by providing to each other humanitarian assistance and rescue relief.

H. Con. Res. 190. Concurrent resolution urging the United States to seek a global consensus supporting a moratorium on tariffs on special, multiple, and discriminatory taxation of electronic commerce.

H. Con. Res. 208. Concurrent resolution expressing the sense of Congress that there should be no increase in Federal taxes in order to fund additional Governmental spending.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 2496. An act to reauthorize the Junior Duck Stamp Conservation and Design Program Act of 1994; to the Committee on Environment and Public Works.

H.R. 2886. An act to provide uniform safeguards for the confidentiality of information acquired for exclusively statistical purposes, and to improve the efficiency and quality of Federal statistics and Federal statistical programs by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards; to the Committee on Governmental Affairs.

H.R. 2970. An act to prescribe certain terms for the resettlement of the people of Rongelap Atoll due to conditions created of Rongelap during United States administration of the Trust Territory of the Pacific Islands, and other purposes; to the Committee on Energy and Natural Resources.

The following bills were referred to the Committee on Banking, Housing, and Urban Affairs by unanimous consent, sequentially, and if the bills are not reported by that Committee by November 2, 1999, the Committee be discharged from further consideration thereof, and the bills be placed on the calendar:

S. 225. A bill to provide housing assistance to Native Hawaiians.

S. 400. A bill to provide technical corrections to the Native American Housing Assistance and Self-Determination Act of 1996, to improve the delivery of housing assistance to Indian tribes in a manner that recognizes the right of tribal self-governance, and for other purposes.

The following concurrent resolutions were read and referred as indicated:

H. Con. Res. 20. Concurrent resolution concerning economic, humanitarian, and other assistance to the northern part of Somalia; to the Committee on Foreign Relations.

H. Con. Res. 46. Concurrent resolution urging an end of the war between Eritrea and Ethiopia and calling on the United Nations Human Rights Commission and other human rights organizations to investigate human rights abuses in connection with the Eritrean and Ethiopian conflict; to the Committee on Foreign Relations.

H. Con. Res. 102. Concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict; to the Committee on the Judiciary.

H. Con. Res. 188. Concurrent resolution commending Greece and Turkey for their mutual and swift response to the recent earthquakes in both countries by providing to each other humanitarian assistance and rescue relief; to the Committee on Foreign Relations.

H. Con. Res. 208. Concurrent resolution expressing the sense of Congress that there should be no increase in Federal taxes in order to fund additional Governmental spending; to the Committee on Finance.

MEASURES PLACED ON THE CALENDAR

The following bills were read twice and placed on the calendar:

H.R. 970. An act to authorize the Secretary of the Interior to provide assistance to the Perkins County Rural Water System, Inc. for the construction of water supply facilities in Perkins County, South Dakota.

H.R. 1528. An act to reauthorize and amend the National Geologic Mapping Act of 1992.

H.R. 1753. An act to promote the research, identification, assessment, exploration, and development of gas hydrate resources, and other purposes.

H.R. 3061. An act to amend the Immigration and Nationality Act to extend for an additional 2 years the period for admission of an alien as a nonimmigrant under section 101(a)(15)(S) of such Act, and to authorize appropriations for the refugee assistance program under chapter 2 of title IV of the Immigration and Nationality Act.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5839. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Weighted Average Interest Rate Update'' (Notice 99–52), received October 25, 1999; to the Committee on Finance.

EC–5840. A communication from the Mayor of the District of Columbia, transmitting pursuant to law, the report of a violation of the Antideficiency Act, report number 99–86; to the Committee on Appropriations.

EC–5841. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to and deletions from the Procurement List, received October 25, 1999; to the Committee on Governmental Affairs.

EC–5842. A communication from the Chief Financial Officer and Assistant Secretary for Administration, Department of Commerce, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–5843. A communication from the Commissioner of Social Security, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC–5844. A communication from the Executive Director, Federal Reserve Employee Benefits System, transmitting, pursuant to law, the annual report of the Retirement Plan for Employees of the Federal Reserve System and the Thrift Plan for Employees of the Federal Reserve System for 1998; to the Committee on Governmental Affairs.

EC–5845. A communication from the Office of Independent Counsel, transmitting, pursuant to law, the annual report relative to audit and investigative activities and management control systems for fiscal year 1999; to the Committee on Governmental Affairs.

EC–5846. A communication from the Director Designee, Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual report relative to audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC–5847. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to notification of a proposed approval for the export of defense articles sold commercially under a contract in the amount of $50,000,000 or more to French Guiana; to the Committee on Foreign Relations.

EC–5848. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the United Kingdom; to the Committee on Foreign Relations.

EC–5849. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Federation of Bosnia and Herzegovina; to the Committee on Foreign Relations.

EC–5850. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–5851. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–5852. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–5853. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Turkey; to the Committee on Foreign Relations.

EC–5854. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–5855. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Italy; to the Committee on Foreign Relations.

EC–5856. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to the Netherlands; to the Committee on Foreign Relations.

EC–5857. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Luxembourg and French Guiana; to the Committee on Foreign Relations.

EC–5858. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–5859. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Luxembourg; to the Committee on Foreign Relations.

EC–5860. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Technical Assistance Agreement with Greece; to the Committee on Foreign Relations.

EC–5861. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Technical Assistance Agreement with Brazil; to the Committee on Foreign Relations.

EC–5862. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with the United Kingdom; to the Committee on Foreign Relations.

EC–5863. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a report relative to certification of a proposed Manufacturing License Agreement with Greece; to the Committee on Foreign Relations.

EC–5864. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report entitled ''Initial Report of the United States of America to the UN Committee Against Torture''; to the Committee on Foreign Relations.

EC–5865. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to ''countries of particular concern'' relating to religious freedom; to the Committee on Foreign Relations.

EC–5866. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of expenditures for the period October 1, 1998 through March 31, 1999; to the Committee on Appropriations.

EC–5867. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a Memorandum of Justification relative to Ex-Im Bank financing of the sale of defense articles to Colombia; to the Committee on Banking, Housing, and Urban Affairs.

EC–5868. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''National Flood Insurance Program (NFIP); Assistance to Private Sector Property Insurers; 64 FR 56174; 10/18/99'', received October 25, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5869. A communication from the Deputy Secretary, Office of Mergers and Acquisitions, Division of Corporation Finance, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Cross-Border Tender and Exchange Offers, Business Combination and Rights Offerings'', received October 26, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5870. A communication from the Deputy Secretary, Office of Mergers and Acquistions, Division of Corporation Finance, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Regulation of Takeovers and Security Holder Communications—('Regulation M–A')'', received October 26, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–5871. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Missouri Regulatory Program'', received October 26, 1999; to the Committee on Energy and Natural Resources.

EC–5872. A communication from the Chairman, Nuclear Regulatory Commission, transmitting, pursuant to law, a report relative to the denial of safeguards information; to the Committee on Environment and Public Works.

EC–5873. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans Tennessee; Approval of Source Specific Revisions to the Nonregulatory Portion of the Tennessee SIP Regarding Emission Limits for Particulate Matter and Volatile Organic Compounds'' (FRL #6465–1), received October 25, 1999; to the Committee on Environment and Public Works.

EC–5874. A communication from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Determination of Threatened Status for the Bull Trout in the Coterminous United States'' (RIN1018–AF01), received October 25, 1999; to the Committee on Environment and Public Works.

EC–5875. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Cooperative Threat Reduction Act, a report relative to the Republic of Moldova, the Russian Federation and Ukraine; to the Committee on Armed Services.

EC–5876. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Student Assistance General Provisions (Cohort Default Rates)'' (RIN1845–AA04), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5877. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Federal Family Education Loan (FFEL) Program (Lenders and Guaranty Agencies)'' (RIN1845–AA04), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5878. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Final Regulations—Institutional Eligibility under the Higher Education Act of 1965, as Amended and Student Assistance General Provisions'' (RIN1845–AA08), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5879. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Final Regulations—Student Assistance General Provisions'' (RIN1845–AA03), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5880. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Federal Perkins Loan Program'' (RIN1845–AA05), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5881. A communication from the Assistant General Counsel for Regulations, Office of Student Financial Assistance, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Federal Family Education Loan Program and William D. Ford Direct Loan Program'' (RIN1845–AA00), received October 25, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–5882. A communication from the Secretary of Transportation, transmitting, a report entitled ''Entry and Competition in the U.S. Airline Industry: Issues and Opportunities''; to the Committee on Commerce, Science, and Transportation.

EC–5883. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations; Princeton and Elk River, MN'' (MM Docket No. 98-208; RM–9396), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5884. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations; Cal-Nev-Ari, Boulder City and Las Vegas, NV'' (MM Docket No. 93–279; DA–99–2115), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5885. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations; Mount Olive and Staunton, IL,'' (MM Docket No. 99–167; RM 9391), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5886. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations; Fremont and Holton, MI,'' (MM Docket No. 98–180; RM 9365), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5887. A communication from the Acting Assistant Chief Counsel, Office of Motor Carrier Safety, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Motor Carrier Safety Regulations'' (RIN2125–AE70), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

EC–5888. A communication from the Chief, Office of Regulations and Administrative Law, U.S. Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Mile 94.0 to Mile 96.0, Lower Mississippi River, Above Head of Passes (COTP New Orleans-99–027)'' (RIN2115–AA97) (1999–0067), received October 25, 1999; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATCH (for himself and Mr. LEAHY):

S. 1798. A bill to amend title 35, United States Code, to provide enhanced protection for investors and innovators, protect patent terms, reduce patent litigation, and for other purposes; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 1799. A bill for the relief of Sergio Lozano; to the Committee on the Judiciary.

By Mr. GRAHAM:

S. 1800. A bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 1801. A bill to provide for the identification, collection, and review for declassification of records and materials that are of extraordinary public interest to the people of the United States, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1802. A bill to suspend temporarily the duty on instant print film; to the Committee on Finance.

By Mr. ROBB (for himself, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mrs. MURRAY, Mr. REID, Mr. SARBANES, and Mr. LIEBERMAN):

S. 1803. A bill to amend the Internal Revenue Code of 1986 to extend permanently and expand the research tax credit; to the Committee on Finance.

By Mr. McCAIN:

S. 1804. A bill to direct the Secretary of Commerce, in consultation with the Director of the Office of Science Technology and the Director of the National Science Foundation, to establish a program for increasing the United State's scientific, technology, and mathematical resources, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. SPECTER, Mr. LEAHY, and Mr. JEFFORDS):

S. 1805. A bill to restore food stamp benefits for aliens, to provide States with flexibility in administering the food stamp vehicle allowance, to index the excess shelter expense deduction to inflation, to authorize additional appropriations to purchase and make available additional commodities under the emergency food assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BINGAMAN (for himself, Mr. COVERDELL, Mr. DOMENICI, Mr. HOLLINGS, and Mr. CLELAND):

S. 1806. A bill to authorize the payment of a gratuity to certain members of the Armed Forces who served at Bataan and Corregidor during World War II, or the surviving spouses of such members, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 1807. A bill to provide for increased access to airports in the United Kingdom by United States air carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. SPECTER (for himself and Mr. BIDEN):

S. 1808. A bill to reauthorize and improve the drug court grant program; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. HARKIN, Mr. FRIST, Ms. COLLINS, Mr. WELLSTONE, Mr. REED, Mr. DODD, and Mrs. MURRAY):

S. 1809. A bill to improve service systems for individuals with developmental disabilities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. MURRAY (for herself, Mr. JEFFORDS, Mr. CONRAD, Mr. KERREY, Mr. DORGAN, Mr. BINGAMAN, and Mr. SARBANES):

S. 1810. A bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures; to the Committee on Veterans' Affairs.

By Mr. LEVIN:

S. 1811. A bill for the relief of Sophia Shiklivsky and her husband Vasili Chidlivski; to the Committee on the Judiciary.

By Mr. WARNER:

S. 1812. A bill to establish a commission on a nuclear testing treaty, and for other purposes; to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself, Mr. FRIST, Mr. JEFFORDS, Ms. MIKULSKI, Mrs. MURRAY, Mr. DURBIN, and Mr. COCHRAN):

S. 1813. A bill to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of Oregon (for himself, Mr. GRAHAM, Mr. CRAIG, Mr. CLELAND, Mr. MCCONNELL, Mr. COVERDELL, Mr. MACK, Mr. COCHRAN, Mr. HELMS, Mr. GRAMS, Mr. CRAPO, Mr. BUNNING, and Mr. VOINOVICH):

S. 1814. A bill to establish a system of registries of temporary agricultural workers to provide for a sufficient supply of such workers and to amend the Immigration and Nationality Act to streamline procedures for the admission and extension of stay of nonimmigrant agricultural workers, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself and Mr. SMITH of Oregon):

S. 1815. A bill to provide for the adjustment of status of certain aliens who previously performed agricultural work in the United States to that of aliens who are lawfully admitted to the United States to perform that work; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAUCUS (for himself and Mr. GRASSLEY):

S. Res. 207. A resolution expressing the sense of the Senate regarding fair access to Japanese telecommunications facilities and services; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mr. MOYNIHAN):

S. Con. Res. 62. A concurrent resolution recognizing and honoring the heroic efforts of the Air National Guard's 109th Airlift Wing and its rescue of Dr. Jerri Nielsen from the South Pole; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself and Mr. LEAHY):

S. 1798. A bill to amend title 35, United States Code, to provide enhanced protection for investors and innovators, protect patent terms, reduce patent litigation, and for other purposes; to the Committee on the Judiciary.

THE AMERICAN INVENTORS PROTECTION ACT OF 1999

Mr. HATCH. Mr. President, I am pleased to rise today, along with the Ranking Member on the Judiciary Committee, Senator LEAHY, to introduce the American Inventors Protection Act of 1999. Simply put, this legislation reflects several years of discussions and consensus-building efforts in the Senate and the House, and represents the most important and most comprehensive reforms to our nation's patent system in nearly half a century. As we prepare to enter a new millennium built on high-tech growth, the Internet, and electronic commerce, in which American competitiveness will depend on the strength of the patent system and the protections it affords, this legislation could not be more timely.

The last time the Patent Act underwent a significant update was in 1952. Since then, our Nation has experienced an unprecedented explosion of technology growth and a tremendous expansion of the global market for the fruits of American ingenuity. Yet our patent laws have remained largely unchanged in the face of the new demands engendered by these developments. This legislation—which many of my colleagues will recognize as a compromise version of the Omnibus Patent Act passed by the Judiciary Committee with near unanimity more than 2 years ago—will effect targeted changes to the patent code to equip the patent system to meet the challenges of new technology and new markets as we approach the new millennium, while at the same time promoting American competitiveness and ensuring adequate protection for American innovators, both at home and abroad.

As many of my colleagues know, this legislation is the product of several years of discussion and extensive efforts to reach agreement on a responsible package of patent reforms. The Senate made significant progress toward consensus during the last Congress when several key compromises were reached in the Judiciary Committee to strengthen the bill's protections for small businesses and independent inventors and to preserve America's competitive edge in the face of increasing global competition. I was pleased this year to see those efforts continued in the House, where the supporters and former opponents of the bill agreed to sit down and work through their differences to produce a constructive patent reform bill. The result is H.r. 1907, which has 59 cosponsors in the House—including the most ardent opponents of prior reform measures—and was passed in the House by a 376–43 vote.

In many ways, the House-passed ''American Inventors Protection Act'' builds upon the compromises reached in the Senate during the last Congress. For example, the widespread agreement on 18-month publication of patent applicants is centered around the Senate compromise that allowed inventors to avoid disclosure of their applications by not filing their application abroad, where 18-month publication is now the rule. Similarly, estoppel provisions similar to those agreed to in the Senate form a key component on the broad-based agreement on patent reexamination reform. I am pleased to see these compromises preserved and to see that the House has built upon them to reach the sort of broad consensus on patent reform that I have long advocated.

The bill Senator LEAHY and I are introducing today in the Senate preserves these important compromises and adds to them a number of important provisions. For example, our bill includes a title not in the House bill to reduce patent fees for only the second time in history (the first time fees were reduced was last year in a bill Senator LEAHY and I ushered through the Senate), to ensure that trademark fees are spent only for trademark-related operations, and to require a study of alternative fee structures to encourage maximum participation by the American inventor community. Our bill also adds important provisions to enhance protections for our national security by preventing disclosure of sensitive and strategic patent-related information and by helping to identify national security positions at the Patent and Trademark Office (PTO) and obtain appropriate security clearances for PTO employees. The bill also prohibits the Commissioner of Patents and Trademarks from entering into an agreement to exchange U.S. patent data with certain foreign countries without explicit authorization from the Secretary of Commerce. Also in our bill is a requirement that GAO conduct a study on patents issued for methods of doing or conducting business, which have been the subject of a 75 percent increase in applications at the PTO/

Like the House bill, our legislation will achieve a number of important substantive patent reforms, consistent with the principles of protecting American inventors, our national competitiveness, and the integrity of our patent system.

First, the bill provides inventors with enhanced protections against invention promotion scams by creating a private right of action for inventors harmed by deceptive and fraudulent practices and by requiring invention promoters to disclose certain information in writing prior to entering into a contract for invention promotion services. An inventor who is harmed by any

material false or fraudulent statement or representation, or any omission of material fact, by an invention promoter, or by the invention promoter's failure to make the required disclosures, may recover actual damages or, at the plaintiff's election, statutory damages in an amount up to $5,000, as the court considers just, plus reasonable costs and attorneys' fees. A court may award increased damages, up to treble damages, where it finds such conduct to have been intentional and done with the intent to deceive the inventor. And, in an effort to provide better access to information for inventors, the Patent and Trademark Office is required to make publicly available all complaints received involving invention promoters, along with any response of the invention promoter.

Second, as noted above, the bill will reduce patent fees, protect trademark fees from being diverted to non-trademark uses, and require the PTO to study alternative fee structures to encourage maximum participation by American inventors.

Third, the bill provides a ''first inventor defense'' to an action for patent infringement for someone who has reduced an invention to practice at least one year before the effective filing date of the patent and commercially used the subject matter before the effective filing date of such patent. The bill responds to recent changes in PTO practice and the Federal Circuit's 1998 decision in *State Street Bank & Trust Co.* v. *Signature Financial Group*, 149 F.3d 1360 (Fed Cir. 1998), in which it formally did away with the so-called ''business methods'' exception to statutory patentable subject matter. As a result, patent filings for business methods are up by 75 percent this year, and many who have been using business methods for many years pursuant to trade secret protection—believing such methods were not patentable—are now faced with potential patent infringement suits from others who, while they may have come later to the game, were first to reach the patent office after the bar to patentability for business methods was lifted.

Fourth, the bill will guarantee a minimum 17-year patent term for diligent applicants, addressing concerns that have been expressed since the United States went to a 20-year from filing term of protection with the adoption of the Uruguay Round Agreements Act in 1994.

Fifth, the bill will place American inventors on a level playing field with their foreign competitors by providing for domestic publication in English of those patent applications that are now subject to foreign publication by foreign patent offices, while still retaining the option inventors now enjoy of preserving the secrecy of their application by not filing abroad. It also protects American inventors from broader disclosure of their invention through domestic publication than occurs in foreign publications by allowing the patent applicant to submit a redacted copy of their application for publication. This provision will effectively facilitate access to information that will enable inventors to target their resources more effectively while also providing, for the first time, effective interim protection for inventors during patent pendency.

Sixth, the bill is designed to reduce litigation in district courts and make reexamination a viable, less-costly alternative to patent litigation by giving third-party requesters the option of inter-partes reexamination procedures (in addition to the current ex parte reexamination procedures). Under this optional procedure, the third party is afforded an expanded, although still limited, role in the reexamination process through an opportunity to respond, in writing, to an action by a patent examiner when, but only when, the patent owner does so. These expanded rights for third parties are carefully balanced with incentives to prevent abusive reexamination requests, including broad estoppel provisions and severe restrictions on appeals.

Finally, the bill will make a number of miscellaneous, yet important patent reforms.

In short, the provisions of this bill now enjoy widespread bipartisan and bicameral support. The total package of changes that have been made to this legislation over the past several years are both responsive and comprehensive. The time to act on this package of reforms is now. Intellectual property, and patents in particular, are among our nation's greatest assets in this technology-dominated age. Our patent system must be equipped to handle the challenges of the new millennium and to protect our nation's creators into the next century. The strength of our economy depends upon it. If we do not, we will lose our edge in the ongoing race for technological and economic leadership in the world economy.

In the most simple of terms, we must have a patent system that is state of the art. The bill Senator LEAHY and I are introducing today will help to provide just that. I hope that my colleagues will join with me in giving their overwhelming support for this measure.

Mr. LEAHY. Mr. President, I am very pleased to join with Senator HATCH in introducing the ''American Inventors Protection Act of 1999,'' which I hope can be enacted into law this year.

This patent bill is important to America's future. I have heard from inventors, from businesses large and small, from hi-tech to low-tech firms that this bill will give American inventors and businesses an improved competitive edge now enjoyed by many European countries.

We should be on a level playing field with them.

This bill reduces patent fees for only the second time in history. The first time that was done was also in a Hatch-Leahy bill passed by the Senate in the 105th Congress.

All the concepts in this bill—such as patent term guarantees, domestic publication of patent applications filed abroad, first inventor defense—have been thoroughly examined. Indeed, they have been included in several bills that the Congress has carefully studied.

Chairman HATCH and I have worked closely on this bill. I believe that we can get a good patent bill to the President before we go out of session this year. I look forward to working with the House on these issues and appreciate the hard work and careful crafting that went into their bill—H.R. 1907.

I wish to point out that the Senate Judiciary Committee last year also developed a strong bill—S. 507—which contained many of the same concepts and approaches found in H.R. 1907 and S. 1798.

It is long past time for the Senate to consider and pass this patent reform legislation. Our patent bill will be good for Vermont, good for Utah and every state in the Nation, good for American innovators of all sizes, and good for America.

We will be working with the Administration, the full Senate and with the House to move this bill along quickly. I hope we can keep this bipartisan coalition together because otherwise this bill will die, as past efforts have.

The patent bill will reform the U.S. patent system in important ways.

It will reduce legal fees that are paid by inventors and companies; eliminate duplication of research efforts and accelerate research into new areas; increase the value of patents to inventors and companies; and facilitate U.S. inventors and companies' research, development, and commercialization of inventions.

In Vermont, we have a number of independent inventors and small companies. It is, therefore, especially important to me that this bill will be one that helps them as well as the larger companies in Vermont like IBM.

Over the past several years, Congress has held eight Congressional hearings with more than 80 witnesses testifying about the various proposals incorporated in the bill. Republican and Democratic Administrations alike, reaching back to the Johnson Administration, have supported these similar reforms.

I also thank Secretary Daley and the administration for their unflagging support of effective patent reform. I also know that they worked closely with the House on H.R. 1907. I will submit a more detailed statement on S. 1798 before we proceed to Senate consideration.

By Mrs. FEINSTEIN:

S. 1799. A bill for the relief of Sergio Lozano; to the Committee on the Judiciary.

PRIVATE RELIEF BILL

• Mrs. FEINSTEIN. Mr. President, I rise today to offer legislation that provides permanent resident status to Sergio Lozano who, with his younger sister and brother, were granted immigrant visas to come to the United States with their mother in 1997. Unfortunately, they lost the opportunity to be come immigrants when they tragically lost their mother in that same year.

Sergio Lozano lived with his siblings and their mother, Ana Ruth Lozano, until her death in February of this year due to complications from typhoid fever. Since their mother's death, the three siblings have been living with their closest relative, their U.S. citizen grandmother who lives in Los Angeles and has since adopted the two younger children.

Without his mother, Sergio does not have the legal right to remain in the United States. When he first arrived in the U.S. at 17, he was unable to obtain lawful permanent residence because immigration law prohibits permanent legal residency to minor children without their parents. However, as a child of 17, he was also outside the age limit for adoption by his grandmother. As a result, Sergio, through no fault of his own, has been left in limbo in the United States.

Without legal status, this young man can be deported by the INS despite the fact that he has no immediate family in El Salvador except their estranged father who was alleged to have been abusive to the mother and the children.

Without the legislation, Sergio will most likely be separated from his brother and sister and sent back to El Salvador. Here in the U.S., he can remain with his brother and sister, further his education and continue to thrive in the loving environment provided by his U.S. citizen grandmother and uncles.

I have previously sought administrative relief for all three Lozano children by asking the INS district office in Los Angeles and Commissioner Meissner if any humanitarian exemptions could be made in their case. INS told my staff that there was nothing further they could do administratively and a private relief bill may be then only way to protect the children from deportation. Since then, the two younger Lozano children have been adopted by their grandmother and have received approval of their lawful permanent resident petitions. Like his siblings, Sergio has too suffered a sense of loss and bewilderment after losing a parent. However. unlike his sister and brother, he stands to be deprived of the security of his American family and deported back to a land he no longer knows, if only as a consequence of being born two years too soon.

Last year, the Senate passed by unanimous consent the private bill I introduced on behalf of Sergio Lozano and his siblings. However, the 105th Congress came to a close before the House was able to act.

This year, I hope you will support the bill on behalf of Sergio Lozano so that we can help him begin to rebuild his life with his loving family in the United States.•

By Mr. GRAHAM:

S. 1800. A bill to amend the Food Stamp Act of 1977 to improve onsite inspections of State food stamp programs, to provide grants to develop community partnerships and innovative outreach strategies for food stamp and related programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOOD STAMP OUTREACH AND RESEARCH FOR KIDS ACT OF 1999 (THE FORK ACT)

• Mr. GRAHAM. Mr. President, today, I am pleased to introduce The Food Stamp Outreach and Research for Kids Act of 1999.

Along with my House colleagues Representatives WILLIAM COYNE and SANDER LEVIN, I created this common sense piece of legislation with the goal of guarding children and their families against hunger.

In 1998, over 14 million children lived in households that could not afford to buy food.

That was an increase of almost 4 million children from 1997.

At the same time, the number of poor children not getting Food Stamps reached its highest level in a decade.

My bill, the Food Stamp Outreach for Kids Act of 1999 (the FORK Act), would help us to give children who are currently going hungry the Food Stamps that they need.

Some time ago, food banks in Florida started telling me that the number of people coming to them for assistance was increasing, and that if demand continued at the current rate, they might run out of food.

This crisis was not specific to Florida, Congressman COYNE and Congressman LEVIN were hearing the same concerns from food banks in Pennsylvania and Michigan.

When we asked them whom the new people coming to the food banks were, we were told that they were mostly low-income working families.

When the food banks screened these families using eligibility guidelines, it looked as if the majority of the new people coming to the food banks for assistance should have been receiving food stamps but were not.

The General Accounting Office (GAO) researched this issue, and in their July, 1999 report found that while a number of people who have left the Food Stamp program because of the improved economy, economic growth alone does not explain the drop in Food Stamp participation.

The GAO found that demand for emergency and supplemental food was increasing and that some state agencies were not correctly following federal laws regarding Food Stamp benefits.

Perhaps most disturbing of all, the GAO found that almost half of the people who have lost Food Stamps since 1996 are children.

The FORK Act is designed to address GAO's findings and recommendations to make certain that children and families in this country are not going hungry.

The FORK Act would provide grant funding to food banks, schools, health clinics, local governments and other entities that interact with working families. The grants would allow those organizations to develop and expand innovative approaches to Food Stamp outreach, which would help the Food and Nutrition Service enroll many of the eligible families that currently go hungry.

The FORK Act would require the Food and Nutrition Service (FNS) to conduct onsite inspections of state Food Stamp programs to identify barriers to enrollment and work with states to develop corrective action plans.

The FORK Act would authorize FNS to conduct research, which will help it to improve access, formulate nutrition policy and measure program impacts and integrity.

The FORK Act would require the Departments of Agriculture and Health and Human Services to work with state Temporary Assistance for Children and Families (TANF) programs to train caseworkers and make sure that prospective and former TANF recipients are property informed about Food Stamp eligibility.

Finally the FORK Act would authorize private-public partnerships to expand nutrition education programs.

Mr. President, I do not believe that there is a member in this Congress who ever intended for children to go hungry because their parents left welfare to go to work.

Now that we know it is happening, we must act quickly to make certain that the Food Stamp program works for children and families in need.

I hope that my Senate colleagues will join me in supporting this important legislation.

Mr. President, I ask that a list of groups supporting the bill be printed in the RECORD.

The material follows:

ORGANIZATIONS SUPPORTING THE FOOD STAMP OUTREACH AND RESEARCH ACT FOR KIDS 1999 (THE FORK ACT)

NATIONAL ORGANIZATIONS

ACORN
AFSCME
America's Second Harvest
American Federation of Teachers
American Friends Service Committee
Americans for Democratic Action
Brain Injury Association
Bread For The World
Catholic Charities USA
Center for Community Change
Children's Defense Fund
Coalition on Human Needs
Community Nutrition Institute
Food Research and Action Center
Foodchain
Friends Committee on National Legislation
Jewish Council for Public Affairs

Lutheran Office for Governmental Affairs, ELCA
Lutheran Services in America
MAZON: A Jewish Response to Hunger
McAuley Institute
Mennonite Center Committee U.S. Washington Office
Migrant Legal Action Program
National Asian Pacific American Legal Consortium
National Association of Child Advocates
National Association of Social Workers
National Center on Poverty Law
National Commodity Supplemental Food Program Association
National Council of Churches
National Council of La Raza
National Immigration Law Center
National Law Center on Homelessness & Poverty
National Urban League
National Women's Law Center
NETWORK, A National Catholic Social Justice Lobby
Religious Action Center of Reform Judaism
RESULTS
The General Board of Church and Society of the United Methodist Church
Union of Needletrades, Industrial & Textile Employees (UNITE)
Unitarian Universalist Service Committee
United Automobile, Aerospace, and Agricultural Implement Workers of America
United Church of Christ, Office for Church in Society
United Food and Commercial Workers
United States Conference of Mayors
Welfare Law Center
Wider Opportunities for Women
World Hunger Year

ALABAMA

Alabama Coalition Against Hunger

ARIZONA

Chidren's Action Alliance
Lutheran Advocacy Ministry in Arizona
World Hunger Ecumenical Arizona Task-Force (WHEAT)

ARKANSAS

Arkansas Hunger Coalition

CALIFORNIA

Alameda County Community Food Bank
California Food Policy Advocates
California Statewide Lao Hmong Coalition
Chico Hmong Advisory Council
Desert Cities Hunger Action
Food First/The Institute for Food and Development Policy
Food Share, Inc./Ventura County Food Bank
Los Angeles Coalition to End Hunger & Homelessness
Lutheran Office of Public Policy—California
Southland Farmers' Market Association
The San Diego Hunger Coalition

COLORADO

Lutheran Office of Governmental Ministry—Colorado
Weld Food Bank

CONNECTICUT

CY Anti-Hunger Coalition/CT Association for Human Services
End Hunger Connecticut!
Foodshare of Greater Hartford

DELAWARE

Food Bank of Delaware

DISTRICT OF COLUMBIA

Capital Area Community Food Bank

FLORIDA

Daily Bread Food Bank
Florida Association for Community Action
Florida Atlantic University Department of Social Work
Florida Impact
Harry Chapin Food Bank

GEORGIA

Atlanta Community Food Bank
Georgia Citizens Coalition on Hunger

HAWAII

Task Force on Children's Nutrition Rights (of World Alliance on Nutrition and Human Rights)

IDAHO

Idaho Community Action Network
The Idaho Food Bank

ILLINOIS

Chicago Anti-Hunger Federation
Illinois Hunger Coalition

INDIANA

Indiana Food & Nutrition Network
Lafayette Urban Ministries

IOWA

Food Bank of Iowa

KANSAS

Campaign to End Childhood Hunger (Wichita, KS)

KENTUCKY

Kentucky Task Force on Hunger

LOUISIANA

Bread for the World—New Orleans

MAINE

Hospitality House Inc.
Maine Coalition for Food Security

MARYLAND

Community Assistance Network

MASSACHUSETTS

Boston Medical Center Department of Pediatrics
Food Bank of Western Massachusetts
Massachusetts Law Reform
National Priorities Project
Project Bread
Survivors, Inc.

MICHIGAN

Capitol Area Community Services
Center for Civil Justice
Hunger Action Coalition of Michigan

MINNESOTA

Adults & Childrens Alliance
Lutheran Coalition for Public Policy in Minnesota
Minnesota FoodShare
Second Harvest St. Paul Food Bank

MISSISSIPPI

Mississippi Human Services Coalition

MISSOURI

Harvesters—The Community Food Network
Missouri Association for Social Welfare
Reform Organization of Welfare (ROWEL)

MONTANA

Montana Hunger Coalition

NEBRASKA

Nebraska Appleseed Center for Law in the Public Interest

NEVADA

Progressive Leadership Alliance of Nevada

NEW HAMPSHIRE

New Hampshire Food Bank

NEW JERSEY

Community Food Bank of New Jersey
Food Bank of South Jersey
Statewide Emergency Food and Anti-Hunger Network (SEFAN)

NEW MEXICO

New Mexico Advocates for Children and Families

NEW YORK

Community Food Resource Center
Federation of Protestant Welfare Agencies Inc.
Food Bank of Western New York
Health and Welfare Council of Long Island
Make the Road by Walking
NYC Coalition Against Hunger
New York Immigration Coalition
Task Force on Welfare Reform, NYC Chapter of National Association of Social Workers
The Nutrition Consortium of NYS
The Westchester Progressive Forum

NORTH CAROLINA

Food Bank of North Carolina
Manna Food Bank, Inc.
North Carolina Hunger Network

OHIO

Ohio Hunger Task Force

OKLAHOMA

Tulsa Community Food Bank

OREGON

Oregon Center for Public Policy
Oregon Food Bank
Oregon Hunger Relief Task Force

PENNSYLVANIA

Greater Philadelphia Coalition Against Hunger
Greater Pittsburgh Community Food Bank
Just Harvest
PA Hunger Action Center
Women's Association for Women's Alternatives

RHODE ISLAND

George Wiley Center and Campaign to Eliminate Childhood Poverty

SOUTH CAROLINA

SC Appleseed Legal Justice Center

SOUTH DAKOTA

Children's Agenda for South Dakota

TENNESSEE

MANNA
Tennessee Hunger Coalition

TEXAS

Center for Public Policy Priorities
Greater Dallas Community of Churches
North Texas Food Bank
Texas Alliance for Human Needs

UTAH

Crossroads Urban Center
Coalition of Religious Communities
Utahns Against Hunger

VERMONT

Vermont Campaign to End Childhood Hunger

VIRGINIA

Grassroots Innovative Policy Program
Virginia Poverty Law Center

WASHINGTON

Children's Alliance Food Policy Center
Washington State Anti-Hunger and Nutrition Coalition
Welfare Rights Organizing Coalition

WEST VIRGINIA

West Virginia Coalition on Food and Nutrition

WISCONSIN

Hunger Task Force of Milwaukee
Lutheran Coalition for Public Policy in Wisconsin
Women and Poverty Public Education Initiative.●

By Mr. MOYNIHAN:

S. 1801. A bill to provide for the identification, collection, and review for declassification of records and materials that are of extraordinary public interest to the people of the United States, and for other purposes; to the Committee on Governmental Affairs.

PUBLIC INTEREST DECLASSIFICATION ACT OF 1999

• Mr. MOYNIHAN. Mr. President, today I rise to introduce the Public Information Disclosure Act, a bill that seeks to add to our citizens' knowledge of how and why our country made many of its key national security decisions since the end of World War II. This bill creates a mechanism for comprehensively reviewing and declassifying, whenever possible, records of extraordinary public interest that demonstrate and record this country's most significant and important national security policies, actions, and decisions.

As James Madison once wrote, ''A people who mean to be their own governors must arm themselves with the power which knowledge gives.'' Acquiring this knowledge has become increasingly difficult since World War II's end, when we witnessed the rise of a vast national security apparatus that encompasses thousands of employees and over 1.5 billion classified documents that are 25 years or older. Secrecy, in the end, is a form of regulation. And I concede that regulation of state secrets is often necessary to protect national security. But how much needs to be regulated after having aged 25 years or more?

The warehousing and withholding of these documents and materials not only impoverish our country's historical record but retard our collective understanding of how and why the United States acted as it did. This means that we have less chance to learn from what has gone before; both mistakes and triumphs fall through the cracks of our collective history, making it much harder to resolve key questions about our past and to chart our future actions.

On the other hand, greater openness makes it more possible for the government to explain itself and to defend its actions, a not so unimportant thing when one recalls Richard Hofstader's warning in his classic 1964 essay The Paranoid Style in American Politics: ''The distinguishing thing about the paranoid style is not that its exponents see conspiracies here and there in history, but they regard a 'vast' or 'gigantic' conspiracy, set in motion by demonic forces of almost transcendent power as the motive force in historical events.'' A poll taken in 1993 found that three-quarters of those surveyed believed that President Kennedy was assassinated by a conspiracy involving the CIA, renegade elements of our military, and organized crime. The Grassy Knoll continues to cut a wide path across our national consciousness. The classified materials withheld from the Warren Commission, several of our actions in Vietnam, and Watergate have only added to the American people's distrust of the Federal government.

Occasionally, though, the government has drawn back its cloak of secrecy and made substantial contributions to our national understanding. In 1995, the CIA and the NSA agreed to declassify the Venona intercepts, our highly secretive effort that ranged over four decades to decode the Soviet Union's diplomatic traffic. Much of this traffic centered on identifying Soviet spies, one of the cardinal preoccupations of that hateful era we call ''McCarthyism.'' These releases made at least one thing crystal clear: Their timely release decades ago would have dimmed the klieg lights on many who were innocent and shown them more brightly on those who truly were guilty. It would have been an important contribution during a time when the innocent and the guilty were ensnared in the same net.

Today, Congress plays a pivotal role in declassification through so-called ''special searches.'' Generally, these involve a member of Congress or the White House asking the intelligence community to search its records on specific subjects. These have ranged from Pinochet to murdered American church women to President Kennedy's assassination. However, these good intentions often produce neither good results nor good history. Sadly, most of these searches have been done poorly, costing millions of dollars and consuming untold hours of labor. Several have been performed repeatedly. Special searches on murdered American church women, for example, have been done nine separate times. Yet there are still several important questions that have yet to be answered. The CIA alone has been asked to do 33 ''special searches'' since 1998.

Part of the problem is that Congress lacks a centralized, rational way of addressing these requests. This bill establishes a nine-member board composed of outside experts who can filter and steer these searches, all the while seeking maximum efficiency and disclosure.

The other part of the problem lies in how the intelligence community has conducted these searches. It is imperative that searches are carried out in a comprehensive manner. This is not only cheaper in the long run but produces a much more accurate record of our history. One cannot do Pinochet, for example, and not do Chile under his rule at the same time. To do otherwise skews history too much and creates too many blind spots, all leading to more questions and more searches. This does a disservice not only to those asking for these searches but to the American people who have to pay for ad hoc, poorly done declassification. If we do it right the first time, then we can forgo much inefficiency.

Many of these special searches ask vital questions about this nation's role in many disturbing events. We must see, therefore, that they are done correctly and responsibly. This legislation, if passed, would improve Congress' role in declassification, making it an instrumental arm in the de-cloaking and re-democratization of our national history. Indeed, anything less would cheat our citizens, undermine their trust in our institutions, and erode our democratic values.•

By Mr. ROBB (for himself, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. KERRY, Mr. LEAHY, Mrs. MURRAY, Mr. REID, Mr. SARBANES and Mr. LIEBERMAN.

S. 1803. A bill to amend the Internal Revenue Code of 1986 to extend permanently and expand the research tax credit; to the Committee on Finance.

PERMANENT EXTENSION OF THE R&E TAX CREDIT

Mr. ROBB. Mr. President, I send to the desk legislation that will permanently extend the research credit and increase the alternative incremental credit 1% per step. It will also expand the credit to companies operating in Puerto Rico. Mr. President, research and experimentation are the foundation of a vibrant economy. While there is some initial cost involved, studies have shown that a permanent extension of the R&E tax credit pays for itself over time due to increased federal revenues generated by a rise in productivity and economic growth. Without a permanent extension of the R&E credit, businesses are less likely to make long term investments in research that is necessary for scientific and technological advancements. Instead, decisions must be made on an annual basis which, over time, have the effect of slowing progress. In order to guarantee that our country remains the leader in cutting edge technology we need to permanently extend the R&E credit. The advantages of increased research and experimentation are simply too overwhelming to ignore.

I intended on offering this bill as an amendment in the Finance Committee to the Tax Relief Extension Act of 1999, (S. 1792), but I was persuaded by members on both sides of the aisle that amendments in Committee threatened the whole deal. I decided, instead, to address this issue on the Senate floor. I still strongly support the tax extenders bill that was reported out of Committee, but I believe, as I have for some time, that we need to address this one deficiency. Without certainty, our nation's investments in research will suffer. Permanent extension of the R&E tax credit is the only way to provide that certainty. Despite recent setbacks, I will continue to work with all of my colleagues to extend this credit permanently.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1803

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

SECTION 1. PERMANENT EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for

increasing research activities) is amended by striking subsection (h).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) of such Code is amended by striking subparagraph (D).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1999.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1999.

(c) EXTENSION OF RESEARCH CREDIT TO RESEARCH IN PUERTO RICO AND THE POSSESSIONS OF THE UNITED STATES.—

(1) IN GENERAL.—Section 41(d)(4)(F) of the Internal Revenue Code of 1986 (relating to foreign research) is amended by inserting '', the Commonwealth of Puerto Rico, or any possession of the United States'' after ''United States''.

(2) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

By Mr. McCAIN:

S. 1804. A bill to direct the Secretary of Commerce, in consultation with the Director of the Office of Science Technology and the Director of the National Science Foundation, to establish a program for increasing the United State's scientific, technology, and mathematical resources, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE 21ST CENTURY TECHNOLOGY RESOURCES AND COMMERCIAL LEADERSHIP ACT

• Mr. McCAIN. Mr. President I am please to introduce a bill intended to preserve the United States' world leadership position in technology into the coming century. This legislation is intended to assure that our scientific, mathematics, engineering and technology resources are surpassed by no one. It is intended to ensure that our most precious national resources, our people, receive the best education and training through our best national product, innovation. We must allow our most creative forces to interact to achieve improved math and science education in our schools. We must assure more highly trained college graduates in science, math, engineering and technology. And we must encourage the retooling of our country's experienced minds to address the problems and the solutions of tomorrow.

Specifically, this legislation uses a portion of each H–1B visa fee to provide grants for innovative programs which will improve the math, science, engineering and technology skills of Americans so that they can fill the estimated average of 137,800 new positions expected to be created in these fields each year from now through 2006. During the interim, while the American pipeline of talent is filling, the bill lifts the caps on H–1B visas to allow our American companies to continue to grow and prosper.

This legislation is necessary and beneficial to our nation. Let me explain in some detail why.

First, although this country can be proud of having some of the most highly regarded colleges and universities in the world, our elementary and secondary education system is not sufficiently emphasizing science and math in the curriculum. Our students are falling behind in these areas. The results of the 1998 Third International Math and Science Study (TIMSS) are instructive. In math, our 4th graders ranked 12th out of 26 countries. Not a stellar performance. But even more discouraging, by 12th grade, the U.S. math rank was 19th out of 21 countries. As a result, not enough American college students are majoring in the sciences, including computer science, mathematics and engineering to fill the escalating need for highly trained professionals.

According to information compiled by the American Electronics Association, at the same time that the number of jobs in these fields has increased by 20%, the number of college graduates with degrees in engineering, engineering technology, computer science, mathematics, business information systems, and physics has declined by 5%.

To fill the jobs available, American companies are finding it increasingly necessary to hire foreign professionals. When they recruit on university campuses in the United States, 32% of the Masters degree and 45% of the doctoral degree candidates are foreign, not American, students. Even though they have been educated here, these foreign students cannot remain here to work without a visa.

Even with these graduates available, there are more jobs to be filled than qualified candidates. When our companies cannot hire qualified people to work for them, they cannot function—they cannot compete. Most of these companies have concluded long ago that they need to retain the qualified people that they do hire. They understand that one way to retain them is to provide training to continually update and upgrade their skills. There are many examples of these kinds of programs.

In addition, there are older American workers with advanced technical skills that are outdated, or whose experience is in industries which are not in a growth mode. Companies are finding ways to assist some of these professional to retool for the current and future needs of business. An example of retraining experienced workers is a program at San Diego State University. That institution's Defense Conversion Center has focused on retraining displaced defense industry professional, including military personnel and aerospace engineers.

Let me read from their project proposal description dated 9/21/99.

The expansion of the H–1B visa program is a limited and temporary fix to a critical national problem. Unless we find creative ways to meet our workforce needs internally, our ability to produce cutting-edge products will erode. Indeed, some experts predict that our position as the world's leader in innovation will slip from first place to sixth early in the next century. The risk goes beyond losing our competitive edge in the global marketplace; without a strong technology base, our national defense system will be jeopardized.

The proposal goes on to describe the university's program:

In the early 1990's, the defense industry in San Diego virtually disintegrated, resulting in the loss of over 42,000 jobs. Established with a grant from the Department of Defense, the SDSU Defense Conversion Center developed several certificate programs designed to fast-track displaced defense industry workers back into the marketplace. To date, over 1100 individuals have enrolled in the Center, and 80% of those who participated in the program found or retained employment in such high-tech fields as radio-frequency design, software engineering, concurrent design and manufacturing, and multi-media design.

Many companies are also finding that it is not enough to focus on only their short term hiring needs. There are numerous examples of companies partnering with their local schools to provide innovative changes in curriculum and skill sets.

For example, Hewlett-Packard has joined forces with Colorado State University to assist minority students beginning their studies at CSU. The assistance includes 10-week internships at H–P, during which CSU provides instructors to H–P to teach calculus. The internships provide a bridge from the academic to the real world, demonstrating the application of math and science skills. They also provide the freshmen with valuable experience that can lead to permanent jobs at H–P.

Eastman Chemical Company in Tennessee offers another example. Working with its local school system, the company focused on two objectives: to help prepare and motivate all students to develop competency in math and science, and to create a school system of such excellence that college graduates would be drawn there as a great place to raise children. The result was several programs, including an ''Educator on Loan'' program where on a rotating basis, teachers could work at the company's manufacturing plant to under the skills required.

These private/public partnerships are an excellent start. But these efforts are not sufficient to solve the problems we have with maintaining our country's ability to compete and lead the world in the 21st century. We must encourage more innovation, more achievement to fill the pipeline so that our children will be able to prosper in the technological revolution underway.

This legislation encourages innovation. It provides financial assistance for ideas which will work. The proposed legislation is broad enough to cover any idea which can be demonstrated to produce results. Some of the programs

I think should be considered would be to provide scholarships to students who possess the requisite talent and are willing to become certified as math and science teachers, and who will agree to teach for a number of years. Scholarships for students who will major in math, science, engineering or technology fields makes sense. But we should not limit our selves to these stock type approaches. There will be many other new and creative ideas and we should welcome them and reward them, as long as they produce the outcome we want. We want to improve and increase the American talent pool.

In the meantime, I think it is important not to force our companies to develop off-shore bases in order to hire the foreign professional they need. The history of numeric caps on H–1B visas is one of best guess, rather than of calculated need. It is difficult to anticipate the total need, but simply inserting a number because it is politically agreeable isn't the right answer. During the last session we adopted legislation produced through the fine efforts of Senator ABRAHAM and others who worked tirelessly in addressing a broad array of problems and issues.

The result is that our law now requires those who are dependent on H–1B worker to attest, to give their oath, that they have tried to hire an American to fill the position unsuccessfully before applying for a foreign worker visa. These requirements are stringent. They protect American workers against companies which might otherwise ignore qualified applicants in order to bring in a foreign worker. The law protects against layoffs followed by foreign hiring.

With this law in place and with diligent enforcement of its requirements, there is no reason to also pick an arbitrary number as a cap for H–1B visas. We can let the marketplace prevail. We can focus on improving our own resources and our own children's education so that in the future we will have more highly skilled professionals to fill these positions. When our supply meets the demand we will have achieved the goals of improving our education curriculum and our ability to remain leaders in the 21st century.●

By Mr. KENNEDY (for himself, Mr. SPECTER, Mr. LEAHY, and Mr. JEFFORDS):

S. 1805. A bill to restore food stamp benefits for aliens, to provide States with flexibility in administering the food stamp vehicle allowance, to index the excess shelter expense deduction to inflation, to authorize additional appropriations to purchase and make available additional commodities under the emergency food assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE HUNGER RELIEF ACT OF 1999

Mr. KENNEDY. Mr. President, today Senators SPECTER, LEAHY, JEFFORDS, and I are introducing the Hunger Relief Act of 1999. Our goals in this legislation are to promote self-sufficiency and the transition from welfare to work, and to eradicate childhood hunger by increasing the availability of food stamps to low-income working families. Republicans and Democrats share these goals, and it deserves broad bipartisan support.

Improving Food Stamp accessibility is a central part of helping low-income working families feed their children and achieve self-sufficiency. A strong Food Stamp Program, along with a higher minimum wage and an adequate Earned Income Tax Credit, gives low-income families the stability they need to build a brighter future. With the unemployment rate at a 30-year low and record, economic growth, this is a time of broad economic prosperity for most Americans. But that is not true for the poorest Americans. In 1998 the poverty rate declined from 13.3% to 12.7%, but this still surpasses rates in the 11% range recorded throughout the 1970's. The safety net provided by food stamps has weakened since the 1970's, and hunger among working families in America has grown.

In July 1999, the Department of Agriculture reported that 6.6 million adults and 3.4 million children live in households that suffered from hunger in 1998, and that 36 million people comprising 10% of the nation's households lack secure access to enough food for an active healthy life.

In the same month, the Congressional General Accounting Office reported that of the 14 million U.S. children who live in poverty, the proportion who receive food stamps dropped from 94% in 1995 to 84% in 1997. During 1997 alone, the number of children living in poverty decreased by 350,000—but the number receiving food stamps decreased by 1.3 million. GAO's report concludes, ''children's participation in the Food Stamp Program has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance.''

In January 1999, the Urban Institute released the results of a study of former welfare recipients and reported that 33% have to skip or reduce meals due to lack of food. This result is corroborated by independent studies in Wisconsin and South Carolina, and by NETWORK's National Welfare Reform Project.

In 1998, surveys of emergency food providers conducted by the U.S. Conference of Mayors and America's Second Harvest independently documented that the need for emergency food services increased 15 to 20% over the previous year, and that almost 40% of emergency food clients live in households in which an adult is employed.

The Community Childhood Hunger Identification Project conducted surveys of over 5,000 low-income families between 1992 and 1994—the most comprehensive study of childhood hunger ever undertaken in the U.S.—and found that approximately 4 million children under age 12 were hungry, and 9.6 million were at risk of hunger.

Far too many working parents still struggle to feed their families. If our national values cannot persuade us to fight hunger now, while the economy is strong, when will we ever do so? If we need economic reasons to fight hunger in America, we need only consider the effects of hunger on children.

Hunger and undernutrition are serious problems for people of all ages, but their effects are particularly damaging to children. Over 14 million children live in households that suffer hunger. Hungry and undernourished children are more likely to become anemic, and to suffer from allergies, asthma, diarrhea, and infections. They are also more likely to have behavioral problems and difficulty in learning. When children arrive at school hungry, they cannot learn. If we do not address this problem, our considerable investments in education and early learning activities will not have the full positive impact that they should. Hunger and under-nutrition injure our greatest national resource—our children.

In the past three decades, food stamps have grown into the nation's most comprehensive and trusted way to end hunger. The news that participation in the Food Stamp Program has declined 27% over the past three and a half years would be welcome—if poverty had declined by a comparable amount. But the poverty rate declined by only 7% over this time. Six million more poor people are without food stamps today than in 1995. GAO reported that in 1997 alone, while the number of children living in poverty decreased by just 350,000, the number of children receiving food stamps decreased by 1.3 million. We need to be concerned that the nutritional needs of the other 950,000 children are not being met.

Just as the decline in the welfare rolls does not by itself show that people are no longer poor, the decline in Food Stamp rolls in no way means that children and families are no longer hungry. Increasingly, low-income working families are relying on emergency food services. Across the country, demand for emergency food services has increased by as much as 50% in some places. Many food banks find themselves unable to meet the increased requests for help.

Only two days ago, the Chicago Sun-Times published an article entitled ''Hunger—a growing concern in suburbs,'' describing increasing demand for emergency food in some of Chicago's most affluent neighborhoods.

A November 1998 study by Project Bread and Tufts University found that 49% of emergency food providers in Massachusetts reported increased need among families with children over the previous year. Of those requesting assistance, 33% of food bank clients were children, and 27% of Massachusetts adults requesting emergency food assistance were employed. Although our

strong economy and historically low unemployment rate have helped many families get back on their feet, there is no question that many families are working hard and still cannot make ends meet.

By simplifying Food Stamp eligibility rules and improving access to the program, we can reduce hunger and malnutrition, and help working families live healthier, more fulfilling lives. No one in this country should go hungry. This is a problem we can solve. We must not become indifferent to the message that hunger indeed has a cure.

The Hunger Relief Act repeals many of the 1996 welfare reform law's restrictions on access to food stamps for legal immigrants. For 30 years prior to the welfare reform law, Food Stamps were available to legal immigrants. The 1996 welfare reform law made them no longer eligible. That law also created substantial uncertainty among eligible groups as to whether they qualify.

Last year, Congress restored food stamp eligibility to some legal immigrants—children, seniors, and disabled persons—who were in the United States before August 1996. This was an important step, but it helped fewer than a third of those who were adversely affected by the 1996 law. Hunger among legal immigrants predictably increased after 1996, although many legal immigrants held low-income jobs and paid taxes. Children continue to be denied benefits because they arrived in the U.S. after 1996 or because exclusion of their parents directly results in decreased access to food stamps. Our laws recognize that legal immigrants need access to employment, education, and health care programs. Yet all of these efforts are compromised when legal immigrants are denied access to adequate nutrition. The Hunger Relief Act ensures that all those who need food stamps can obtain them.

In addition, the Hunger Relief Act helps low-income families by relaxing federal limits on the value of a vehicle that a family can own and still be eligible for food stamps. The current federal limit is $4,650, which has risen only $150 since 1977.

Because low-income parents commonly need a vehicle to get to work and to safely transport their children, many states have adopted vehicle allowance standards for their state assistance programs that are more generous than the federal standard. The conflicting and complex rules that govern state programs and the Food Stamp Program complicate access to food stamps for working families, as confirmed by GAO's July 1999 report.

By giving states the option of using their state vehicle standards instead of the federal standard, the Hunger Relief Act gives states the flexibility to ensure that their nutritional needs are met. It also promotes work and child safety.

The case of a single parent of three young children in Northeastern Massachusetts illustrates the need for this provision. The mother's income recently dropped to $928 per month, but she is denied food stamps because the value of her car exceeds $4650. Massachusetts would be unlikely to reject her application under state law, but the federal law requires her pleas for help to be rejected. Our Hunger Relief Act will change that.

The Hunger Relief Act also enables families to qualify for food stamps when they have to spend more than 50% of their income on housing costs. Low-income families must often pay high rent for substandard housing in many cities today. According to a recent report by the Department of Housing and Urban Development, demand for public housing is rising, while the supply of affordable apartments and houses is declining. Between 1996 and 1998, the number of affordable apartments fell by more than 1 million. Nearly 1 million low-income families are now waiting for public housing units across the country. They may wait as long as 8 years in New York City to be placed.

HUD compares finding affordable housing to an ominous game of musical chairs in which only the lucky find seats. In Boston, the average rent for a two bedroom apartment rose by 58% between 1990 and 1998 to $1,350 after adjusting for inflation. The Women's Educational and Technical Union has documented that single parents with one infant pay an average rent of $839 in Boston, $709 in Worcester, and $578 in Pittsfield. All of these figures far exceed half of a minimum wage worker's income.

Present law permits some shelter costs to be deducted when determining Food Stamp eligibility, but the deduction is capped too low. In 1996, 950,000 people received reduced food stamp benefits due to the shelter cap. Over 880,000 of those affected were families with children. The Hunger Relief Act raises the cap from $275 to $340, and then indexes it to inflation, increasing access to food stamps for approximately 1.25 million people.

For example, a family from Centerville, Massachusetts consisting of a working mother and three children, survives on $1,433 in income each month. Yet their shelter costs exceed $1,200. This family cannot possibly meet these children's nutritional needs on $233 each month, even if the family spends money on nothing besides shelter and food. The Hunger Relief Act is intended to keep families like this from having to choose between heating and eating.

Finally, the Hunger Relief Act increases federal support for emergency food programs. Sharp increases in requests for help from food pantries and soup kitchens have occurred over the past year, despite steep declines in food stamp participation. The U.S. Conference of Mayors, and America's Second Harvest has independently documented a 15 to 20% increase in need over 1998. A recent survey of 30 cities by the National Governors Association found that a growing number of low-income working parents rely on food banks to feed their children. 79% of Massachusetts food pantries funded through Projected Bread reported serving more working poor in 1998, and 72% reported helping more families with children. To ensure that emergency food needs are met, the Hunger Relief Act increases federal funding for The Emergency Food Assistance Program by 10%.

The Congressional Budget Office estimates that the total cost of the Hunger Relief Act will be $2.5 billion over the first 5 years. This amount will increase our support for the Food Stamp Program by just over 2% each year, a relatively small price to repair the most serious problems in the nation's core nutrition program.

Americans overwhelmingly recognize that hunger is also closely linked to problems in health, education, and the workplace. Adequate nutrition should be available to all. Over three hundred national, regional, and local organizations support the Hunger Relief Act. Even before welfare reform was enacted, a January 1996 poll found that 55% of Americans believe hunger is worsening in our country, and 74% felt that more should be done to combat hunger in America. I request unanimous consent that a letter signed by over 300 organizations in support of the Hunger Relief Act may be printed in the CONGRESSIONAL RECORD following my statement.

Millions of low-income working families, like the Jenkins family of Royalston, Massachusetts will be helped by this bill. Although Terry Jenkins' husband works in two jobs, after their mortgage payments, car payments, utilities and clothing expenses for four children are paid, they often cannot afford enough food for their family. As a result, Terry worries that her children cannot concentrate during their classes.

Her concern is legitimate. Students who are hungry or at-risk of hunger are twice as likely to have academic, social and psychological problems as children from similar low-income families who are not hungry. By improving the Food Stamp Program, the Hunger Relief Act will reduce the suffering for millions of families like the Jenkins.

Now, while the economy is strong, we must actively fight hunger and ensure that the most basic needs of children and families are met. I welcome the support of Senators SPECTER, LEAHY and JEFFORDS in this bipartisan effort and I look forward to early action in the Senate to pass this needed legislation.

Mr. LEAHY. Mr. President, as we approach the beginning of the next century, we have much to be proud of as a nation. The stock market has reached an historic 10,000 mark. We are in the midst of one of the greatest economic expansions in our nation's history. More Americans own their own homes

than at any time, and we have the lowest unemployment and welfare caseloads in a generation.

Yet, there are millions of Americans who go hungry every day. Just this past July, the Department of Agriculture published a report entitled ''Household Food Security in the United States 1995–1998'' which reported that last year, 36 million persons—of which approximately 40% were children—lived in households that experienced hunger.

While it is true that food stamp and welfare program caseloads have dropped over the past few years, hunger has not. As families try to make the transition from welfare to work, too many are falling out and being left behind. And too often, it is our youth who is feeling the brunt of this, as one out of every five people lining up at soup kitchens is a child.

Second Harvest, the nation's largest hunger relief charity, distributed more than one billion pounds of food to an estimated 26 million low-income Americans last year through their network of regional food banks. These food banks provide food and grocery products to nearly fifty thousand local charitable feeding programs—food shelves, pantries, soup kitchens and emergency shelters.

Yet as the demand has risen at local hunger relief agencies, too many pantries and soup kitchens have been forced to turn needy people away because the request for their services exceeds available food.

Last year, the U.S. Conference of Mayors released its Annual Survey of Hunger and Homelessness, which reported that the demand for hunger relief services grew 14 percent last year. Additionally, 21 percent of requests for emergency food were estimated to have gone unmet. This is the highest rate of unmet need by emergency food providers since the recession of the early 1990s. And this is not just a problem of the inner cities. According to the Census Bureau, hunger and poverty are growing faster in the suburbs than anywhere else in America. In my own state of Vermont, one in ten people is ''food insecure,'' according to government statistics. That is, of course, just a clinical way to say they are hunger or at risk of hunger.

Under the leadership of Deborah Flateman, the Vermont Food Bank distributes food to approximately 240 private social service agencies throughout the state to help hungry and needy Vermonters. The local food shelves and emergency kitchens which receive food from the Vermont Food Bank clearly are on the front-line against hunger. And what they are seeing is very disturbing—one in four seeking hunger relief is a child under the age of 17. Elderly people make up more than a third of all emergency food recipients. We cannot continue to allow so many of our youngest and oldest citizens face the prospect of hunger on a daily basis. Another extremely troubling statistic about hunger in Vermont is that in 45 percent of the households that receive charitable food assistance, one or more adults are working. Nationwide, working poor households represent more than one-third of all emergency food recipients. These are people in Vermont and across the U.S. who are working, paying taxes and contributing to the economic growth of our nation, but are reaping few of the rewards.

Our government has taken numerous steps to alleviate hunger in America, but clearly more still needs to be done.

The Emergency Food Assistance Program has been essential in the fight against hunger by providing USDA commodities to the nation's food banks and local emergency feeding charities. As the demands continue to grow, however, TEFAP resources are running on empty. The Hunger Relief Act would increase funding for TEFAP, thus helping community charities cope with increased local demand for hunger relief.

Perhaps more than any other program, the Food Stamp Program has been critical to the prevention and alleviation of hunger and poverty, and is essential to helping families on welfare transition to work. Nationally, one in ten people—half of which are children—participates in the Food Stamp Program.

In this time of economic booms, one in five U.S. children—approximately 15 million children—lives in a household receiving food stamps.

And far too many families with full-time or part-time minimum wage jobs need food stamps just to approach the poverty line.

For many families, the choice between paying the rent and buying food is becoming more and more common. While the Food Stamp Program does adjust benefits for families with high shelter costs, this adjustment has been artificially capped. In 1993, Congress passed a phased-out elimination of the cap on the food stamp shelter deduction. With the passage of the Welfare Reform bill, however, Congress repealed the phase-out and the cap remained in place.

The cap on the shelter deduction has had a significant impact on working families, who tend to have higher shelter costs than families receiving public housing assistance. The Hunger Relief Act raises the shelter cap from $275 to $340, and then indexes it to inflation, increasing access to Food Stamps for approximately 1.25 million people.

Many working poor families, particularly in rural areas, own a modestly valued car, necessary to get to work, but of a value greater than the antiquated food stamp vehicle limit. In the last 22 years, the limit on car values has increased a total of $150, and in many states the Food Stamp vehicle allowance is much lower than the TANF vehicle allowance. The Hunger Relief Act would give states more freedom, allowing states the option of using the same limits for vehicles under both TANF and Food Stamps. The Hunger Relief Act would also complete the restoration of food stamp benefits to thousands of immigrants who were pushed out of the program by the Welfare Reform Act.

Last Congress I worked hard to include $818 million in the Agricultural Research, Extension, and Education Reauthorization Act to restore food stamp benefits for thousands of legal immigrants. This legislation restored food stamps to legal immigrants who are disabled or elderly, or who later become disabled, and who resided in the United States prior to August 22, 1996. That law also increased food stamp eligibility time limits—from five years to seven years—for refugees and asylees who came to this country to avoid persecution. Hmong refugees who aided U.S. military efforts in Southeast Asia were also covered, as were children residing in the United States prior to August 22, 1996.

Though the Agriculture Research Act restored food stamp eligibility to children of legal immigrants, many of these children are not receiving food stamps and are experiencing alarming instances of hunger. In its recent report entitled ''Who is Leaving the Food Stamp Program? An Analysis of Caseload Changes from 1994 to 1997,'' the United States Department of Agriculture reported that participation among children living with parents who are legal immigrants fell significantly faster than children living with native-born parents. It appears that restrictions on adult legal immigrants deterred the participation of their children. That is a disturbing development that must be rectified, and the Hunger Relief Act would go along way toward making the situation right by restoring food stamp eligibility to all legal immigrants.

Of the many problems that we face as a nation, hunger is one that is entirely solvable. Hunger is not a Democrat or Republican issue. Hunger is a problem that all Americans should agree must be ended in our nation. I am proud to join with Senators KENNEDY, SPECTER, and JEFFORDS in introducing the Hunger Relief Act, and I look forward to working with members of the Senate to see the passage of this legislation.

By Mr. BINGAMAN (for himself, Mr. COVERDELL, Mr. DOMENICI, Mr. HOLLINGS, and Mr. CLELAND):

S. 1806. A bill to authorize the payment of a gratuity to certain members of the Armed Forces who served at Bataan and Corregidor during World War II, or the surviving spouses of such members, and for other purposes; to the Committee on Veterans Affairs.

BATAAN AND CORREGIDOR VETERANS LEGISLATION

Mr. BINGAMAN. Mr. President, I rise today to introduce important legislation, of which Senator HOLLINGS and Senator CLELAND are also sponsors, recognizing the heroic contributions of American soldiers who served in Bataan and Corregidor during World War

II. This legislation will provide a one time honorarium to those veterans who survived the notorious Death March and were made to work as slave labor in support of the Japanese war effort. Compensation awarded these heroes for their imprisonment has never approached the value of their sacrifices on behalf of our nation's liberty. As these legendary heroes approach the final chapters of their lives, if is fitting that the nation pay them special homage for their heroic deeds heretofore unrewarded. That's why I am introducing this legislation today—to salute these Americans in recognition of the great sacrifices they made for this nation.

From December 1941 to April 1942, American military forces stationed in the Philippines fought valiantly against overwhelming Japanese military forces on the Bataan peninsula near Manila. Under severe combined attack of the Japanese forces, General Douglas MacArthur ordered U.S. troops to withdraw to the Bataan peninsula to form a strong defensive perimeter to protect the eventual evacuation of troops from the island. The U.S. forces fought for 3 months, considerably longer than the unfavorable troop balance would have suggested was possible. As a result of extending Japanese military resources during that crucial initial phase of the war in the Pacific, U.S. forces in Bataan and Corregidor prevented Japan from accomplishing critical strategic objectives that would have enabled them to capture Australia. Had the Japanese been able to accomplish their plans, their victory in the Philippines could have doomed Allied efforts in the Pacific from the very outset.

On April 9, 1942, Major General Edward King, Commander of U.S. forces on the Bataan peninsula, ordered the troops to surrender rather than face certain slaughter on the battlefield. What followed was the tragic, infamous ''Death March'' of American prisoners from the Bataan peninsula to Camp O'Donnell of Manila. Some experts estimate that more than 10,000 Americans died on the 85-mile march to the prison camp. Many died of starvation or lack of water; some were executed on the spot by their Japanese captors.

In June 1942, following the surrender of American troops of the Corregidor garrison, prisoners held at the O'Donnell Prisoner of War (POW) camp were joined with those captured at Corregidor and transferred to the Cabanatuan POW camp. In the fall of 1944, the Japanese transferred more than 1,600 prisoners from the Cabanatuan POW camp to ''hell ships'' destined for Japan, where prisoners were used as slave laborers working in mines, shipyards, and factories. In some cases, because the ''hell ships'' weren't marked, they were attacked and sunk by U.S. military aircraft.

Mr. President, the heroic performance of our soldiers at Bataan and during incarceration in POW camps earned them well-deserved citations following the war. The 200th and 515th Coastal Artillery units from New Mexico that served to defend the retreating troops at Bataan received three Presidential Unit Citations and the Philippine Presidential Unit Citation for their heroism. New Mexico is particularly proud of these men whose heroism I seek to salute through this legislation today. Of the 25,000 American servicemen stationed in the Philippines at the outbreak of World War II, less than 1,000 are living today. These heroes deserve special recognition and gratitude from the American people beyond the symbolic recognition and remuneration they have heretofore received.

In December, 1998, the Canadian Government approved a legislative measure to compensate their military veterans who had been captured by the Japanese during the fall of Hong Kong, and who subsequently provided slave labor in Japanese POW camps. The measure awarded approximately 700 qualified veterans and surviving spouses $15,600 each ''as an extraordinary payment to extraordinary individuals who suffered extraordinary treatment in captivity.'' The payment to Canadian veterans will total $11.7 million from Canadian federal funds, not from the Japanese Government. The Japanese Government considers their liability for treatment of POWs to have been settled by the treaty signed in 1952, compensating each prisoner of war for their time in captivity, but not for any slave labor that was performed. Last fall, Japan's high court rejected a compensation suit seeking redress filed by a coalition of former Allied prisoners on the basis of the 1952 treaty protecting Japan from further liability in post-war settlements.

Mr. President in agreeing to provide their veterans with compensation for slave labor performed while in POW camps, the Canadian Government recognized that lengthy legal proceedings appealing the decision of the Japanese high court would likely be too drawn out to be beneficial to their aging veterans. As a result, the Canadian Government concluded that it was appropriate and honorable to recognize the heroic contributions of veterans who were made to perform slave labor simply out of recognition of the debt of gratitude owed to the veterans by the Canadian people.

Our American veterans who served in Bataan and Corregidor and performed slave labor in Japanese mines, shipyards, and factories are in a similar predicament as their Canadian colleagues. These men have never been fully compensated for their heroism and sacrifices made while serving as slaves to their Japanese captors. The Japanese government has concluded that it is no longer liable for compensating such claims. Appealing the decision of the Japanese high court to further authority would take more time than many of our veterans have. Consequently, Mr. President, I believe that the American Government, just as the Canadian Government has done, should choose to recognize the contributions of the war heroes of Bataan and Corregidor.

The legislation I am introducing today calls on the Congress to authorize payment of $20,000 to each veteran of Bataan or Corregidor who performed slave labor during World War II. The honorarium would also be extended to surviving spouses. This small token of appreciation would mean a great deal to these heroes and their families.

I urge my colleagues to support the bill. I hope we can enact it in the near future.

Mr. HOLLINGS. Mr. President, let me commend our distinguished colleague from New Mexico. I had the privilege of visiting Corregidor about 30 years ago with Senator Montoya. We talked about the New Mexico National Guard. Most were lost who went through that dreadful experience. For those that survived—I lost a good friend, Jack Leonard, and other graduates who served in the New Mexico National Guard—this is a moment of history that should be noted in a more clear and reverent fashion.

I ask, please, to be added as a cosponsor to the Senator's bill.

Mr. BINGAMAN. I thank the Senator from South Carolina very much. This legislation will move more quickly with him as a cosponsor. I also want to indicate that Senator DOMENICI is a cosponsor of this legislation, as well. As I say, I hope we can move ahead with it.

Mr. DOMENICI. Mr. President, I rise today to join my colleague Senator BINGAMAN to introduce legislation that will compensate our veterans who fought at Bataan and Corregidor and were later held prisoner.

I do not think words can fully describe the bravery of these veterans and the horrific conditions they endured, but I think a quote from Lt. Gen. Jonathan M. Wainwright provides an insight into these men:

> They were the first to fire and last to lay down their arms, and only reluctantly doing so after being given a direct order.

The 200th and 515th Coast Artillery better known as the New Mexico Brigade played a prominent and heroic role in the fierce fighting that took place in the Philippines. For four months the men of the 200th and the 515th held off the Japanese only to be finally overwhelmed by disease and starvation.

Today every student in his or her history class learns about the tragic result of the Battle for Bataan. The survivors of the battle were subjected to the horrors and atrocities of the 65 mile ''Death March.'' As if this were not enough, following the infamous march these men were held for over 40 months in Prisoner of War Camps.

Sadly, of the eighteen hundred men in the Regiment, less than nine hundred returned home and a third of

those passed away within a year of returning. I simply cannot imagine what it must have been like for these men.

I would now like to briefly discuss the Bill we are introducing. This legislation offers long overdue compensation to a select group of men who served in the Philippines at Bataan and Corregidor during World War II. The bill authorizes the Secretary of Veterans Affairs to pay $20,000 to any veteran, or his surviving spouse, who served at Bataan or Corregidor, was captured and held as a prisoner of war, and was forced to perform slave labor as a prisoner in Japan during World War II.

There is one final point that I want to make as a matter of simple fairness. I believe that in the upcoming months the federal tax implications should be examined. It may be necessary to provide that the $20,000 payment should be excluded from federal income taxes.

Without an exclusion, the interaction between a lump sum payment, the social security income tax earnings limitation could subject some of the survivors of the Bataan death march to one-time exorbitant tax rates in excess of 50 percent. We don't want the federal government to give the compensation with one hand, only to have it taken away by the IRS.

Thank you and I look forward to working with my colleagues on this issue.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 1807. A bill to provide for increased access to airports in the United Kingdom by United States air carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

OPEN SKIES BETWEEN THE U.S. AND THE U.K. LEGISLATION

Mr. SANTORUM. Mr. President, today, I am introducing legislation in response to the lack of progress in negotiations between the United States and the United Kingdom to open up competition through an open-skies treaty for air travel between our countries. International aviation travel is central to the continued growth of commerce and tourism, and every effort must be made to increase these opportunities.

This bill mandates that the United States and the United Kingdom come to an agreement that would grant all applications U.S. carriers currently have filed with the U.S. Department of Transportation for route access to the United Kingdom. The bill also mandates more access to London's Heathrow International Airport for U.S. carriers that do not currently have access to this airport. Congressman BUD SHUSTER, Chairman of the House Committee on Transportation and Infrastructure, has already introduced an identical bill, H.R. 3072, with the Ranking Minority Member, Congressman JAMES OBERSTAR, in the House of Representatives.

Under the current 22 year old bilateral agreement, known as Bermuda II, only two U.S. airlines, American and United, and two from Great Britain, British Airways and Virgin Atlantic, can fly between Heathrow and the United States. Under the current agreement, the British hold dominant rights to air travel between our countries in one of the most restrictive existing bilateral agreements for air travel. For example, British Airways is allowed to fly more routes to the U.S. than all U.S. carriers can fly to the United Kingdom combined. This present policy is unfair and is not in the best interests of American or British consumers.

This situation is illustrated by the recent announcement by British Airways that it would be ending its nonstop flights between Pittsburgh and London as of October 31, 1999. This means that a city which has had nonstop for over a decade will no longer have it. Under the current restrictive agreement, only the British can fly to and from Pittsburgh; American carriers willing to pick up this route are unable to do so.

The United States has open-skies agreements with over 36 countries which have been completed or are being phased in. Open-skies agreements allow a free market in air service in which airlines can fly where they want. It is inappropriate for the United States to lack a similar agreement with an historic ally and major trading partner such as the United Kingdom.

If an agreement is not reached within six months of the bill's passage, the Secretary of Transportation is required to revoke all current slots and slot exemptions held by British air carriers at Chicago O'Hare and New York Kennedy airports. In addition, if the United States and the United Kingdom do not reach an open-skies agreement by the end of 2000, the bill mandates renunciation of the current bilateral agreement. My goal is to provide a strong incentive for our two countries to negotiate a fair, long overdue agreement by increasing competition and choices for consumers and all interested carriers in both countries.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1807

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

SECTION 1. ACCESS TO UNITED KINGDOM AIRPORTS.

(a) IN GENERAL.—If the Governments of the United Kingdom and the United States have not signed an agreement, by the date that is 180 days after the date of enactment of this Act, that—

(1) provides for approval of all applications for air routes from the United States to the United Kingdom that have been submitted to the Secretary of Transportation by United States air carriers and are pending on October 14, 1999; and

(2) provides slots at Heathrow International Airport to United States air carriers that do not have any slots at such airport on such date of enactment, without affecting any slots held by other United States air carriers at such airport on such date of enactment,

the Secretary of Transportation shall immediately revoke all slots and exemptions to the slot rule held by British air carriers at O'Hare International Airport and John F. Kennedy International Airport and, after the date of such revocation, shall not grant any slot or exemption to the slot rule to a British air carrier at either of such airports until such an agreement is signed.

(b) DEFINITIONS.—In this section, the following definitions apply:

(1) BRITISH AIR CARRIER.—The term ''British air carrier'' means a citizen of Great Britain undertaking by any means, directly or indirectly, to provide foreign air transportation (as defined in section 40102(a) of title 49, United States Code).

(2) SLOT RULE.—The term ''slot rule'' means the requirements contained in subparts K and S of part 93 of title 14, Code of Federal Regulations.

(3) UNITED STATES AIR CARRIER.—The term ''United States air carrier'' has the meaning given to the term ''air carrier'' by section 40102(a) of title 49, United States Code.

SEC. 2. OPEN SKIES AGREEMENT.

If the Governments of the United Kingdom and the United States have not signed an open skies agreement, as defined in Department of Transportation Order 92-8-13, by December 31, 2000, the Secretary of State shall immediately file a notice to terminate the Agreement Between the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Air Services, in accordance with the provisions of the Agreement.

By Mr. SPECTER (for himself and Mr. BIDEN):

S. 1808. A bill to reauthorize and improve the drug court grant program; to the Committee on the Judiciary.

DRUG COURT REAUTHORIZATION AND IMPROVEMENT ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition to introduce a bill to provide federal assistance to States and local governments for drug courts to provide treatment rather than expensive imprisonment for drug addicted nonviolent offenders.

This legislation would reauthorize and improve upon a novel program by which States and localities may obtain Federal funds to assist in the implementation of a ''drug court'' within the State and local criminal courts. Drug courts are designed to select from the general criminal population nonviolent offenders who test positive for drugs, and put them through a program of court supervised drug treatment and rehabilitation. In this way, we can both aid first-time drug offenders by preventing them from becoming career criminals and provide localities the funds to enable them to control the serious backlogs in their criminal court caused by the drug crime wave. In the long-term, this solution to the drug plague promises to be less expensive than incarcerating these nonviolent offenders.

In 1991, I introduced similar legislation (S. 648), which was proposed by a

1990 study commissioned by the Philadelphia Bar Association entitled, ''Clearing the Road to Justice.'' This study found that state and local courts are overwhelmed by a large number of drug related crimes committed by first time offenders. The study concluded that a separate drug court division could both speed processing of drug related cases and provide mandatory drug screening programs to target first-time nonviolent drug offenders, and at the same time free up the rest of the court system to focus on violent criminals.

Congress enacted legislation to authorize a federal drug court grant program as part of the Violent Crime Control and Law Enforcement Act of 1994. However, in an action without any debate and that I believe reflected poor judgment, Congress repealed such authority in the Omnibus Consolidation Recessional and Appropriations Act of 1996 (PL 104–134). Although Congress rescinded the authority for this program, it has had been good sense to continue to appropriate some funds to the program by increasing funding from $11.5 million in 1995 to $40 million in 1999.

As a result of this federal funding, there has been a considerable increase in the number of drug courts in the United States. Since 1994, the total number of operating drug court program has grown from 42 to approximately 300. However, there is still not enough funding to adequately support the program despite the increased interest. Last year the Department of Justice received 216 grant applications, but was able to award only 88 grants. Justice reports that there were at least 38 additional programs that would have received grants had there been funding available.

During my travels in Pennsylvania, I have confirmed that there is a great deal of interest in implementing this program. Currently, there are six counties (Allegheny, Chester, Lycoming, Philadelphia, York, Erie) that are in various stages of planning and implementing drug court programs. I had the opportunity to speak to a number of prosecutors, judges and participants of these programs. They are very positive about their initial progress and very optimistic about the results that they will achieve in the future.

As a member of the Judiciary and Appropriations Committees, I have been an advocate of increasing funds for this program. I am committed to a balanced federal budget and realize that we must be careful in how we make federal expenditures. With this in mind, I have chosen this program carefully as one in which we should invest federal funds. I believe that Congress must step up to the plate and commit to this program by authorizing it and appropriating sufficient funds to meet the growing demand for drug court alternatives. It is necessary that the criminal justice system and Congress face up to the fact that realistic rehabilitation must be a part of the process of drug treatment and crime reduction.

I believe that the drug courts are extremely effective in breaking the cycle of substance abuse and crime and will save large amounts of money that otherwise would have been spent on incarceration. With this program, first-time drug offenders may be prevented from becoming career criminals, and localities will be provided with funds to minimize the serious backlogs in criminal courts caused largely by drug crimes. The most recent Drug Court Survey Report, published by the Office of Justice Programs' Drug Court Clearinghouse and Technical Assistance Project at American University found that the drug court programs reported low recidivism rates between 2% and 20%. The survey also found significantly reduced drug use even among those who did not graduate from the programs, with as many as 93% of participants testing negative for drugs. Further, this alternative promises to be less expensive than incarcerating nonviolent offenders. Drug courts offer significant cost savings as compared to incarceration. According to the Drug Court Survey Report, the average cost for the treatment component of a drug court program ranges between $900 and $1,200 per participant, and savings in jail bed days have been estimated to be at least $5,000 per defendant. Additional reported savings include reductions in police overtime, witness costs and grand jury expenses.

While these statistics are very promising, they are not necessarily representative of all of the drug court programs. In 1997, GAO issued a report entitled ''Drug Courts: Overview of Growth, Characteristics and Results,'' which found that nearly half of the drug court programs do not maintain follow-up data regarding recidivism or relapse to drug abuse. Accordingly, GAO recommended that the Attorney General require drug court programs to collect and maintain follow-up data on recidivism and drug use relapse. This legislation includes a requirement for such follow-up so Congress can better determine the program's efficacy.

This legislation would authorize up to $200 million per year for this innovative program, the original level from the 1994 law. Additionally, in order to create greater flexibility for states and local governments to fund the drug court programs, this legislation would allow federal funds that are received from sources other than the Drug Courts Program Office to be counted as a part of the 25% grantee matching contribution requirement. The current Justice policy requires the grantee to contribute 25% of the total program costs—none of which can come from a federal source.

Additionally, the 1994 law required the Department of Justice to consult with HHS concerning administration of the drug court program, and although the drug court provision was rescinded, Justice has continued to consult with HHS in an informal manner regarding treatment programs. As Chairman of the Labor, Health and Human Services and Education Appropriations Subcommittee, I recognize the important role that HHS can play in improving the treatment aspect of the drug court program. Accordingly, this bill would reinstate the requirement that Justice consult with HHS regarding administration of the drug court program and would authorize $75 million to be appropriated to HHS to be used for drug treatment services associated with drug court programs.

I urge my colleagues to support this important program which provides an effective alternative to imprisonment for drug addicted nonviolent offenders.

By Mr. JEFFORDS (for himself, Mr. KENNEDY, Mr. HARKIN, Mr. FRIST, Ms. COLLINS, Mr. WELLSTONE, Mr. REED, Mr. DODD and Mrs. MURRAY):

S. 1809. A bill to improve service systems for individuals with developmental disabilities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE DEVELOPMENT DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT OF 1999

• Mr. JEFFORDS. Mr. President, it is a pleasure to introduce today, for myself, and my colleagues from the Health, Education, Labor, and Pensions Committee, Senators KENNEDY, HARKIN, FRIST, COLLINS, WELLSTONE, REED, DODD, and MURRAY, The Developmental Disabilities Assistance and Bill of Rights Act of 1999. This bill is the reauthorization of a piece of legislation with a rich legacy, and a long history of bipartisan Congressional support. Originally authorized in 1963 and last reauthorized in 1996, it has always focused on the needs of our most vulnerable citizens, an estimated four million individuals with severe disabilities, including individuals with mental retardation and other lifelong, pervasive disabilities.

Initial versions of this legislation focused primarily on the interdisciplinary training of professionals to work with individuals with developmental disabilities. The University Affiliated Facilities (UAFs) were the first federally funded programs charged with expanding the cadre of professionals to address the needs of individuals with developmental disabilities. The name of these programs was changed to University Affiliated Programs (UAPs) in a subsequent reauthorization and their mission was expanded to include community services and information dissemination pertaining to individuals with developmental disabilities. Finally, in 1996, after 33 years of planned expansion by Congress, each State established and received core funding for at least one UAP.

In the 1970 reauthorization of the DD Act, Congress recognized the need for, and value of strengthening State efforts to coordinate and integrate services for individuals with developmental

disabilities. As a result, Congress established and authorized funding for State Developmental Disabilities Councils (DD Councils) in each state. The purpose of the Councils was, and continues to be, to advise governors and State agencies on how to use available and potential resources to meet the needs of individuals with developmental disabilities. Every State has a DD Council. The Councils undertake advocacy, capacity building, and systemic change activities directed at improving access to community services and supports for individuals with disabilities and their families.

In 1975, Congress created and authorized funding for Protection and Advocacy Systems (P&As) in each state to ensure the safety and well being of individuals with developmental disabilities. The mission of these systems has evolved over the years, initially addressing the protection of individuals with developmental disabilities who lived in institutions, to the present responsibilities related to the protection of individuals with developmental disabilities from abuse, neglect, and exploitation, and from the violation of their legal and human rights, both in institutions and in the community.

The 1975 reauthorization of the DD Act also established funding for Projects of National Significance. Through this new authority Congress authorized funding for projects that would support national initiatives related to specific areas of need. Over the years, projects related to areas such as people with developmental disabilities and the criminal justice system, home ownership, employment, assistive technology, and self-advocacy for individuals with developmental disabilities have been initiated through these projects.

The 1999 reauthorization of the DD Act builds on the past successes of these programs, reflects today's changing society, and seeks to provide a foundation to provide the services and supports that individuals with developmental disabilities, their families, and communities will need as we enter the next century. Let me take a few moments to highlight the major provisions of this bill.

The Developmental Disabilities Assistance and Bill of Rights Act of 1999 continues a tradition of support for a DD Network in each State that is able to provide advocacy, capacity building, and systemic change activities in quality assurance, education and early intervention, child care, employment, health, housing, transportation, recreation and other services for individuals with developmental disabilities and their families. This approach reflects current trends in society and in the field of developmental disabilities in that it emphasizes the empowerment of individuals with developmental disabilities and their families and joins it with state flexibility and increased accountability.

The bill continues and further develops the important work of the DD Act programs in each State. It seeks to ensure that more individuals with developmental disabilities are able to fully participate in and contribute to their communities through full integration and inclusion in the economic, political, social, cultural, and educational mainstream of our nation. It also assists DD Act programs to improve the quality of supports and services for individuals with developmental disabilities and their families regardless of where they choose to live.

Unfortunately, in keeping with other realities of our time, the bill also recognizes that individuals with developmental disabilities are at greater risk of abuse, neglect, financial and sexual exploitation, and the violation of their legal and human rights, than the general population. Based upon this recognition, the bill supports the extra effort and attention that is needed, in both individual and systemic situations, to ensure that individuals with developmental disabilities are put at no greater risk of harm than others in the general population.

The bill recognizes that individuals with developmental disabilities often have multiple, evolving, life long needs that require interaction with agencies and organizations that offer specialized assistance as well as interaction with generic services in their communities. The nature of the needs of these individuals and the capacity of States and communities to respond to them have changed. In the past 5 years, new strategies for reaching, engaging, and assisting individuals with developmental disabilities have gained visibility and credibility. These new strategies are reinforced by and reflected in this bill.

In the past, the Councils, Centers, and P&A Systems have been authorized to provide advocacy, capacity building, and systemic change activities to make access to and navigation through various service systems easier for individuals with developmental disabilities. Over time there has been pressure for these three programs to provide assistance beyond the limit of their resources and beyond their authorized missions. The bill clearly and concisely specifies the roles and responsibilities of Councils, Centers, and P&A Systems so that there is a common understanding of what the programs are intended to contribute toward a State's efforts to respond to the needs of individuals with developmental disabilities and their families.

The bill gives States' Councils, Centers, and P&A Systems more flexibility. Each program in a State, working with stakeholders, is to develop goals for how to assure that individuals with developmental disabilities and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, integration, and inclusion in all facets of community life. Goals may be set in any of the following areas of emphasis: quality assurance, education and early intervention, child care, health, employment, housing, transportation, recreation, or other community services.

Consistent with Congressional emphasis on strengthening accountability for all federal programs, this legislation requires each program to determine, before undertaking a goal, how it will be measured. Measurement of a goal must reflect the impact of the goal on individuals with developmental disabilities. The Secretary of the Department of Health and Human Services (HHS) is to develop indicators of progress to evaluate how the three programs in each State have engaged in activities to promote and achieve the purpose and policy of the Act in terms of choices available to individuals with developmental disabilities and their families, their satisfaction with services, their ability to participate in community life, and their safety. In addition, the Secretary is to monitor how the three programs funded in each State coordinate their efforts, and how that coordination affects the quality of supports and services for individuals with developmental disabilities and their families in that State.

During the past several years, a clearer picture has emerged of what individuals with developmental disabilities are able to accomplish when they have access to the same choices and opportunities available to others and with the appropriate support. There has also been increasing recognition of and support for self-advocacy organizations established by and for individuals with developmental disabilities. This bill reflects and promotes such efforts by authorizing State Councils in each State to support self-advocacy organizations for individuals with developmental disabilities.

The legislation renames the University Affiliated Programs as University Centers for Excellence for Developmental Disabilities Education, Research, and Service, expands their responsibilities to include the conduct of research, and links them together to create a National Network.

By administering the three programs specifically authorized under the DD Act and by funding projects of national significance to accomplish similar or complementary efforts, the Administration on Developmental Disabilities (ADD) in HHS plays a critical role in supporting and fostering new ways to assist individuals with developmental disabilities and in promoting system integration to expand and improve community services for individuals with disabilities. This bill provides ADD with the ability to foster similar efforts across the Executive Branch. The bill authorizes ADD to pursue and join with other Executive Branch entities in activities that will improve choices, opportunities, and services for individuals with developmental disabilities.

The bill recognizes that forty-nine States have begun to develop family

support programs for families with children with disabilities. This supports States by providing grants (one, 3-year grant per State, on a competitive basis) to assist States to provide services to families who choose to keep their children with disabilities at home and not be forced to place their children in institutions due to the lack of support. The bill gives States maximum flexibility to use targeted funds to strengthen or expand existing State family support programs.

Finally, in response to a national need to increase the number and improve the training of direct support workers who assist individuals with developmental disabilities where they live, work, go to school, and play, the bill includes provisions proposed by Senators FRIST and WELLSTONE. One provides funding for the development and dissemination of a technology-based training curriculum to provide state of the art staff development for individuals in direct service roles with people with developmental disabilities and their families. The other is a scholarship program to encourage continuing education for individuals entering the field of direct service

Throughout the country, the DD Act programs have a long history of achievement. In Vermont, the DD Act programs make ongoing contributions to major initiatives affecting individuals with developmental disabilities and their families. They play significant roles in many of Vermont's accomplishments, including: the inclusion of children with severe disabilities into local schools and classrooms; early intervention and family leadership initiatives that are national models; and innovative programs in the areas of employment, and community living options for individuals with developmental disabilities. Based upon the letters our office has received from across the country, it is clear that these small programs make substantial, positive differences in their states.

The bill we present today reflects the foundation of what Congress has supported over the past 36 years, combined with our best efforts to support individuals with the most severe disabilities, their families, and their communities into the next century. It represents the best of what we in Congress have the opportunity to do . . . to ensure that those who are among our most vulnerable citizens, are protected, supported, and encouraged to achieve their potential. My colleagues and I are proud to present it to you today and hope to see it enacted as soon as possible. ●

Mr. KENNEDY. Mr. President, today I join with my colleagues, Senator FRIST, Senator JEFFORDS, Senator MIKULSKI, Senator MURRAY, Senator DURBIN, and Senator COCHRAN to introduce the ''Clinical Research Enhancement Act of 1999''.

Our goal is to enhance support for clinical research, which is central to biomedical research. Major advances in basic biological research are opening doors to new insights into all aspects of medicine. As a result, extraordinary opportunities exist for cutting-edge clinical research to bring breakthroughs in the laboratory to the bedside of the patient. Clinical research is essential for the advancement of scientific knowledge and the development of cures and treatments for disease. In addition, the results of clinical research are incorporated by industry and used to develop new drugs, vaccines, and health care products. These advances in turn strengthen the economy and create jobs.

Unfortunately, the number of physicians choosing careers in clinical research is in serious decline. Between 1994 and 1998, the number of physicians applying for first-time NIH grants decreased by 21%. Studies by the Institute of Medicine, the National Research Council, the National Academy of Sciences, and the National Institutes of Health have all highlighted the significant problems faced by clinical researchers, including lack of grant support, lack of training opportunities, and the heavy debt burden from medical school.

The legislation we are introducing today seeks to enhance clinical research by addressing these issues. Our bill will provide research support and training opportunities for clinical researchers at all stages of their careers, as well as the necessary infrastructure to conduct clinical research.

The bill establishes several research grant awards. The Mentored Patient-Oriented Research Career Development Awards will support clinical investigators in the early phases of their independent careers by providing salary and other support for a period of supervised study. The Mid-Career Investigator Awards in Patient-Oriented Research will provide support for mid-career clinicians, to give them time for clinical research and to act as mentors for beginning investigators.

To encourage the training of clinical investigators at various stages in their careers, the bill establishes several programs. The NIH will support intramural and extramural training programs for medical and dental students. For students who want to pursue an advanced degree in clinical research, the bill provides support for both students and institutions to create training programs. For post-graduate education, NIH will support continuing education in such research.

Our legislation also creates a clinical research tuition loan repayment program to encourage recruitment of new investigators. Student debt is a major barrier to clinical research. Young physicians graduate from medical school with an average debt of $86,000. Because of the limited financial opportunities in clinical research to repay their large debts, many young physicians are under great pressure to choose more lucrative fields of medical practice. NIH has acknowledged this problem, and has established an intramural loan repayment program to encourage the recruitment of clinical researchers to NIH. Our legislation expands the current program, so that researchers throughout the country will be eligible.

A solid infrastructure is essential to any research program. In clinical research, that infrastructure is provided, in part, by the general clinical research centers at academic health centers throughout the country. Our bill provides statutory authority for those clinical research centers.

In the past, support for these centers was once provided largely by academic health centers. However, academic health centers today are confronted with heavy competition from non-teaching institutions and are increasingly emphasizing patient care over research to minimize costs. In the face of these changes, clinical researchers have become much more dependent on NIH for infrastructure support.

I look forward to working with my colleagues to move this important legislation through Congress. Our bill is supported by over 70 biomedical associations and organizations. I commend the American Federation for Medical Research for its support of this legislation.

● Mr. FRIST. Mr. President, I rise to offer my support as a cosponsor of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1999, a bill to extend and improve our Nation's developmental disabilities programs which allow individuals with developmental disabilities, such as mental retardation and severe physical disabilities, to live more independent and productive lives.

As the Chairman of the Senate Subcommittee on Disability Policy during the 104th Congress, I introduced the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1996 which successfully extended this vital law. Through this experience, I became aware of the importance of the programs under this Act and how they work to improve the lives of individuals with developmental disabilities.

Before the DD Act was first signed in 1963, Americans who happened to be born with developmental disabilities often lived and died in institutions where many were subjected to unspeakable conditions, far worse than conditions found in any American prison. Over the last several decades, thanks in part to the programs included in the DD Act, we have learned how to help families to bring up their children with developmental disabilities in their family homes; we have learned how to teach children with developmental disabilities; we have learned how to make room for these citizens to live and work in the heart of our communities; and we have learned how to ensure safe living environments and dependable care for those

individuals with developmental disabilities who remain in residential facilities.

The bill introduced today will ensure that these activities will continue. This bill will update and increase the accountability and flexibility of these programs under the law. These programs include the university affiliated programs which educate students in developmental disabilities related fields and which conduct research and training on how to meet the needs of the disabled. The law also authorizes funding for State Developmental Disabilities Councils which advise governors and State agencies on how to use available and potential resources to meet the needs of individuals with developmental disabilities. To help protect the rights of the developmentally disabled, the law provides grants for Protection and Advocacy Systems to provide information and referral services and to investigate reported incidents of abuse and neglect of individuals with developmental disabilities.

I am pleased that Senator JEFFORDS has agreed to include a provision in this bill which I drafted to address the training of direct service personnel for individuals with developmental disabilities. The training of direct service personnel is a national challenge in both magnitude and complexity. The size of this workforce is over 400,000 persons with an estimated annual turnover rate of 50 percent. In addition, nearly half of these workers are part time, working nontraditional hours. To address this dilemma, I have drafted a provision to develop a training program to create, evaluate, and disseminate a multimedia curriculum for staff development of individuals who are direct support workers or who seek to become direct support workers. This program will help develop a training regime that will be both cost and time effective for providers of services for the developmentally disabled.

Mr. President, I am pleased to offer my support to the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1999, which will improve and strengthen an important law which provides support for individuals with developmental disabilities and their families and which will assist individuals with developmental disabilities to live independently and work in the community, out of institutions, with as little bureaucracy and government intrusion as possible.●

● Mr. HARKIN. Mr. President. The Developmental Disabilities Act has been a cornerstone of federal registration for people with disabilities. I am pleased to be here today with Senator JEFFORDS, Senator KENNEDY, and other colleagues from the Health, Education, Labor, and Pensions Committee to introduce legislation that will reauthorize this important law.

The entities funded under the Act—The Developmental Disabilities Councils, University Affiliated Programs, and the Protection and Advocacy agencies—have enabled us to move away from a service system dominated by large public institutions, and to establish services where families and individuals want them—in their own homes, communities, and neighborhoods. In fact, the Supreme Court cited the Developmental Disabilities Act in the recent Olmstead decision as one of several pieces of federal legislation that secure opportunities for people with disabilities to enjoy the benefits of community living.

This year's reauthorization is important for a number of reasons. First, we must continue our progress toward providing better community services for all people with disabilities. The Development Disabilities Act is instrumental in that work.

Second, we must ensure that people with developmental disabilities are free from abuse and neglect in all aspects of the service delivery system. This bill will help protect people with disabilities from abuse and neglect no matter where they live—inside an institution or in the community.

And, finally, we must do more to strengthen and support families as they provide care and support to family members with a disability. Family Support programs are one of the fastest growing services on the State level. State policy-makers are realizing that family caregivers are the true heroes of our long-term care system and they need help if they are going to keep their children at home. In this year's reauthorization of the Developmental Disabilities Act, we have included a Family Support program to help states strengthen and coordinate their support systems for family caregivers.

I commend the disability groups for all of their work to make this reauthorization possible. I thank my colleagues and their staff for their hard work to reauthorize this law into the next millennium. I applaud their commitment to people with developmental disabilities.●

By Mrs. MURRAY (for herself, Mr. JEFFORDS, Mr. CONRAD, Mr. KERREY, Mr. DORGAN, Mr. BINGAMAN, and Mr. SARBANES):

S. 1810. A bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures; to the Committee on Veterans' Affairs.

DUTY TO ASSIST VETERANS LEGISLATION

● Mrs. MURRAY. Mr. President, I am introducing a bill today to make sure we treat America's veterans with the compassion they deserve. They have sacrificed so much of their personal lives for our country. And with this bill, I want to show them we appreciate their service, and we will be there when they need help.

When veterans need medical care, they file a claim for benefits with the Veterans Administration. It requires researching information over many years and from many different government organizations.

Traditionally, the Veterans Administration has helped veterans research and file their claims. That's the way it should be.

But a series of recent court decisions have changed that—and made it harder for veterans to file their claims. I want to set the record straight. The VA has a duty to assist veterans in filing their claims.

So today, I am introducing legislation to amend Title 38 of the United States Code to clarify and improve veterans claims and procedures.

My legislation clarifies that the Department of Veterans Affairs has a duty to assist veterans in preparing all of the facts pertinent to a claim for benefits. The VA has historically aided veterans in gathering information from the federal bureaucracy so they can file a claim.

Let's not forget—the claims process was set up to aid our veterans. It's important to all veterans, especially those with severe mental and physical disabilities.

Homeless veterans need help. Elderly veterans need help. And family members—who sacrifice to care for veterans—need help from the federal government.

Anyone who has ever dealt with a veterans claim for benefits knows this is a very difficult process. It can be frustrating for veterans who—even in the best of circumstances—may be forced to wait several years for a claim to be approved and granted. Veterans already pay a heavy cost for delayed benefits. They often face financial, family, and health problems, as they try to resolve their claims.

Yet, as we speak, the claims process at the VA is becoming even more difficult for America's veterans and their families.

Through a series of court decisions, the VA's historic duty to assist veterans has been set aside. The courts responsible for veterans claims have determined that it is now the individual veteran's responsibility to file a well-rounded claim before they can get assistance from the VA. The effect has been to place the burden on the individual veteran to gather information—service records, medical records, and other documentation—from the federal government in order to file a claim.

Mr. President, the courts have decided our veterans in need of assistance must go it alone. Homeless veterans suffering from Post Traumatic Stress Disorder must now prepare their claims without assistance from the government they sacrificed for. Veterans who are sick, mentally or physically disabled, indigent, or poorly educated now face new barriers to assistance they may be legally entitled to receive. Veterans without the financial resources, time or familiarity with the claims process system must navigate through the bureaucracy without federal assistance. That's not the way we should treat America's veterans.

Clearly, the courts have misinterpreted Congressional intent. The Veterans Judicial Review Act was signed into law during the 100th Congress with the following language,

It is the obligation of the Veterans Administration to assist a claimant in developing facts pertinent to his claim and to render a decision which grants him every benefit that can be supported in law while protecting the interests of the Government.

Somehow the courts interpreted that language differently. My objective in introducing legislation today is not to quarrel with the courts. I simply want to reassert congressional intent and reestablish the VA's duty to assist veterans. My legislation simply confirms the Congress believes it is important and appropriate for the federal government to assist veterans in preparing claims for benefits.

Mr. President, this legislation is widely supported among those who work on veterans benefits claims every day. Numerous veterans advocacy groups, including the Disabled American Veterans, strongly support my legislation. This bill has original cosponsors from both sides of the aisle. It is a bipartisan response to a real problem confronting America's veterans.

Let's do the right thing for America's veterans and particularly for those veterans who need the government's assistance the most.

I urge prompt Senate consideration and passage of this legislation.●

By Mr. KENNEDY (for himself, Mr. FRIST, Mr. JEFFORDS, Ms. MIKULSKI, Mrs. MURRAY, Mr. DURBIN, and Mr. COCHRAN):

S. 1813. A bill to expand the Public Health Service Act to provide additional support for and to expand clinical research programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

THE CLINICAL RESEARCH ENHANCEMENT ACT OF 1999

Mr. KENNEDY. Mr. President, today I join with my colleagues, Senator FRIST, Senator JEFFORDS, Senator MIKULSKI, Senator MURRAY, Senator DURBIN, and Senator COCHRAN to introduce the ''Clinical Research Enhancement Act of 1999''.

Our goal is to enhance support for clinical research, which is central to biomedical research. Major advances in basic biological research are opening doors to new insights into all aspects of medicine. As a result, extraordinary opportunities exist for cutting-edge clinical research to bring breakthroughs in the laboratory to the bedside of the patient. Clinical research is essential for the advancement of scientific knowledge and the development of cures and treatments for disease. In addition, the results of clinical research are incorporated by industry and used to develop new drugs, vaccines, and health care products. These advances in turn strengthen the economy and create jobs.

Unfortunately, the number of physicians choosing careers in clinical research is in serious decline. Between 1994 and 1998, the number of physicians applying for first-time NIH grants decreased by 21 percent. Studies by the Institute of Medicine, the National Research Council, the National Academy of Sciences, and the National Institutes of Health have all highlighted the significant problems faced by clinical researchers, including lack of grant support, lack of training opportunities, and the heavy debt burden from medical school.

The legislation we are introducing today seeks to enhance clinical research by addressing these issues. Our bill will provide research support and training opportunities for clinical researchers at all stages of their careers, as well as the necessary infrastructure to conduct clinical research.

The bill establishes several research grant awards. The Mentored Patient-Oriented Research Career Development Awards will support clinical investigators in the early phases of their independent careers by providing salary and other support for a period of supervised study. The Mid-Career Investigator Awards in Patient-Oriented Research will provide support for mid-career clinicians, to give them time for clinical research and to act as mentors for beginning investigators.

To encourage the training of clinical investigators at various stages in their careers, the bill establishes several programs. The NIH will support intramural and extramural training programs for medical and dental students. For students who want to pursue an advanced degree in clinical research, the bill provides support for both students and institutions to create training programs. For post-graduate education, NIH will support continuing education in such research.

Our legislation also creates a clinical research tuition loan repayment program to encourage recruitment of new investigators. Student debt is a major barrier to clinical research. Young physicians graduate from medical school with an average debt of $86,000. Because of the limited financial opportunities in clinical research to repay their large debts, many young physicians are under great pressure to choose more lucrative fields of medical practice. NIH has acknowledged this problem, and has established an intramural loan repayment program to encourage the recruitment of clinical researchers to NIH. Our legislation expands the current program, so that researchers throughout the country will be eligible.

A solid infrastructure is essential to any research program. In clinical research, that infrastructure is provided, in part, by the general clinical research centers at academic health centers throughout the country. Our bill provides statutory authority for those clinical research centers.

In the past, support for these centers was once provided largely by academic health centers. However, academic health centers today are confronted with heavy competition from non-teaching institutions and are increasingly emphasizing patient care over research to minimize costs. In the face of these changes, clinical researchers have become much more dependent on NIH for infrastructure support.

I look forward to working with my colleagues to move this important legislation through Congress. Our bill is supported by over 70 biomedical associations and organizations. I commend the American Federation for Medical Research for its support of this legislation. Mr. President, I ask unanimous consent that a copy of the bill, the American Federation for Medical Research's letter of support, and a list of supporters be printed in the RECORD.

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

S. 1813

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 ''Clinical Research Enhancement Act of 1999''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Clinical research is critical to the advancement of scientific knowledge and to the development of cures and improved treatment for disease.

(2) Tremendous advances in biology are opening doors to new insights into human physiology, pathophysiology and disease, creating extraordinary opportunities for clinical research.

(3) Clinical research includes translational research which is an integral part of the research process leading to general human applications. It is the bridge between the laboratory and new methods of diagnosis, treatment, and prevention and is thus essential to progress against cancer and other diseases.

(4) The United States will spend more than $1,200,000,000,000 on health care in 1999, but the Federal budget for health research at the National Institutes of Health was $15,600,000,000 only 1 percent of that total.

(5) Studies at the Institute of Medicine, the National Research Council, and the National Academy of Sciences have all addressed the current problems in clinical research.

(6) The Director of the National Institutes of Health has recognized the current problems in clinical research and appointed a special panel, which recommended expanded support for existing National Institutes of Health clinical research programs and the creation of new initiatives to recruit and retain clinical investigators.

(7) The current level of training and support for health professionals in clinical research is fragmented, undervalued, and underfunded.

(8) Young investigators are not only apprentices for future positions but a crucial source of energy, enthusiasm, and ideas in the day-to-day research that constitutes the scientific enterprise. Serious questions about the future of life-science research are raised by the following:

(A) The number of young investigators applying for grants dropped by 54 percent between 1985 and 1993.

(B) The number of physicians applying for first-time National Institutes of Health research project grants fell from 1226 in 1994 to 963 in 1998, a 21 percent reduction.

(C) Newly independent life-scientists are expected to raise funds to support their new research programs and a substantial proportion of their own salaries.

(9) The following have been cited as reasons for the decline in the number of active clinical researchers, and those choosing this career path:

(A) A medical school graduate incurs an average debt of $85,619, as reported in the Medical School Graduation Questionnaire by the Association of American Medical Colleges (AAMC).

(B) The prolonged period of clinical training required increases the accumulated debt burden.

(C) The decreasing number of mentors and role models.

(D) The perceived instability of funding from the National Institutes of Health and other Federal agencies.

(E) The almost complete absence of clinical research training in the curriculum of training grant awardees.

(F) Academic Medical Centers are experiencing difficulties in maintaining a proper environment for research in a highly competitive health care marketplace, which are compounded by the decreased willingness of third party payers to cover health care costs for patients engaged in research studies and research procedures.

(10) In 1960, general clinical research centers were established under the Office of the Director of the National Institutes of Health with an initial appropriation of $3,000,000.

(11) Appropriations for general clinical research centers in fiscal year 1999 equaled $200,500,000.

Since the late 1960s, spending for general clinical research centers has declined from approximately 3 percent to 1 percent of the National Institutes of Health budget.

(12) In fiscal year 1999, there were 77 general clinical research centers in operation, supplying patients in the areas in which such centers operate with access to the most modern clinical research and clinical research facilities and technologies.

(b) PURPOSE.—It is the purpose of this Act to provide additional support for and to expand clinical research programs.

SEC. 3. INCREASING THE INVOLVEMENT OF THE NATIONAL INSTITUTES OF HEALTH IN CLINICAL RESEARCH.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended by adding at the end the following:

"SEC. 409C. CLINICAL RESEARCH.

''(a) IN GENERAL.—The Director of National Institutes of Health shall undertake activities to support and expand the involvement of the National Institutes of Health in clinical research.

''(b) REQUIREMENTS.—In carrying out subsection (a), the Director of National Institutes of Health shall—

''(1) consider the recommendations of the Division of Research Grants Clinical Research Study Group and other recommendations for enhancing clinical research; and

''(2) establish intramural and extramural clinical research fellowship programs directed specifically at medical and dental students and a continuing education clinical research training program at the National Institutes of Health.

''(c) SUPPORT FOR THE DIVERSE NEEDS OF CLINICAL RESEARCH.—The Director of National Institutes of Health, in cooperation with the Directors of the Institutes, Centers, and Divisions of the National Institutes of Health, shall support and expand the resources available for the diverse needs of the clinical research community, including inpatient, outpatient, and critical care clinical research.

''(d) PEER REVIEW.—The Director of National Institutes of Health shall establish peer review mechanisms to evaluate applications for the awards and fellowships provided for in subsection (b)(2) and section 409D. Such review mechanisms shall include individuals who are exceptionally qualified to appraise the merits of potential clinical research training and research grant proposals.''.

SEC. 4. GENERAL CLINICAL RESEARCH CENTERS.

(a) GRANTS.—Subpart 1 of part B of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) is amended by adding at the end the following:

"SEC. 481C. GENERAL CLINICAL RESEARCH CENTERS.

''(a) GRANTS.—The Director of the National Center for Research Resources shall award grants for the establishment of general clinical research centers to provide the infrastructure for clinical research including clinical research training and career enhancement. Such centers shall support clinical studies and career development in all settings of the hospital or academic medical center involved.

''(b) ACTIVITIES.—In carrying out subsection (a), the Director of National Institutes of Health shall expand the activities of the general clinical research centers through the increased use of telecommunications and telemedicine initiatives.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each fiscal year.''.

(b) ENHANCEMENT AWARDS.—Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.), as amended by section 3, is further amended by adding at the end the following:

"SEC. 409D. ENHANCEMENT AWARDS.

''(a) MENTORED PATIENT-ORIENTED RESEARCH CAREER DEVELOPMENT AWARDS.—

''(1) GRANTS.—

''(A) IN GENERAL.—The Director of the National Institutes of Health shall make grants (to be referred to as 'Mentored Patient-Oriented Research Career Development Awards') to support individual careers in clinical research at general clinical research centers or at other institutions that have the infrastructure and resources deemed appropriate for conducting patient-oriented clinical research.

''(B) USE.—Grants under subparagraph (A) shall be used to support clinical investigators in the early phases of their independent careers by providing salary and such other support for a period of supervised study.

''(2) APPLICATIONS.—An application for a grant under this subsection shall be submitted by an individual scientist at such time as the Director may require.

''(3) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

''(b) MID-CAREER INVESTIGATOR AWARDS IN PATIENT-ORIENTED RESEARCH.—

''(1) GRANTS.—

''(A) IN GENERAL.—The Director of the National Institutes of Health shall make grants (to be referred to as 'Mid-Career Investigator Awards in Patient-Oriented Research') to support individual clinical research projects at general clinical research centers or at other institutions that have the infrastructure and resources deemed appropriate for conducting patient-oriented clinical research.

''(B) USE.—Grants under subparagraph (A) shall be used to provide support for mid-career level clinicians to allow such clinicians to devote time to clinical research and to act as mentors for beginning clinical investigators.

''(2) APPLICATIONS.—An application for a grant under this subsection shall be submitted by an individual scientist at such time as the Director requires.

''(3) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

''(c) GRADUATE TRAINING IN CLINICAL INVESTIGATION AWARD.—

''(1) IN GENERAL.—The Director of the National Institutes of Health shall make grants (to be referred to as 'Graduate Training in Clinical Investigation Awards') to support individuals pursuing master's or doctoral degrees in clinical investigation.

'' (2) APPLICATIONS.—An application for a grant under this subsection shall be submitted by an individual scientist at such time as the Director may require.

'' (3) LIMITATIONS.—Grants under this subsection shall be for terms of 2 years or more and shall provide stipend, tuition, and institutional support for individual advanced degree programs in clinical investigation.

''(4) DEFINITION.—As used in this subsection, the term 'advanced degree programs in clinical investigation' means programs that award a master's or Ph.D. degree in clinical investigation after 2 or more years of training in areas such as the following:

''(A) Analytical methods, biostatistics, and study design.

''(B) Principles of clinical pharmacology and pharmacokinetics.

''(C) Clinical epidemiology.

''(D) Computer data management and medical informatics.

''(E) Ethical and regulatory issues.

''(F) Biomedical writing.

''(5) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

''(d) CLINICAL RESEARCH CURRICULUM AWARDS.—

''(1) IN GENERAL.—The Director of the National Institutes of Health shall make grants (to be referred to as 'Clinical Research Curriculum Awards') to institutions for the development and support of programs of core curricula for training clinical investigators, including medical students. Such core curricula may include training in areas such as the following:

''(A) Analytical methods, biostatistics, and study design.

''(B) Principles of clinical pharmacology and pharmacokinetics.

''(C) Clinical epidemiology.

''(D) Computer data management and medical informatics.

''(E) Ethical and regulatory issues.

''(F) Biomedical writing.

''(2) APPLICATIONS.—An application for a grant under this subsection shall be submitted by an individual institution or a consortium of institutions at such time as the Director may require. An institution may submit only 1 such application.

''(3) LIMITATIONS.—Grants under this subsection shall be for terms of up to 5 years and may be renewable.

''(4) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this subsection, there are authorized to be appropriated such sums as may be necessary for each fiscal year.''.

SEC. 5. LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS.

Part G of title IV of the Public Health Service Act is amended by inserting after section 487E (42 U.S.C. 288–5) the following:

"SEC. 487F. LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS.

''(a) IN GENERAL.—The Secretary, acting through the Director of the National Institutes of Health, shall establish a program to enter into contracts with qualified health professionals under which such health professionals agree to conduct clinical research, in consideration of the Federal Government agreeing to repay, for each year of service conducting such research, not more than $35,000 of the principal and interest of the educational loans of such health professionals.

''(b) APPLICATION OF PROVISIONS.—The provisions of sections 338B, 338C, and 338E shall, except as inconsistent with subsection (a) of this section, apply to the program established under subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

''(c) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

''(2) AVAILABILITY.—Amounts appropriated for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were made available.''.

SEC. 6. DEFINITION.

Section 409 of the Public Health Service Act (42 U.S.C. 284d) is amended—

(1) by striking ''For purposes'' and inserting ''(a) HEALTH SERVICE RESEARCH.—For purposes''; and

(2) by adding at the end the following:

''(b) CLINICAL RESEARCH.—As used in this title, the term 'clinical research' means patient oriented clinical research conducted with human subjects, or research on the causes and consequences of disease in human populations involving material of human origin (such as tissue specimens and cognitive phenomena) for which an investigator or colleague directly interacts with human subjects in an outpatient or inpatient setting to clarify a problem in human physiology, pathophysiology or disease, or epidemiologic or behavioral studies, outcomes research or health services research, or developing new technologies, therapeutic interventions, or clinical trials.''.

SEC. 7. OVERSIGHT BY GENERAL ACCOUNTING OFFICE.

Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Congress a reporting describing the extent to which the National Institutes of Health has complied with the amendments made by this Act.

AMERICAN FEDERATION
FOR MEDICAL RESEARCH,
Washington, DC, October 27, 1999

Hon. EDWARD KENNEDY,
U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: I write to thank you for your continued support of the need to enhance clinical research programs at the National Institutes of Health by reintroducing the Clinical Research Enhancement Act. The American Federation for Medical Research, a national organization of over 5,000 physician-scientists who are involved in basic, translational, clinical and health services research, is committed to the improvement of human health through the translation of basic scientific discoveries to treatments and cures for disease.

For many years, academic medical centers have been able to provide institutional support to young physician-scientists who are interested in pursuing careers in biomedical research. However, as the health care marketplace has become increasingly competitive, academic centers have all but eliminated internal subsidies for clinical research or the training of clinical investigators. In fact, the Association of American Medical Colleges has estimated that these institutions have lost approximately $800 million in annual ''purchasing power'' for research and research training within their institutions.

Unfortunately, young investigators and medical students have suffered as a result of the loss of these funds from the system. The AMA has reported that the number of medical school graduates indicating an interest in a research career has fallen steadily in the 1990's. In addition, the number of first time physician applicants to the National Institutes of Health for research support has fallen by at least 20 percent between 1994 and 1997. It is important that these downward trends are stopped. These lost physician scientists represent the next generation who will move basic science discoveries to patients. We thank you for introducing the Clinical Research Enhancement Act, an extremely modest investment in a much-needed program to reinvigorate our nation's clinical research capabilities.

There is a strong consensus among the 70 scientific and consumer organizations that have endorsed this legislation that Congress must stop the deterioration of the U.S. clinical research capacity. In addition, we must assure that the American people and the American economy benefit from the translation of basic science breakthroughs to improved clinical care and new medical products. The American Federation for Medical Research is pleased to have the opportunity to express its strong support for this important piece of legislation.

Sincerely,

WILLIAM LOWE, M.D.,
President.

SUPPORTERS OF THE SENATE CLINICAL RESEARCH ENHANCEMENT ACT

Academy of Radiology Research, Alliance for Aging Research, Alzheimer's Association, Ambulatory Pediatric Association, American Academy of Child and Adolescent Psychiatry, American Academy of Neurology, American Academy of Pediatrics, American Academy of Physical Medicine and Rehabilitation, American Academy of Optometry, American Academy of Orthopedic Surgeons, American Academy of Otolaryngology-Head and Neck Surgery, American Academy of Pediatrics, American Association for Cancer Research, American Association for Dental Research, American Association for the Study of Liver Disease, American Association of Dental Schools, American College of Cardiology, American College of Neuropsychopharmacology, American College of Physicians—American Society of Internal Medicine, American College of Preventive Medicine.

American Federation for Medical Research, American Heart Association, American Kidney Fund, American Pediatric Society, American Podiatric Medical Association, American Professors of Dermatology, American Society for Clinical Pharmacology and Therapeutics, American Society for Clinical Nutrition, American Society for Investigative Pathology, American Society for Reproductive Medicine, American Society for Addiction Medicine, American Society for Hematology, American Urological Association, Arthritis Foundation, Association for Research in Vision and Ophthalmology, Association of Academic Health Centers, Association of American Cancer Institutes, Association of Departments of Family Medicine, Association of Medical Schools Pediatric Department Chairs, Association of Pathology Chairs.

Association of University Professors of Ophthalmology, Citizens for Public Action, Coalition for American Trauma Care, Coalition of Patient Advocates for Skin Disease Research, College on Problems of Drug Dependence, Cooley's Anemia Foundation, Cystic Fibrosis Foundation, East Carolina University School of Medicine, Epilepsy Foundation, Federation of Behavioral, Psychological & Cognitive Sciences, Friends of the National Institute of Dental Research, General Clinical Research Centers Program Directors Association, Jeffrey Modell Foundation, Medical Dermatology Society, National Alopecia Areata Foundation.

National Caucus of Basic Biomedical Science Chairs, National Health Council, National Hemophilia Foundation, National Organization for Rare Disorders, National Osteoporosis Foundation, New York University School of Medicine, Research! America, Research Society on Alcoholism, RESOLVE, The National Infertility Association, St. Jude Children's Research Hospital, Scleroderma Foundation—Central New Jersey Chapter, Sjogren's Syndrome Foundation, Society for Investigative Dermatology, Society for Maternal—Fetal Medicine, Society for Pediatric Research, Society for Women's Health Research, University of Washington—Department of Ophthalmology.

By Mr. SMITH of Oregon (for himself, Mr. GRAHAM, Mr. CRAIG, Mr. CLELAND, Mr. MCCONNELL, Mr. COVERDELL, Mr. MACK, Mr. COCHRAN, Mr. HELMS, Mr. GRAMS, Mr. CRAPO, Mr. BUNNING, and Mr. VOINOVICH):

S. 1814. A bill to establish a system of registries of temporary agricultural workers to provide for a sufficient supply of such workers and to amend the Immigration and Nationality Act to streamline procedures for the admission and extension of stay of nonimmigrant agricultural workers, and for other purposes; to the Committee on the Judiciary.

AGRICULTURAL JOB OPPORTUNITY BENEFITS AND SECURITY ACT OF 1999 (AGJOBS)

Mr. SMITH of Oregon. Mr. President, I rise today with Senators GRAHAM, CRAIG, CLELAND, MCCONNELL, COVERDELL, MACK, COCHRAN, HELMS, GRAMS, CRAPO, BUNNING, and VOINOVICH to introduce the Agricultural Job Opportunity Benefits and Security Act of 1999.

Our bill will reform the agricultural labor market, establish and maintain immigration control, provide a legal workforce for our farmers, and restore the dignity to the lives of thousands of farmworkers who have helped make the U.S. economy the powerhouse that it is today. Indeed, these people, the farmers and farm workers, are much of the reason you and I are able to go home to a table full of food.

In all of my legislative career—7 years now—I have never found an issue that as quickly moves off the merits and on to name-calling than the issue of immigration. I was amazed and astounded at the things that were said to me and my colleague from Oregon,

Senator WYDEN, as we pursued this issue with the very best of motives last year. Those things are said still. But I challenge anyone who wants to see a better life, I challenge them to defend the current system we have in this country for agricultural workers and farmers. We take for granted when we go to the grocery store all the abundance that there greets us, but we seldom take the time to think of those who helped produce it and bring it to the market.

There is a shameful story to be told in this country when it comes to agricultural workers. What I am offering with all of my colleagues—my bipartisan colleagues—is a good-faith effort to make a bad situation much better and to get this country off an illegal system and on to a legal system so farmers no longer need be felons and farm workers no longer need to live in our shadows as fugitives.

A few years ago, the GAO issued a report. They said there is no worker shortage in agriculture. They said there is no worker shortage because we have all these illegal aliens here. As a consequence of depending on an illegal system, these people who come—many from south of the border—are subject to the most inhumane treatment by coyotes in human form. These are people who prey upon their fears. These are organizations—even some who profess to be advocates—that hold them up for money, subject them to physical abuse and even rape, and do so in the name of providing labor. They are in business as long as we keep this shameful system illegal.

How many people are we talking about? By some estimates, there are 1.6 million illegal workers in agriculture in this country. These are the people who are so often victimized. They will always be victimized as long as we keep them illegal.

Senator GRAHAM, Senator CRAIG and I have tried to devise a way to help workers and farmers in three distinctive ways in the bills we have introduced today. First, we provide an opportunity for an adjustment of status so when this bill becomes the law, any worker who can demonstrate he or she has been in this country working in agriculture for some period of time in the previous year can apply for an adjusted status which will give them immediate legal rights and put them on the course over the next 5 to 7 years to work in agriculture and earn permanent legal status, a green card. Their change of status from illegal to legal actually occurs immediately.

It was my experience as a person in business that those who got amnesty immediately got a voice. As soon as they had a legal right to be here, their conditions began to improve. The people who will argue against this bill somehow benefit—even profit—by keeping these people illegal and by being their voice. I don't think that serves their interests based on what I saw in the private sector in the middle 1980s.

What we are proposing is not amnesty. Some have said this is indentured servitude. The indentured servitude is the status quo. The indentured servitude are those who simply say keep them illegal, keep them down, make sure they don't have the benefits that other workers in America do, and we will somehow suggest we are on their side. The way out of indentured servitude is to give them a legal path to follow. That is what Senator GRAHAM, Senator CRAIG and I are doing.

The second part of our bill is to actually reform the H–2A program. To demonstrate that, I have an application I filled out to become a Senator. It is two pages. I filled it out fairly quickly and persuaded 51-plus percent of the people in Oregon to elect me to the Senate.

If I am a farmer and I need help, this is the manual that explains how to fill out the application for one worker: It is hundreds of pages long. The manual is unnumbered and covers a multitude of agencies in the Federal Government, all of which have to sign off on every single foreign migrant worker. I am simply saying this program, H–2A, as we have it now, is a manifest failure. It is a manifest failure because very few people utilize it. All of the benefits promised by the current H–2A program go unfulfilled because everyone evades the law because the law doesn't work.

What Senator GRAHAM, Senator CRAIG and I are proposing to do is to create a national registry that does not even kick in until all domestic workers have right of first refusal. What it does is connect workplaces and employers with employees who want to work on farms. It will provide an opportunity even for organized labor to go to one place, find out who wants to be there, who wants the job, and even assist them in organizing if they choose to do so.

I am not here to oppose organized labor. I am trying to help them, to say there is a legal way to do this that will better serve the interests of real people, and not the imaginary, hoped-for things that some are claiming are possible, which are not possible.

Third, Senator GRAHAM, Senator CRAIG and I are providing enhanced worker protections. Specifically, in this program, workers will get no less than the minimum wage, the prevailing wage, or the adverse effect wage rate which is 5 percent above the prevailing rate. This is our attempt to say that these people are due the basics of what American citizens have. In addition to that, they will have transportation benefits, housing benefits, and they will now be covered under the Migrant Seasonal Agricultural Protection Act in ways they were not before.

All of this is done because we are here to help. We reach out to all who are in this disadvantaged situation who want to be legal, who want a future, who want to pursue the American dream, and who want to do farm work.

Some have suggested we are trying to flood this country with more illegal problems. I say on the floor of the Senate, I don't want one additional worker, but I want those who are here to have a legal way to be here. This isn't as if they are coming; they are already here. It is a shameful situation when we can do nothing for them under law.

As this bill goes forward, lots of name-calling will go on, lots of mischaracterizations will be made. However, I ask my colleagues, I ask anyone interested in this issue, to read the bill this time and then tell the truth about it. Do not make it up because we have a problem. It is a human problem. It affects farm workers and farmers and we owe them something better than they have under U.S. law today.

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

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

S. 1814

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agricultural Job Opportunity Benefits and Security Act of 1999''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—ADJUSTMENT TO LEGAL STATUS

Sec. 101. Agricultural workers.

TITLE II—AGRICULTURAL WORKER REGISTRIES

Sec. 201. Agricultural worker registries.

TITLE III—H–2A REFORM

Sec. 301. Employer applications and assurances.
Sec. 302. Search of registry.
Sec. 303. Issuance of visas and admission of aliens.
Sec. 304. Employment requirements.
Sec. 305. Program for the admission of temporary H–2A workers.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Enhanced worker protections and labor standards enforcement.
Sec. 402. Bilateral commissions.
Sec. 403. Regulations.
Sec. 404. Determination and use of user fees.
Sec. 405. Funding for startup costs.
Sec. 406. Report to Congress.
Sec. 407. Effective date.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADVERSE EFFECT WAGE RATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''adverse effect wage rate'' means the rate of pay for an agricultural occupation that is 5 percent above the prevailing rate of pay for that agricultural occupation in an area of intended employment, if the prevailing rate of pay for the occupation is less than the prior year's average hourly earnings of field and livestock workers for the State (or region that includes the State), as determined by the Secretary of Agriculture, provided no adverse effect wage rate shall be more than the prior year's average hourly earnings of field and livestock workers for the State (or region that includes the State), as determined by the Secretary of Agriculture.

(B) EXCEPTION.—If the prevailing rate of pay for an activity is a piece rate, task rate or group rate, and the average hourly earnings of an employer's workers employed in that activity, taken as a group, are less than the prior year's average hourly earnings of field and livestock workers in the State (or region that includes the State), as determined by the Secretary of Agriculture, the term ''adverse effect wage rate'' means the prevailing piece rate, task rate or group rate for the activity plus such an amount as is necessary to increase the average hourly earnings of the employer's workers employed in the activity, taken as a group, by 5 percent, or to the prior's years average hourly earnings for field and livestock workers for the State (or region that includes the State) determined by the Secretary of Agriculture, whichever is less.

(2) AGRICULTURAL EMPLOYMENT.—The term ''agricultural employment'' means any service or activity that is considered to be agriculture under section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)) or as agricultural labor under section 3121(g) of the Internal Revenue Code of 1986. For purposes of this paragraph, agricultural employment in the United States includes, but is not limited to, employment under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)).

(3) ELIGIBLE.—The term ''eligible'' as used with respect to workers or individuals, means individuals authorized to be employed in the United States as provided for in section 274A(h)(3) of the Immigration and Nationality Act (8 U.S.C. 1188).

(4) EMPLOYER.—The term ''employer'' means any person or entity, including any farm labor contractor and any agricultural association, that employs workers.

(5) H–2A EMPLOYER.—The term ''H–2A employer'' means an employer who seeks to hire one or more nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

(6) H–2A WORKER.—The term ''H–2A worker'' means a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

(7) JOB OPPORTUNITY.—The term ''job opportunity'' means a specific period of employment provided by an employer to a worker in one or more agricultural activities.

(8) PREVAILING WAGE.—The term ''prevailing wage'' means with respect to an agricultural activity in an area of intended employment, the rate of wages that includes the 51st percentile of employees in that agricultural activity in the area of intended employment, expressed in terms of the prevailing method of pay for the agricultural activity in the area of intended employment.

(9) REGISTERED WORKER.—The term ''registered worker'' means an individual whose name appears in a registry.

(10) REGISTRY.—The term ''registry'' means an agricultural worker registry established under section 201(a).

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(12) UNITED STATES WORKER.—The term ''United States worker'' means any worker, whether a United States citizen or national, a lawfully admitted permanent resident alien, or any other alien who is authorized to work in the job opportunity within the United States other than an alien admitted pursuant to section 101(a)(15)(H)(ii)(a) or section 218 of the Immigration and Nationality Act, as in effect on the effective date of this Act, or a nonimmigrant agricultural worker whose status was adjusted under section 101(a).

(13) WORK DAY.—The term ''work day'' means any day in which the individual is employed one or more hours in agriculture.

TITLE I—ADJUSTMENT TO LEGAL STATUS

SEC. 101. AGRICULTURAL WORKERS.

(a) NONIMMIGRANT STATUS.—

(1) IN GENERAL.—The Attorney General shall adjust the status of an alien agricultural worker who qualifies under this subsection to that of an alien lawfully admitted for nonimmigrant status under section 101(a)(15) of the Immigration and Nationality Act if the Attorney General determines that the following requirements are satisfied with respect to the alien:

(A) PERFORMANCE OF AGRICULTURAL EMPLOYMENT IN THE UNITED STATES.—The alien must establish that the alien has performed agricultural employment in the United States for at least 880 hours or 150 work days, whichever is lesser, during the 12-month period prior to October 27, 1999.

(B) APPLICATION PERIOD.—The alien must apply for such adjustment not later than 12 months after the effective date of this Act.

(C) ADMISSIBILITY.—

(i) IN GENERAL.—The alien must establish that the alien is otherwise admissible to the United States under section 212 of the Immigration and Nationality Act, except as otherwise provided under subsection (d).

(ii) WAIVER OF INELIGIBILITY FOR UNLAWFUL PRESENCE.—An alien who has not previously been admitted to the United States pursuant to this section, and who is otherwise eligible for admission in accordance with clause (i), shall not be deemed inadmissible by virtue of section 212(a)(9)(B) of that Act.

(2) PERIOD OF VALIDITY OF NONIMMIGRANT STATUS.—

(A) IN GENERAL.—The status granted in paragraph (1) shall be valid for a period of not to exceed 7 consecutive calendar years, except that the alien may not be present in the United States for more than an aggregate of 300 days in any calendar year.

(B) EXCEPTION.—The 300-day-per-year limitation in subparagraph (A) shall not apply to any period of validity of the status of any alien who—

(i) has established a permanent residence in the United States and has a minor child who was born in the United States prior to the date of enactment of this Act who resides in the alien's household; and

(ii) performs agricultural employment for not less than 240 days in a calendar year.

(3) AUTHORIZED TRAVEL.—During the period an alien is in lawful nonimmigrant status granted under this subsection, the alien has the right to travel abroad (including commutation from a residence abroad).

(4) AUTHORIZED EMPLOYMENT.—During the period an alien is in lawful nonimmigrant status granted under this subsection, the alien shall be granted authorization to engage in the performance only of agricultural employment in the United States and shall be provided an ''employment authorized'' endorsement or other appropriate work permit, only for the performance of such employment. A nonimmigrant alien under this subsection may perform agricultural employment anywhere in the United States.

(5) TERMINATION OF NONIMMIGRANT STATUS.—Except as otherwise provided in paragraph (2), the Attorney General shall terminate the status, and bring proceedings under section 240 of the Immigration and Nationality Act to remove, any nonimmigrant alien under this subsection who failed during 3 prior calendar years to perform 1,040 hours or 180 work days, whichever is lesser, of agricultural services in any single calendar year.

(6) RECORD OF EMPLOYMENT.—Each employer of a nonimmigrant agricultural worker whose status is adjusted under this subsection shall—

(A) provide a written record of employment to the alien; and

(B) provide a copy of such record to the Immigration and Naturalization Service.

(b) ADJUSTMENT TO PERMANENT RESIDENCE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Attorney General shall adjust the status of any alien provided lawful nonimmigrant status under subsection (a) to that of an alien lawfully admitted for permanent residence if the Attorney General determines that the following requirements are satisfied:

(A) QUALIFYING YEARS.—The alien has performed a minimum period of agricultural employment in the United States in each of 5 calendar years during the period of validity of the alien's adjustment to nonimmigrant status pursuant to subsection (a). Qualifying years under this subparagraph may include nonconsecutive years.

(B) MINIMUM PERIODS OF AGRICULTURAL EMPLOYMENT.—

(i) IN GENERAL.—Except as provided in clause (ii), the minimum period of agricultural employment in any calendar year is 1,040 hours or 180 work days, whichever is lesser.

(ii) EXCEPTION.—An alien described in subsection (a)(2)(B) who remains in the United States for more than 300 days in a calendar year may only be credited with satisfaction of the minimum period of agricultural employment requirement for that year if the alien performed agricultural employment in the United States for at least 240 work days that year.

(C) APPLICATION PERIOD.—The alien applies for adjustment of status not later than 6 months after completing the fifth year of qualifying employment in the United States.

(2) GROUNDS FOR DENIAL OF ADJUSTMENT OF STATUS.—The Attorney General may deny adjustment to nonimmigrant status and provide for termination of the nonimmigrant status granted such alien under subsection (a) if—

(A) the Attorney General finds by a preponderance of the evidence that the adjustment to nonimmigrant status was the result of fraud or willful misrepresentation as set out in section 212(a)(6)(C)(i), or

(B) the alien commits an act that (i) makes the alien inadmissible to the United States under section 212 of the Immigration and Nationality Act, except as provided under subsection (c)(2), or (ii) is convicted of a felony or 3 or more misdemeanors committed in the United States.

(3) TREATMENT OF ALIENS DEMONSTRATING PRIMA FACIE CASE FOR ADJUSTMENT.—Any alien who demonstrates a prima facie case of eligibility for adjustment under this subsection in accordance with regulations promulgated by the Attorney General, shall be considered a temporary resident alien and, pending adjudication of an application for permanent resident status under this subsection—

(A) may remain in the United States and shall be granted authorization to engage in any employment in the United States; and

(B) shall become eligible for any assistance or benefit to which a person granted lawful permanent resident status would be eligible on the date of enactment of this Act.

(4) GROUNDS FOR REMOVAL.—Any nonimmigrant alien under subsection (a) who does not apply for adjustment of status under this subsection before the expiration of the application period described in paragraph (1)(C) is deportable and may be removed.

(5) NUMERICAL LIMITATION.—In any fiscal year not more than 20 percent of the number

of aliens obtaining nonimmigrant status under subsection (a) may be granted adjustment of status under this subsection. In granting such adjustment, aliens having the greater number of work hours shall be accorded priority. Any temporary resident alien under paragraph (3) who does not receive adjustment of status under this subsection in a fiscal year by reason of the limitation in this paragraph may continue to work in any employment, and shall be credited with any additional hours of agricultural employment performed for purposes of being accorded priority for adjustment of status.

(c) APPLICATIONS FOR ADJUSTMENT OF STATUS.—

(1) TO WHOM MAY BE MADE.—

(A) WITHIN THE UNITED STATES.—The Attorney General shall provide that—

(i) applications for adjustment of status under subsection (a) may be filed—

(I) with the Attorney General; or

(II) with a qualified designated entity (designated under paragraph (2)), but only if the applicant consents to the forwarding of the application to the Attorney General; and

(ii) applications for adjustment of status under subsection (b) shall be filed directly with the Attorney General.

(B) OUTSIDE THE UNITED STATES.—The Attorney General, in cooperation with the Secretary of State, shall provide a procedure whereby an alien may apply for adjustment of status under subsection (a) at an appropriate consular office outside the United States. The Attorney General shall prescribe regulations setting forth procedures for notification of immigration officials by the alien before departing the United States.

(C) TRAVEL DOCUMENTATION.—The Attorney General shall provide each alien whose status is adjusted under this section with a counterfeit-resistant document of authorization to enter or reenter the United States.

(2) DESIGNATION OF ENTITIES TO RECEIVE APPLICATIONS.—For purposes of receiving applications under subsection (a), the Attorney General—

(A) shall designate qualified voluntary organizations and other qualified State, local, community, farm labor organizations, and associations of agricultural employers; and

(B) may designate such other persons as the Attorney General determines are qualified and have substantial experience, demonstrated competence, and traditional long-term involvement in the preparation and submittal of applications for adjustment of status under section 209 or 245 of the Immigration and Nationality Act, Public Law 89–732, or Public Law 95–145.

(3) PROOF OF ELIGIBILITY.—

(A) IN GENERAL.—An alien may establish that the alien meets the requirement of subsection (a)(1)(A) through government employment records or records supplied by employers or collective bargaining organizations. The Attorney General shall establish special procedures to properly credit work in cases in which an alien was employed under an assumed name.

(B) DOCUMENTATION OF WORK HISTORY.—(i) An alien applying for adjustment of status under subsection (a)(1) has the burden of proving by a preponderance of the evidence that the alien has worked the requisite number of hours (as required under subsection (a)(1)(A)).

(ii) If an employer or farm labor contractor employing such an alien has kept proper and adequate records respecting such employment, the alien's burden of proof under clause (i) may be met by securing timely production of those records under regulations to be promulgated by the Attorney General.

(4) TREATMENT OF APPLICATIONS BY QUALIFIED DESIGNATED ENTITIES.—Each qualified designated entity must agree to forward to the Attorney General applications filed with it in accordance with paragraph (1)(A)(ii) but not to forward to the Attorney General applications filed with it unless the applicant has consented to such forwarding. No such entity may make a determination required by this section to be made by the Attorney General. Upon the request of the alien, a qualified designated entity shall assist the alien in obtaining documentation of the work history of the alien.

(5) LIMITATION ON ACCESS TO INFORMATION.—Files and records prepared for purposes of this section by qualified designated entities operating under this section are confidential and the Attorney General and the Service shall not have access to such files or records relating to an alien without the consent of the alien, except as allowed by a court order issued pursuant to paragraph (6).

(6) CONFIDENTIALITY OF INFORMATION.—

(A) IN GENERAL.—Except as provided in this paragraph, neither the Attorney General, nor any other official or employee of the Department of Justice, or bureau or agency thereof, may—

(i) use the information furnished by the applicant pursuant to an application filed under this section, or the information provided to the applicant by a person designated under paragraph (2)(B), for any purpose other than to make a determination on the application, including a determination under subsection (b)(3), or for enforcement of paragraph (7);

(ii) make any publication whereby the information furnished by any particular individual can be identified; or

(iii) permit anyone other than the sworn officers and employees of the Department or bureau or agency or, with respect to applications filed with a designated entity, that designated entity, to examine individual applications.

(B) CRIME.—Whoever knowingly uses, publishes, or permits information to be examined in violation of this paragraph shall be fined not more than $10,000.

(7) PENALTIES FOR FALSE STATEMENTS IN APPLICATIONS.—

(A) CRIMINAL PENALTY.—Whoever—

(i) files an application for adjustment of status under this section and knowingly and willfully falsifies, conceals, or covers up a material fact or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or

(ii) creates or supplies a false writing or document for use in making such an application,

shall be fined in accordance with title 18, United States Code, or imprisoned not more than five years, or both.

(B) EXCLUSION.—An alien who is convicted of a crime under subparagraph (A) shall be considered to be inadmissible to the United States on the ground described in section 212(a)(6)(C)(i) of the Immigration and Nationality Act.

(d) WAIVER OF NUMERICAL LIMITATIONS AND CERTAIN GROUNDS FOR INADMISSIBILITY.—

(1) NUMERICAL LIMITATIONS DO NOT APPLY.—The numerical limitations of sections 201 and 202 of the Immigration and Nationality Act shall not apply to the adjustment of aliens to lawful permanent resident status under this section.

(2) WAIVER OF CERTAIN GROUNDS OF INADMISSIBILITY.—In the determination of an alien's admissibility under subsection (a)(1)(D), the following provisions of section 212(a) of the Immigration and Nationality Act shall not apply:

(A) GROUNDS OF EXCLUSION NOT APPLICABLE.—The provisions of paragraphs (5) and (7)(A) of section 212(a) shall not apply.

(B) WAIVER OF OTHER GROUNDS.—

(i) IN GENERAL.—Except as provided in clause (ii), the Attorney General may waive any other provision of section 212(a) in the case of individual aliens for humanitarian purposes, to assure family unity, or when it is otherwise in the public interest.

(ii) GROUNDS THAT MAY NOT BE WAIVED.—The following provisions of section 212(a) may not be waived by the Attorney General under clause (i):

(I) Paragraph (2) (A) and (B) (relating to criminals).

(II) Paragraph (4) (relating to aliens likely to become public charges).

(III) Paragraph (2)(C) (relating to drug offenses), except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marijuana.

(IV) Paragraph (3) (relating to security and related grounds), other than subparagraph (E) thereof.

(C) SPECIAL RULE FOR DETERMINATION OF PUBLIC CHARGE.—An alien is not ineligible for adjustment of status under this section due to being inadmissible under section 212(a)(4) if the alien demonstrates a history of employment in the United States evidencing self-support without reliance on public cash assistance.

(e) TEMPORARY STAY OF REMOVAL AND WORK AUTHORIZATION FOR CERTAIN APPLICANTS.—

(1) BEFORE APPLICATION PERIOD.—The Attorney General shall provide that in the case of an alien who is apprehended before the beginning of the application period described in subsection (a)(1) and who can establish a nonfrivolous case of eligibility to have his status adjusted under subsection (a) (but for the fact that he may not apply for such adjustment until the beginning of such period), until the alien has had the opportunity during the first 30 days of the application period to complete the filing of an application for adjustment, the alien—

(A) may not be removed, and

(B) shall be granted authorization to engage in agricultural employment in the United States and be provided an ''employment authorized'' endorsement or other appropriate work permit for such purpose.

(2) DURING APPLICATION PERIOD.—The Attorney General shall provide that in the case of an alien who presents a nonfrivolous application for adjustment of status under subsection (a) during the application period, including an alien who files such an application within 30 days of the alien's apprehension, and until a final determination on the application has been made in accordance with this section, the alien—

(A) may not be removed, and

(B) shall be granted authorization to engage in agricultural employment in the United States and be provided an ''employment authorized'' endorsement or other appropriate work permit for such purpose.

(3) PROHIBITION.—No application fees collected by the Service pursuant to this subsection may be used by the Service to offset the costs of the agricultural worker adjustment program under this title until the Service implements the program consistent with the statutory mandate as follows:

(A) During the application period described in subsection (a)(1)(A) the Service may grant nonimmigrant admission to the United States, work authorization, and provide an ''employment authorized'' endorsement or other appropriate work permit to any alien who presents a preliminary application for adjustment of status under subsection (a) at

a designated port of entry on the southern land border. An alien who does not enter through a port of entry is subject to deportation and removal as otherwise provided in this Act.

(B) During the application period described in subsection (a)(1)(A) any alien who has filed an application for adjustment of status within the United States as provided in subsection (b)(1)(A) is subject to paragraph (2) of this subsection.

(C) A preliminary application is defined as a fully completed and signed application with fee and photographs which contains specific information concerning the performance of qualifying employment in the United States and the documentary evidence which the applicant intends to submit as proof of such employment. The applicant must be otherwise admissible to the United States and must establish to the satisfaction of the examining officer during an interview that his or her claim to eligibility for agriculture worker status is credible.

(f) ADMINISTRATIVE AND JUDICIAL REVIEW.—

(1) ADMINISTRATIVE AND JUDICIAL REVIEW.—There shall be no administrative or judicial review of a determination respecting an application for adjustment of status under this section except in accordance with this subsection.

(2) ADMINISTRATIVE REVIEW.—

(A) SINGLE LEVEL OF ADMINISTRATIVE APPELLATE REVIEW.—The Attorney General shall establish an appellate authority to provide for a single level of administrative appellate review of such a determination.

(B) STANDARD FOR REVIEW.—Such administrative appellate review shall be based solely upon the administrative record established at the time of the determination on the application and upon such additional or newly discovered evidence as may not have been available at the time of the determination.

(3) JUDICIAL REVIEW.—

(A) LIMITATION TO REVIEW OF EXCLUSION OR DEPORTATION.—There shall be judicial review of such a denial only in the judicial review of an order of removal under section 106.

(B) STANDARD FOR JUDICIAL REVIEW.—Such judicial review shall be based solely upon the administrative record established at the time of the review by the appellate authority and the findings of fact and determinations contained in such record shall be conclusive unless the applicant can establish abuse of discretion or that the findings are directly contrary to clear and convincing facts contained in the record considered as a whole.

(g) DISSEMINATION OF INFORMATION ON ADJUSTMENT PROGRAM.—Beginning not later than the date designated by the Attorney General under subsection (a)(1)(A), the Attorney General, in cooperation with qualified designated entities, shall broadly disseminate information respecting the benefits which aliens may receive under this section and the requirements to obtain such benefits.

TITLE II—AGRICULTURAL WORKER REGISTRIES

SEC. 201. AGRICULTURAL WORKER REGISTRIES.

(a) ESTABLISHMENT OF REGISTRIES.—

(1) IN GENERAL.—The Secretary of Labor shall establish and maintain a system of registries containing a current database of workers described in paragraph (2) who seek agricultural employment and the employment status of such workers—

(A) to ensure that eligible United States workers are informed about available agricultural job opportunities and have the right of first refusal for the agricultural jobs available through the registry; and

(B) to provide timely referral of such workers to agricultural job opportunities in the United States.

(2) COVERED WORKERS.—The workers covered by paragraph (1) are—

(A) eligible United States workers; and

(B) eligible nonimmigrant agricultural workers whose status was adjusted under section 101(a).

(3) GEOGRAPHIC COVERAGE.—

(A) SINGLE STATE.—Each registry established under paragraph (1) shall include the job opportunities in a single State, except that, in the case of New England States, two or more such States may be represented by a single registry in lieu of multiple registries.

(B) REQUESTS FOR INCLUSION.—Each State having any group of agricultural producers seeking to utilize the registry shall be represented by a registry, except that, in the case of a New England State, the State shall be represented by the registry covering the group of States of which the State is a part.

(4) COMPUTER DATABASE.—The Secretary of Labor may establish the registries as part of the computer databases known as ''America's Job Bank'' and ''America's Talent Bank''.

(5) RELATION TO PROCESS FOR IMPORTING H–2A WORKERS.—Notwithstanding section 218 of the Immigration and Nationality Act (8 U.S.C. 1188), no petition to import an alien as an H–2A worker (as defined in section 218(i)(2) of that Act) may be approved by the Attorney General unless the H–2A employer—

(A) has applied to the Secretary to conduct a search of the registry of the State in which the job opportunities for which H–2A workers are sought are located; and

(B) has received a report described in section 303(a)(1).

(b) REGISTRATION.—

(1) IN GENERAL.—An eligible individual who seeks employment in agricultural work may apply to be included in the registry for the State in which the individual resides. Such application shall include—

(A) the name and address of the individual;

(B) the period or periods of time (including beginning and ending dates) during which the individual will be available for agricultural work;

(C) the registry or registries on which the individual desires to be included;

(D) the specific qualifications and work experience possessed by the applicant;

(E) the type or types of agricultural work the applicant is willing to perform;

(F) such other information as the applicant wishes to be taken into account in referring the applicant to agricultural job opportunities; and

(G) such other information as may be required by the Secretary.

(2) VALIDATION OF EMPLOYMENT AUTHORIZATION.—No person may be included on any registry unless the Secretary of Labor has requested and obtained from the Attorney General a certification that the person is authorized to be employed in the United States.

(3) UNITED STATES WORKERS.—United States workers shall have preference in referral by the registry, and may be referred to any job opportunity nationwide for which they are qualified and make a commitment to be available at the time and place needed.

(4) ADJUSTED NONIMMIGRANTS.—Adjusted nonimmigrant aliens who apply to be included in a registry may only be referred to job opportunities for which they are qualified within the State covered by the registry or within States contiguous to that State.

(5) SANCTIONS FOR NONCOMPLIANCE.—Adjusted nonimmigrant aliens who elect to be listed on the registry and who fail to report to a registry job opportunity for which they had made an affirmative commitment and been referred will be removed from the registry for a period of 6 months for the first such failure and for a period of 1 year for each succeeding failure.

(6) USE OF REGISTRY.—Any United States agricultural employer may use the registry.

(7) DISCRETIONARY USE FOR NEW HIRES.—An agricultural employer may require prospective employees to register with a registry as a means of assuring that its workers are eligible to be employed in the United States.

(8) WORKERS REFERRED TO JOB OPPORTUNITIES.—The name of each registered worker who is referred and accepts employment with an employer shall be classified as inactive on each registry on which the worker is included during the period of employment involved in the job to which the worker was referred, unless the worker reports to the Secretary that the worker is no longer employed and is available for referral to another job opportunity. A registered worker classified as inactive shall not be referred.

(9) REMOVAL OF NAMES FROM A REGISTRY.—The Secretary shall remove from the appropriate registry the name of any registered worker who, on 3 separate occasions within a 3-month period, is referred to a job opportunity pursuant to this section, and who declines such referral or fails to report to work in a timely manner.

(10) VOLUNTARY REMOVAL.—A registered worker may request that the worker's name be removed from a registry.

(11) REMOVAL BY EXPIRATION.—The application of a registered worker shall expire, and the Secretary shall remove the name of such worker from the appropriate registry if the worker has not accepted a job opportunity pursuant to this section within the preceding 12-month period.

(12) REINSTATEMENT.—A worker whose name is removed from a registry pursuant to paragraph (9), (10), or (11) may apply to the Secretary for reinstatement to such registry at any time.

(c) CONFIDENTIALITY OF REGISTRIES.—The Secretary shall maintain the confidentiality of the registries established pursuant to this section, and the information in such registries shall not be used for any purposes other than those authorized in this Act.

(d) ADVERTISING OF REGISTRIES.—The Secretary shall widely disseminate, through advertising and other means, the existence of the registries for the purpose of encouraging eligible United States workers seeking agricultural job opportunities to register. The Secretary of Labor shall ensure that the information about the registry is made available to eligible workers through all appropriate means, including appropriate State agencies, groups representing farm workers, and nongovernmental organizations, and shall ensure that the registry is accessible to growers and farm workers.

TITLE III—H–2A REFORM

SEC. 301. EMPLOYER APPLICATIONS AND ASSURANCES.

(a) APPLICATIONS TO THE SECRETARY.—

(1) IN GENERAL.—Not later than 28 days prior to the date on which an H–2A employer desires to employ an H–2A worker in a temporary or seasonal agricultural job opportunity, the employer shall, before petitioning for the admission of such a worker, apply to the Secretary for the referral of a United States worker or nonimmigrant agricultural worker whose status was adjusted under section 101(a) through a search of the appropriate registry, in accordance with section 302. Such application shall—

(A) describe the nature and location of the work to be performed;

(B) list the anticipated period (expected beginning and ending dates) for which workers will be needed;

(C) indicate the number of job opportunities in which the employer seeks to employ workers from the registry;

(D) describe the bona fide occupational qualifications that must be possessed by a worker to be employed in the job opportunity in question;

(E) describe the wages and other terms and conditions of employment the employer will offer, which shall not be less (and are not required to be more) than those required by this section;

(F) contain the assurances required by subsection (c);

(G) specify the foreign country or region thereof from which alien workers should be admitted in the case of a failure to refer United States workers under this Act; and

(H) be accompanied by the payment of a registry user fee determined under section 404(b)(1)(A) for each job opportunity indicated under subparagraph (C).

(2) APPLICATIONS BY ASSOCIATIONS ON BEHALF OF EMPLOYER MEMBERS.—

(A) IN GENERAL.—An agricultural association may file an application under paragraph (1) for registered workers on behalf of its employer members.

(B) EMPLOYERS.—An application under subparagraph (A) shall cover those employer members of the association that the association certifies in its application have agreed in writing to comply with the requirements of this Act.

(b) AMENDMENT OF APPLICATIONS.—Prior to receiving a referral of workers from a registry, an employer may amend an application under this subsection if the employer's need for workers changes. If an employer makes a material amendment to an application on a date which is later than 28 days prior to the date on which the workers on the amended application are sought to be employed, the Secretary may delay issuance of the report described in section 302(b) by the number of days by which the filing of the amended application is later than 28 days before the date on which the employer desires to employ workers.

(c) ASSURANCES.—The assurances referred to in subsection (a)(1)(F) are the following:

(1) ASSURANCE THAT THE JOB OPPORTUNITY IS NOT A RESULT OF A LABOR DISPUTE.—The employer shall assure that the job opportunity for which the employer requests a registered worker is not vacant because a worker is involved in a strike, lockout, or work stoppage in the course of a labor dispute involving the job opportunity at the place of employment.

(2) ASSURANCE THAT THE JOB OPPORTUNITY IS TEMPORARY OR SEASONAL.—

(A) REQUIRED ASSURANCE.—The employer shall assure that the job opportunity for which the employer requests a registered worker is temporary or seasonal.

(B) SEASONAL BASIS.—For purposes of this Act, labor is performed on a seasonal basis where, ordinarily, the employment pertains to or is of the kind exclusively performed at certain seasons or periods of the year and which, from its nature, may not be continuous or carried on throughout the year.

(C) TEMPORARY BASIS.—For purposes of this Act, a worker is employed on a temporary basis where the employment is intended not to exceed 10 months.

(3) ASSURANCE OF PROVISION OF REQUIRED WAGES AND BENEFITS.—The employer shall assure that the employer will provide the wages and benefits required by subsections (a), (b), and (c) of section 304 to all workers employed in job opportunities for which the employer has applied under subsection (a) and to all other workers in the same occupation at the place of employment, and in no case less than the greater of the hourly wage prescribed under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), or the applicable State minimum wage.

(4) ASSURANCE OF EMPLOYMENT.—The employer shall assure that the employer will not refuse to employ qualified individuals referred under section 302, and will terminate qualified individuals employed pursuant to this Act only for lawful job-related reasons, including lack of work.

(5) ASSURANCE OF COMPLIANCE WITH LABOR LAWS.—

(A) IN GENERAL.—An employer who requests registered workers shall assure that, except as otherwise provided in this Act, the employer will comply with all applicable Federal, State, and local labor laws, including laws affecting migrant and seasonal agricultural workers, with respect to all United States workers and alien workers employed by the employer.

(B) LIMITATIONS.—The disclosure required under section 201(a) of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1821(a)) may be made at any time prior to the time the alien is issued a visa permitting entry into the United States.

(6) ASSURANCE OF ADVERTISING OF THE REGISTRY.—The employer shall assure that the employer will, from the day an application for workers is submitted under subsection (a), and continuing throughout the period of employment of any job opportunity for which the employer has applied for a worker from the registry, post in a conspicuous place a poster to be provided by the Secretary advertising the availability of the registry.

(7) ASSURANCE OF ADVERTISING OF JOB OPPORTUNITIES.—The employer shall assure that not later than 14 days after submitting an application to a registry for workers under subsection (a) the employer will advertise the availability of the job opportunities for which the employer is seeking workers from the registry in a publication in the local labor market that is likely to be patronized by potential farmworkers, if any, and refer interested workers to register with the registry.

(8) ASSURANCE OF CONTACTING FORMER WORKERS.—The employer shall assure that the employer has made reasonable efforts through the sending of a letter by United States Postal Service mail, or otherwise, to contact any eligible worker the employer employed during the previous season in the occupation at the place of intended employment for which the employer is applying for registered workers, and has made the availability of the employer's job opportunities in the occupation at the place of intended employment known to such previous worker, unless the worker was terminated from employment by the employer for a lawful job-related reason or abandoned the job before the worker completed the period of employment of the job opportunity for which the worker was hired.

(9) ASSURANCE OF PROVISION OF WORKERS COMPENSATION.—The employer shall assure that if the job opportunity is not covered by the State workers' compensation law, that the employer will provide, at no cost to the worker, insurance covering injury and disease arising out of and in the course of the worker's employment which will provide benefits at least equal to those provided under the State workers' compensation law for comparable employment.

(10) ASSURANCE OF PAYMENT OF ALIEN EMPLOYMENT USER FEE.—The employer shall assure that if the employer receives a notice of insufficient workers under section 302(c), such employer shall promptly pay the alien employment user fee determined under section 404(b)(1)(B) for each job opportunity to be filled by an eligible alien as required under such section.

(d) WITHDRAWAL OF APPLICATIONS.—

(1) IN GENERAL.—An employer may withdraw an application under subsection (a), except that, if the employer is an agricultural association, the association may withdraw an application under subsection (a) with respect to one or more of its members. To withdraw an application, the employer shall notify the Secretary in writing, and the Secretary shall acknowledge in writing the receipt of such withdrawal notice. An employer who withdraws an application under subsection (a), or on whose behalf an application is withdrawn, is relieved of the obligations undertaken in the application.

(2) LIMITATION.—An application may not be withdrawn while any alien provided status under this Act pursuant to such application is employed by the employer.

(3) OBLIGATIONS UNDER OTHER STATUTES.—Any obligation incurred by an employer under any other law or regulation as a result of recruitment of United States workers under an offer of terms and conditions of employment required as a result of making an application under subsection (a) is unaffected by withdrawal of such application.

(e) REVIEW OF APPLICATION.—

(1) IN GENERAL.—Promptly upon receipt of an application by an employer under subsection (a), the Secretary shall review the application for compliance with the requirements of such subsection.

(2) APPROVAL OF APPLICATIONS.—If the Secretary determines that an application meets the requirements of subsection (a), and the employer is not ineligible to apply under paragraph (2), (3), or (4) of section 305(b), the Secretary shall, not later than 7 days after the receipt of such application, approve the application and so notify the employer.

(3) REJECTION OF APPLICATIONS.—If the Secretary determines that an application fails to meet 1 or more of the requirements of subsection (a), the Secretary, as expeditiously as possible, but in no case later than 7 days after the receipt of such application, shall—

(A) notify the employer of the rejection of the application and the reasons for such rejection, and provide the opportunity for the prompt resubmission of an amended application; and

(B) offer the applicant an opportunity to request an expedited administrative review or a de novo administrative hearing before an administrative law judge of the rejection of the application.

(4) REJECTION FOR PROGRAM VIOLATIONS.—The Secretary shall reject the application of an employer under this section if—

(A) the employer has been determined to be ineligible to employ workers under section 401(b); or

(B) the employer during the previous two-year period employed H–2A workers or registered workers and the Secretary of Labor has determined, after notice and opportunity for a hearing, that the employer at any time during that period substantially violated a material term or condition of the assurances made with respect to the employment of United States workers or nonimmigrant workers.

No employer may have applications under this section rejected for more than 3 years for any violation described in this paragraph.

SEC. 302. SEARCH OF REGISTRY.

(a) SEARCH PROCESS AND REFERRAL TO THE EMPLOYER.—Upon the approval of an application under section 301(e), the Secretary shall promptly begin a search of the registry of the State (or States) in which the work is to be performed to identify registered United States workers and adjusted aliens with the qualifications requested by the employer.

The Secretary shall contact such qualified registered workers and determine, in each instance, whether the worker is ready, willing, and able to accept the employer's job opportunity and will make the affirmative commitment to work for the employer at the time and place needed. The Secretary shall provide to each worker who commits to work for the employer the employer's name, address, telephone number, the location where the employer has requested that employees report for employment, and a statement disclosing the terms and conditions of employment.

(b) DEADLINE FOR COMPLETING SEARCH PROCESS; REFERRAL OF WORKERS.—As expeditiously as possible, but not later than 7 days before the date on which an employer desires work to begin, the Secretary shall complete the search under subsection (a) and shall transmit to the employer a report containing the name, address, and social security account number of each registered worker who has made the affirmative commitment described in subsection (a) to work for the employer on the date needed, together with sufficient information to enable the employer to establish contact with the worker. The identification of such registered workers in a report shall constitute a referral of workers under this section.

(c) ACCEPTANCE OF REFERRALS.—H–2A employers shall accept all qualified United States worker referrals who make a commitment to report to work at the time and place needed and to complete the full period of employment offered, and those adjusted nonimmigrants on the registry of the State in which the intended employment is located, and the immediately contiguous States. An employer shall not be required to accept more referrals than the number of job opportunities for which the employer applied to the registry.

(d) NOTICE OF INSUFFICIENT WORKERS.—If the report provided to the employer under subsection (b) does not include referral of a sufficient number of registered workers to fill all of the employer's job opportunities in the occupation for which the employer applied under section 301(a), the Secretary shall indicate in the report the number of job opportunities for which registered workers could not be referred, and shall promptly transmit a copy of the report to the Attorney General and the Secretary of State, by electronic or other means ensuring next day delivery.

(e) USER FEE FOR CERTIFICATION TO EMPLOY ALIEN WORKERS.—With respect to each job opportunity for which a notice of insufficient workers is made, the Secretary shall require the payment of an alien employment user fee determined under section 404(b)(1)(B).

SEC. 303. ISSUANCE OF VISAS AND ADMISSION OF ALIENS.

(a) IN GENERAL.—

(1) NUMBER OF ADMISSIONS.—Subject to paragraph (3), the Secretary of State shall promptly issue visas to, and the Attorney General shall admit, as nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act a sufficient number of eligible aliens designated by the employer to fill the job opportunities of the employer—

(A) upon receipt of a copy of the report described in section 302(c);

(B) upon approval of an application (or copy of an application under subsection (b));

(C) upon receipt of the report required by subsection (c)(1)(B); or

(D) upon receipt of a report under subsection (d).

(2) PROCEDURES.—The admission of aliens under paragraph (1) shall be subject to the procedures of section 218 of the Immigration and Nationality Act, as amended by this Act.

(b) DIRECT APPLICATION UPON FAILURE TO ACT.—

(1) APPLICATION TO THE SECRETARY OF STATE.—If the employer has not received a referral of sufficient workers pursuant to section 302(b) or a report of insufficient workers pursuant to section 302(c), by the date that is 7 days before the date on which the work is anticipated to begin, the employer may submit an application for alien workers directly to the Secretary of State, with a copy of the application provided to the Attorney General, seeking the issuance of visas to and the admission of aliens for employment in the job opportunities for which the employer has not received referral of registered workers. Such an application shall include a copy of the employer's application under section 301(a), together with evidence of its timely submission. The Secretary of State may consult with the Secretary of Labor in carrying out this paragraph.

(2) EXPEDITED CONSIDERATION BY SECRETARY OF STATE.—The Secretary of State shall, as expeditiously as possible, but not later than 5 days after the employer files an application under paragraph (1), issue visas to, and the Attorney General shall admit, a sufficient number of eligible aliens designated by the employer to fill the job opportunities for which the employer has applied under that paragraph, if the employer has met the requirements of sections 301 and 302. The employer shall be subject to the alien employment user fee determined under section 404(b)(1)(B) with respect to each job opportunity for which the Secretary of State authorizes the issuance of a visa pursuant to paragraph (2).

(c) REDETERMINATION OF NEED.—

(1) REQUESTS FOR REDETERMINATION.—

(A) IN GENERAL.—An employer may file a request for a redetermination by the Secretary of the employer's need for workers if—

(i) a worker referred from the registry is not at the place of employment on the date of need shown on the application, or the date the work for which the worker is needed has begun, whichever is later;

(ii) the worker is not ready, willing, able, or qualified to perform the work required; or

(iii) the worker abandons the employment or is terminated for a lawful job-related reason.

(B) ADDITIONAL AUTHORIZATION OF ADMISSIONS.—The Secretary shall expeditiously, but in no case later than 72 hours after a redetermination is requested under subparagraph (A), submit a report to the Secretary of State and the Attorney General providing notice of a need for workers under this subsection, if the employer has met the requirements of sections 301 and 302 and the conditions described in subparagraph (A).

(2) JOB-RELATED REQUIREMENTS.—An employer shall not be required to initially employ a worker who fails to meet lawful job-related employment criteria, nor to continue the employment of a worker who fails to meet lawful, job-related standards of conduct and performance, including failure to meet minimum production standards after a 3-day break-in period.

(d) EMERGENCY APPLICATIONS.—Notwithstanding subsections (b) and (c), the Secretary may promptly transmit a report to the Attorney General and Secretary of State providing notice of a need for workers under this subsection for an employer—

(1) who has not employed aliens under this Act in the occupation in question in the prior year's agricultural season;

(2) who faces an unforeseen need for workers (as determined by the Secretary); and

(3) with respect to whom the Secretary cannot refer able, willing, and qualified workers from the registry who will commit to be at the employer's place of employment and ready for work within 72 hours or on the date the work for which the worker is needed has begun, whichever is later.

The employer shall be subject to the alien employment user fee determined under section 404(b)(1)(B) with respect to each job opportunity for which a notice of insufficient workers is made pursuant to this subsection.

(e) REGULATIONS.—The Secretary of State shall prescribe regulations to provide for the designation of aliens under this section.

SEC. 304. EMPLOYMENT REQUIREMENTS.

(a) REQUIRED WAGES.—

(1) IN GENERAL.—An employer applying under section 301(a) for workers shall offer to pay, and shall pay, all workers in the occupation or occupations for which the employer has applied for workers from the registry, not less (and is not required to pay more) than the greater of the prevailing wage in the occupation in the area of intended employment or the adverse effect wage rate. No worker shall be paid less than the greater of the hourly wage prescribed under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), or the applicable State minimum wage.

(2) PAYMENT OF PREVAILING WAGE DETERMINED BY A STATE EMPLOYMENT SECURITY AGENCY SUFFICIENT.—In complying with paragraph (1), an employer may request and obtain a prevailing wage determination from the State employment security agency. If the employer requests such a determination, and pays the wage required by paragraph (1) based upon such a determination, such payment shall be considered sufficient to meet the requirement of paragraph (1).

(3) RELIANCE ON WAGE SURVEY.—In lieu of the procedure of paragraph (2), an employer may rely on other information, such as an employer-generated prevailing wage survey that the Secretary determines meets criteria specified by the Secretary in regulations.

(4) ALTERNATIVE METHODS OF PAYMENT PERMITTED.—

(A) IN GENERAL.—A prevailing wage may be expressed as an hourly wage, a piece rate, a task rate, or other incentive payment method, including a group rate. The requirement to pay at least the prevailing wage in the occupation and area of intended employment does not require an employer to pay by the method of pay in which the prevailing rate is expressed, except that, if the employer adopts a method of pay other than the prevailing rate, the burden of proof is on the employer to demonstrate that the employer's method of pay is designed to produce earnings equivalent to the earnings that would result from payment of the prevailing rate.

(B) COMPLIANCE WHEN PAYING AN INCENTIVE RATE.—In the case of an employer that pays a piece rate or task rate or uses any other incentive payment method, including a group rate, the employer shall be considered to be in compliance with any applicable hourly wage requirement if the average of the hourly earnings of the workers, taken as a group, in the activity for which a piece rate, task rate, or other incentive payment, including a group rate, is paid, for the pay period, is at least equal to the required hourly wage, except that no worker shall be paid less than the hourly wage prescribed under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State minimum wage.

(C) TASK RATE.—For purposes of this paragraph, the term ''task rate'' means an incentive payment method based on a unit of work performed such that the incentive rate varies with the level of effort required to perform individual units of work.

(D) GROUP RATE.—For purposes of this paragraph, the term ''group rate'' means an incentive payment method in which the payment is shared among a group of workers working together to perform the task.

(b) REQUIREMENT TO PROVIDE HOUSING.—

(1) IN GENERAL.—

(A) REQUIREMENT.—An employer applying under section 301(a) for registered workers shall offer to provide housing at no cost (except for charges permitted by paragraph (5)) to all workers employed in job opportunities to which the employer has applied under that section, and to all other workers in the same occupation at the place of employment, whose place of residence is beyond normal commuting distance.

(B) LIABILITY.—An employer not complying with subparagraph (A) shall be liable to a registered worker for the costs of housing equivalent to the type of housing required to be provided under that subparagraph and shall not be liable for any employment-related obligation solely by reason of such noncompliance.

(2) TYPE OF HOUSING.—In complying with paragraph (1), an employer may, at the employer's election, provide housing that meets applicable Federal standards for temporary labor camps or secure housing that meets applicable local standards for rental or public accommodation housing or other substantially similar class of habitation, or, in the absence of applicable local standards, State standards for rental or public accommodation housing or other substantially similar class of habitation.

(3) WORKERS ENGAGED IN THE RANGE PRODUCTION OF LIVESTOCK.—The Secretary shall issue regulations that address the specific requirements for the provision of housing to workers engaged in the range production of livestock.

(4) LIMITATION.—Nothing in this subsection shall be construed to require an employer to provide or secure housing for persons who were not entitled to such housing under the temporary labor certification regulations in effect on June 1, 1986.

(5) CHARGES FOR HOUSING.—

(A) UTILITIES AND MAINTENANCE.—An employer who provides housing to a worker pursuant to paragraph (1) may charge an amount equal to the fair market value (but not greater than the employer's actual cost) for maintenance and utilities, or such lesser amount as permitted by law.

(B) SECURITY DEPOSIT.—An employer who provides housing to workers pursuant to paragraph (1) may require, as a condition for providing such housing, a deposit not to exceed $50 from workers occupying such housing to protect against gross negligence or willful destruction of property.

(C) DAMAGES.—An employer who provides housing to workers pursuant to paragraph (1) may require a worker found to have been responsible for damage to such housing which is not the result of normal wear and tear related to habitation to reimburse the employer for the reasonable cost of repair of such damage.

(6) HOUSING ALLOWANCE AS ALTERNATIVE.—

(A) IN GENERAL.—In lieu of offering housing pursuant to paragraph (1), the employer may provide a reasonable housing allowance during the 3-year period beginning on the date of enactment of this Act. After the expiration of that period such allowance may be provided only if the requirement of subparagraph (B) is satisfied or, in the case of a certification under subparagraph (B) that is expired, the requirement of subparagraph (C) is satisfied. Upon the request of a worker seeking assistance in locating housing, the employer shall make a good faith effort to assist the worker in identifying and locating housing in the area of intended employment. An employer who offers a housing allowance to a worker, or assists a worker in locating housing which the worker occupies, pursuant to this subparagraph shall not be deemed to be a housing provider under section 203 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1823) solely by virtue of providing such housing allowance.

(B) CERTIFICATION.—The requirement of this subparagraph is satisfied if the Governor of the State certifies to the Secretary that there is adequate housing available in an area of intended employment for migrant farm workers, aliens provided status pursuant to this Act, or nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act, who are seeking temporary housing while employed at farm work. Such certification shall expire after 3 years unless renewed by the Governor of the State.

(C) EFFECT OF CERTIFICATION.—Notwithstanding the expiration of a certification under subparagraph (B) with respect to an area of intended employment, a housing allowance described in subparagraph (A) may be offered for up to one year after the date of expiration.

(D) AMOUNT OF ALLOWANCE.—The amount of a housing allowance under this paragraph shall be equal to the statewide average fair market rental for existing housing for nonmetropolitan counties for the State in which the employment occurs, as established by the Secretary of Housing and Urban Development pursuant to section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)), based on a 2-bedroom dwelling unit and an assumption of 2 persons per bedroom.

(c) REIMBURSEMENT OF TRANSPORTATION.—

(1) TO PLACE OF EMPLOYMENT.—A worker who is referred to a job opportunity under section 302(a), or an alien employed pursuant to this Act, who completes 50 percent of the period of employment of the job opportunity for which the worker was hired, shall be reimbursed by the employer for the cost of the worker's transportation and subsistence from the worker's permanent place of residence (or place of last employment, if the worker traveled from such place) to the place of employment to which the worker was referred under section 302(a).

(2) FROM PLACE OF EMPLOYMENT.—A worker who is referred to a job opportunity under section 302(a), or an alien employed pursuant to this Act, who completes the period of employment for the job opportunity involved, shall be reimbursed by the employer for the cost of the worker's transportation and subsistence from the place of employment to the worker's place of residence, or to the place of next employment, if the worker has contracted with a subsequent employer who has not agreed to provide or pay for the worker's transportation and subsistence to such subsequent employer's place of employment.

(3) LIMITATION.—

(A) AMOUNT OF REIMBURSEMENT.—Except as provided in subparagraph (B), the amount of reimbursement provided under paragraph (1) or (2) to a worker or alien shall not exceed the lesser of—

(i) the actual cost to the worker or alien of the transportation and subsistence involved; or

(ii) the most economical and reasonable common carrier transportation charges and subsistence costs for the distance involved.

(B) DISTANCE TRAVELED.—No reimbursement under paragraph (1) or (2) shall be required if the distance traveled is 100 miles or less, or the worker is not residing in employer-provided housing or housing secured through a voucher as provided in subsection (b)(6).

(C) PLACE OF RECRUITMENT.—For the purpose of the reimbursement required under paragraph (1) or (2) to aliens admitted pursuant to this Act, the alien's place of residence shall be deemed to be the place where the alien was issued the visa authorizing admission to the United States or, if no visa was required, the place from which the alien departed the foreign country to travel to the United States.

(d) CONTINUING OBLIGATION TO EMPLOY UNITED STATES WORKERS.—

(1) IN GENERAL.—An employer that applies for registered workers under section 301(a) shall, as a condition for the approval of such application, continue to offer employment to qualified, eligible United States workers who are referred under section 302(b) after the employer receives the report described in section 302(b).

(2) LIMITATION.—An employer shall not be obligated to comply with paragraph (1)—

(A) after 50 percent of the anticipated period of employment shown on the employer's application under section 301(a) has elapsed; or

(B) during any period in which the employer is employing no H–2A workers in the occupation for which the United States worker was referred; or

(C) during any period when the Secretary is conducting a search of a registry for workers in the occupation and area of intended employment to which the worker has been referred, or in other occupations in the area of intended employment for which the worker that has been referred is qualified and that offer substantially similar terms and conditions of employment.

(3) LIMITATION ON REQUIREMENT TO PROVIDE HOUSING.—Notwithstanding any other provision of this Act, an employer to whom a registered worker is referred pursuant to paragraph (1) may provide a reasonable housing allowance to such referred worker in lieu of providing housing if the employer does not have sufficient housing to accommodate the referred worker and all other workers for whom the employer is providing housing or has committed to provide housing.

(4) REFERRAL OF WORKERS DURING 50-PERCENT PERIOD.—The Secretary shall make all reasonable efforts to place a registered worker in an open job acceptable to the worker, including available jobs not listed on the registry, before referring such worker to an employer for a job opportunity already filled by, or committed to, an alien admitted pursuant to this Act.

SEC. 305. PROGRAM FOR THE ADMISSION OF TEMPORARY H–2A WORKERS.

Section 218 of the Immigration and Nationality Act (8 U.S.C. 1188) is amended to read as follows:

''ADMISSION OF TEMPORARY H–2A WORKERS

''SEC. 218. (a) PROCEDURE FOR ADMISSION OR EXTENSION OF ALIENS.—

''(1) ALIENS WHO ARE OUTSIDE THE UNITED STATES.—

''(A) CRITERIA FOR ADMISSIBILITY.—

''(i) IN GENERAL.—An alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act shall be admissible under this section if the alien is designated pursuant to section 302 of the Agricultural Job Opportunity Benefits and Security Act of 1999, otherwise admissible under this Act, and the alien is not ineligible under clause (ii).

''(ii) DISQUALIFICATION.—An alien shall be ineligible for admission to the United States or being provided status under this section if the alien has, at any time during the past 5 years—

''(I) violated a material provision of this section, including the requirement to promptly depart the United States when the

alien's authorized period of admission under this section has expired; or

''(II) otherwise violated a term or condition of admission to the United States as a nonimmigrant, including overstaying the period of authorized admission as such a nonimmigrant.

''(iii) INITIAL WAIVER OF INELIGIBILITY FOR UNLAWFUL PRESENCE.—

''(I) IN GENERAL.—An alien who has not previously been admitted to the United States pursuant to this section, and who is otherwise eligible for admission in accordance with clauses (i) and (ii), shall not be deemed inadmissible by virtue of section 212(a)(9)(B). Such an alien shall depart the United States to be eligible for admission under this section.

''(II) TERMINATION.—Subclause (I) shall terminate on the date that is 4 years after the date of the enactment of the Agricultural Job Opportunity Benefits and Security Act of 1999.

''(B) PERIOD OF ADMISSION.—The alien shall be admitted for the period requested by the employer not to exceed 10 months, or the ending date of the anticipated period of employment on the employer's application for registered workers, whichever is less, plus an additional period of 14 days, during which the alien shall seek authorized employment in the United States. During the 14-day period following the expiration of the alien's work authorization, the alien is not authorized to be employed unless an employer who is authorized to employ such worker has filed an extension of stay on behalf of the alien pursuant to paragraph (2).

''(C) ABANDONMENT OF EMPLOYMENT.—

''(i) IN GENERAL.—An alien admitted or provided status under this section who abandons the employment which was the basis for such admission or status shall be considered to have failed to maintain nonimmigrant status as an alien described in section 101(a)(15)(H)(ii)(a) and shall depart the United States or be subject to removal under section 237(a)(1)(C)(i).

''(ii) REPORT BY EMPLOYER.—The employer (or association acting as agent for the employer) shall notify the Attorney General within 7 days of an alien admitted or provided status under this Act pursuant to an application to the Secretary of Labor under section 302 of the Agricultural Job Opportunity Benefits and Security Act of 1999 by the employer who prematurely abandons the alien's employment.

''(iii) REMOVAL BY THE ATTORNEY GENERAL.—The Attorney General shall promptly remove from the United States aliens admitted pursuant to section 101(a)(15)(H)(ii)(a) who have failed to maintain nonimmigrant status or who have otherwise violated the terms of a visa issued under this title.

''(iv) VOLUNTARY TERMINATION.—Notwithstanding the provisions of clause (i), an alien may voluntarily terminate his or her employment if the alien promptly departs the United States upon termination of such employment.

''(D) IDENTIFICATION DOCUMENT AND IDENTIFICATION SYSTEM.—

''(i) IN GENERAL.—Each alien admitted under this section shall, upon receipt of a visa, be given an identification and employment eligibility document to verify eligibility for employment in the United States and verify such person's proper identity.

''(ii) REQUIREMENTS.—No identification and employment eligibility document may be issued and no identification system may be implemented which does not meet the following requirements:

''(I) The document and system shall be capable of reliably determining whether—

''(aa) the individual with the identification and employment eligibility document whose eligibility is being verified is in fact eligible for employment,

''(bb) the individual whose eligibility is being verified is claiming the identity of another person, and

''(cc) the individual whose eligibility is being verified has been properly admitted under this section.

''(II) The document shall be in the form that is resistant to counterfeiting and to tampering.

''(III) The document and system shall—

''(aa) be compatible with other Immigration and Naturalization Service databases and other Federal government databases for the purpose of excluding aliens from benefits for which they are not eligible and to determine whether the alien is illegally present in the United States, and

''(bb) be compatible with law enforcement databases to determine if the alien has been convicted of criminal offenses.

''(2) EXTENSION OF STAY OF ALIENS IN THE UNITED STATES.—

''(A) EXTENSION OF STAY.—If an employer with respect to whom a report or application described in section 302(a)(1) of the Agricultural Job Opportunity Benefits and Security Act of 1999 has been submitted seeks to employ an alien who has acquired status under this section and who is lawfully present in the United States, the employer shall file with the Attorney General an application for an extension of the alien's stay or a change in the alien's authorized employment. The application shall be accompanied by a copy of the appropriate report or application described in section 302 of the Agricultural Job Opportunity Benefits and Security Act of 1999.

''(B) LIMITATION ON FILING AN APPLICATION FOR EXTENSION OF STAY.—An application may not be filed for an extension of an alien's stay for a period of more than 10 months, or later than a date which is 3 years from the date of the alien's last admission to the United States under this section, whichever occurs first.

''(C) WORK AUTHORIZATION UPON FILING AN APPLICATION FOR EXTENSION OF STAY.—An employer may begin employing an alien who is present in the United States who has acquired status under this Act on the day the employer files an application for extension of stay. For the purpose of this requirement, the term 'filing' means sending the application by certified mail via the United States Postal Service, return receipt requested, or delivered by guaranteed commercial delivery which will provide the employer with a documented acknowledgment of the date of sending and receipt of the application. The employer shall provide a copy of the employer's application to the alien, who shall keep the application with the alien's identification and employment eligibility document as evidence that the application has been filed and that the alien is authorized to work in the United States. Upon approval of an application for an extension of stay or change in the alien's authorized employment, the Attorney General shall provide a new or updated employment eligibility document to the alien indicating the new validity date, after which the alien is not required to retain a copy of the application.

''(D) LIMITATION ON EMPLOYMENT AUTHORIZATION OF ALIENS WITHOUT VALID IDENTIFICATION AND EMPLOYMENT ELIGIBILITY CARD.—An expired identification and employment eligibility document, together with a copy of an application for extension of stay or change in the alien's authorized employment that complies with the requirements of subparagraph (A), shall constitute a valid work authorization document for a period of not more than 60 days from the date of application for the extension of stay, after which time only a currently valid identification and employment eligibility document shall be acceptable.

''(E) LIMITATION ON AN INDIVIDUAL'S STAY IN STATUS.—An alien having status under this section may not have the status extended for a continuous period longer than 3 years unless the alien remains outside the United States for an uninterrupted period of 6 months. An absence from the United States may break the continuity of the period for which a nonimmigrant visa issued under section 101(a)(15)(H)(ii)(a) is valid. If the alien has resided in the United States 10 months or less, an absence breaks the continuity of the period if it lasts for at least 2 months. If the alien has resided in the United States 10 months or more, an absence breaks the continuity of the period if it lasts for at least one-fifth the duration of the stay.

''(b) STUDY BY THE ATTORNEY GENERAL.—The Attorney General shall conduct a study to determine whether aliens under this section depart the United States in a timely manner upon the expiration of their period of authorized stay. If the Attorney General finds that a significant number of aliens do not so depart and that withholding a portion of the aliens' wages to be refunded upon timely departure is necessary as an inducement to assure such departure, then the Attorney General shall so report to Congress and make recommendations on appropriate courses of action.''.

(b) NO FAMILY MEMBERS PERMITTED.—Section 101(a)(15)(H) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)) is amended by striking ''specified in this paragraph'' and inserting ''specified in this subparagraph (other than in clause (ii)(a))''.

(c) RANGE PRODUCTION OF LIVESTOCK.—Nothing in this title shall preclude the Secretary of Labor and the Attorney General from continuing to apply special procedures to the employment, admission, and extension of aliens in the range production of livestock.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. ENHANCED WORKER PROTECTIONS AND LABOR STANDARDS ENFORCEMENT.

(a) ENFORCEMENT AUTHORITY.—

(1) INVESTIGATION OF COMPLAINTS.—

(A) AGGRIEVED PERSON OR THIRD PARTY COMPLAINTS.—The Secretary shall establish a process for the receipt, investigation, and disposition of complaints respecting an employer's failure to meet a condition specified in section 301 or an employer's misrepresentation of material facts in an application under that section, or violation of the provisions described in subparagraph (B). Complaints may be filed by any aggrieved person or any organization (including bargaining representatives). No investigation or hearing shall be conducted on a complaint concerning such a failure or misrepresentation unless the complaint was filed not later than 12 months after the date of the failure or misrepresentation, as the case may be. The Secretary shall conduct an investigation under this paragraph if there is reasonable cause to believe that such a failure or misrepresentation has occurred.

(B) EXPEDITED INVESTIGATION OF SERIOUS CHILD LABOR, WAGE, AND HOUSING VIOLATIONS.—The Secretary shall complete an investigation and issue a written determination as to whether or not a violation has been committed within 10 days of the receipt of a complaint pursuant to subparagraph (A) if there is reasonable cause to believe that any of the following serious violations have occurred:

(i) A violation of section 12(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 212(c)).

(ii) A failure to make a wage payment, except that complaints alleging that an

amount less than the wages due has been paid shall be handled pursuant to subparagraph (A).

(iii) A failure to provide the housing allowance required under section 304(b)(6).

(iv) Providing housing pursuant to section 304(b)(1) that fails to comply with standards under section 304(b)(2) and which poses an immediate threat of serious bodily injury or death to workers.

(C) STATUTORY CONSTRUCTION.—Nothing in this Act limits the authority of the Secretary of Labor to conduct any compliance investigation under any other labor law, including any law affecting migrant and seasonal agricultural workers or, in the absence of a complaint under this paragraph, under this Act.

(2) WRITTEN NOTICE OF FINDING AND OPPORTUNITY FOR APPEAL.—After an investigation has been conducted, the Secretary shall issue a written determination as to whether or not any violation described in subsection (b) has been committed. The Secretary's determination shall be served on the complainant and the employer, and shall provide an opportunity for an appeal of the Secretary's decision to an administrative law judge, who may conduct a de novo hearing.

(3) ABILITY OF ALIEN WORKERS TO CHANGE EMPLOYERS.—

(A) IN GENERAL.—Pending the completion of an investigation pursuant to paragraph (1)(A), the Secretary may permit the transfer of an aggrieved person who has filed a complaint under such paragraph to an employer that—

(i) has been approved to employ workers under this Act; and

(ii) agrees to accept the person for employment.

(B) REPLACEMENT WORKER.—An aggrieved person may not be transferred under subparagraph (A) until such time as the employer from whom the person is to be transferred receives a requested replacement worker referred by a registry pursuant to section 302 of this Act or provided status under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

(C) LIMITATION.—An employer from whom an aggrieved person has been transferred under this paragraph shall have no obligation to reimburse the person for the cost of transportation prior to the completion of the period of employment referred to in section 304(c).

(D) VOLUNTARY TRANSFER.—Notwithstanding this paragraph, an employer may voluntarily agree to transfer a worker to another employer that—

(i) has been approved to employ workers under this Act; and

(ii) agrees to accept the person for employment.

(b) REMEDIES.—

(1) BACK WAGES.—Upon a final determination that the employer has failed to pay wages as required under this section, the Secretary may assess payment of back wages due to any United States worker or alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act employed by the employer in the specific employment in question. The back wages shall be equal to the difference between the amount that should have been paid and the amount that actually was paid to such worker.

(2) FAILURE TO PAY WAGES.—Upon a final determination that the employer has failed to pay the wages required under this Act, the Secretary may assess a civil money penalty up to $1,000 for each person for whom the employer failed to pay the required wage, and may recommend to the Attorney General the disqualification of the employer from the employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act for a period of time determined by the Secretary not to exceed 1 year.

(3) OTHER VIOLATIONS.—If the Secretary, as a result of an investigation pursuant to a complaint, determines that an employer covered by an application under section 401(a) has—

(A) filed an application that misrepresents a material fact;

(B) failed to meet a condition specified in section 401; or

(C) committed a serious violation of subsection (a)(1)(B),

the Secretary may seek a cease and desist order and assess a civil money penalty not to exceed $1,000 for each violation and may recommend to the Attorney General the disqualification of the employer if the Secretary finds it to be a substantial misrepresentation or violation of the requirements for the employment of any United States workers or aliens described in section 101(a)(15)(ii)(a) of the Immigration and Nationality Act for a period of time determined by the Secretary not to exceed 1 year. In determining the amount of civil money penalty to be assessed or whether to recommend disqualification of the employer, the Secretary shall consider the seriousness of the violation, the good faith of the employer, the size of the business of the employer being charged, the history of previous violations by the employer, whether the employer obtained a financial gain from the violation, whether the violation was willful, and other relevant factors.

(4) EXPANDED PROGRAM DISQUALIFICATION.—

(A) 3 YEARS FOR SECOND VIOLATION.—Upon a second final determination that an employer has failed to pay the wages required under this Act, or a second final determination that the employer has committed another substantial violation under paragraph (3) in the same category of violations, with respect to the same alien, the Secretary shall report such determination to the Attorney General and the Attorney General shall disqualify the employer from the employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act for a period of 3 years.

(B) PERMANENT FOR THIRD VIOLATION.—Upon a third final determination that an employer has failed to pay the wages required under this section or committed other substantial violations under paragraph (3), the Secretary shall report such determination to the Attorney General, and the Attorney General shall disqualify the employer from any subsequent employment of aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

(c) ROLE OF ASSOCIATIONS.—

(1) VIOLATION BY A MEMBER OF AN ASSOCIATION.—An employer on whose behalf an application is filed by an association acting as its agent is fully responsible for such application, and for complying with the terms and conditions of this Act, as though the employer had filed the application itself. If such an employer is determined to have violated a requirement of this section, the penalty for such violation shall be assessed against the employer who committed the violation and not against the association or other members of the association.

(2) VIOLATION BY AN ASSOCIATION ACTING AS AN EMPLOYER.—If an association filing an application on its own behalf as an employer is determined to have committed a violation under this subsection which results in disqualification from the program under subsection (b), no individual member of such association may be the beneficiary of the services of an alien described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act in an occupation in which such alien was employed by the association during the period such disqualification is in effect, unless such member files an application as an individual employer or such application is filed on the employer's behalf by an association with which the employer has an agreement that the employer will comply with the requirements of this Act.

(d) STUDY OF AGRICULTURAL LABOR STANDARDS AND ENFORCEMENT.—

(1) COMMISSION ON HOUSING MIGRANT AGRICULTURAL WORKERS.—

(A) ESTABLISHMENT.—There is established the Commission on Housing Migrant Agricultural Workers (in this paragraph referred to as the ''Commission'').

(B) COMPOSITION.—The Commission shall consist of 12 members, as follows:

(i) Four representatives of agricultural employers and one representative of the Department of Agriculture, each appointed by the Secretary of Agriculture.

(ii) Four representatives of agricultural workers and one representative of the Department of Labor, each appointed by the Secretary of Labor.

(iii) One State or local official knowledgeable about farmworker housing and one representative of Housing and Urban Development, each appointed by the Secretary of Housing and Urban Development.

(C) FUNCTIONS.—The Commission shall conduct a study of the problem of in-season housing for migrant agricultural workers.

(D) INTERIM REPORTS.—The Commission may at any time submit interim reports to Congress describing the findings made up to that time with respect to the study conducted under subparagraph (C).

(E) FINAL REPORT.—Not later than 3 years after the date of enactment of this Act, the Commission shall submit a report to Congress setting forth the findings of the study conducted under subparagraph (C).

(F) TERMINATION DATE.—The Commission shall terminate upon filing its final report.

(2) STUDY OF RELATIONSHIP BETWEEN CHILD CARE AND CHILD LABOR.—The Secretaries of Labor, Agriculture, and Health and Human Services shall jointly conduct a study of the issues relating to child care of migrant agricultural workers. Such study shall address issues related to the adequacy of educational and day care services for migrant children and the relationship, if any, of child care needs and child labor violations in agriculture. An evaluation of migrant and seasonal Head Start programs (as defined in section 637(12) of the Head Start Act) as they relate to these issues shall be included as a part of the study.

(3) STUDY OF FIELD SANITATION.—The Secretary of Labor and the Secretary of Agriculture shall jointly conduct a study regarding current field sanitation standards in agriculture and evaluate alternative approaches and innovations that may further compliance with such standards.

(4) STUDY OF COORDINATED AND TARGETED LABOR STANDARDS ENFORCEMENT.—The Secretary, in consultation with the Secretary of Agriculture, shall conduct a study of the most persistent and serious labor standards violations in agriculture and evaluate the most effective means of coordinating enforcement efforts between Federal and State officials. The study shall place primary emphasis on the means by which Federal and State authorities, in consultation with representatives of workers and agricultural employers, may develop more effective methods of targeting resources at repeated and egregious violators of labor standards. The study also shall consider ways of facilitating expanded education among agricultural employers and workers regarding compliance with labor standards and evaluate means of broadening such education on a cooperative basis among employers and workers.

(5) REPORT.—Not later than 3 years after the date of enactment of this Act, with respect to each study required to be conducted under paragraphs (2) through (4), the Secretary or group of Secretaries required to conduct the study shall submit to Congress a report setting forth the findings of the study.

SEC. 402. BILATERAL COMMISSIONS.

The Attorney General is authorized and requested to establish a bilateral commission between the United States and each country not less than 10,000 nationals of which are nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)). Such bilateral commissions shall provide a forum to the governments involved to discuss matters of mutual concern regarding the program for the admission of aliens under section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

SEC. 403. REGULATIONS.

(a) REGULATIONS OF THE ATTORNEY GENERAL.—The Attorney General shall consult with the Secretary and the Secretary of Agriculture on all regulations to implement the duties of the Attorney General under this Act.

(b) REGULATIONS OF THE SECRETARY OF STATE.—The Secretary of State shall consult with the Attorney General, the Secretary of Labor, and the Secretary of Agriculture on all regulations to implement the duties of the Secretary of State under this Act.

(c) REGULATIONS OF THE SECRETARY OF LABOR.—The Secretary shall consult with the Secretary of Agriculture and shall obtain the approval of the Attorney General on all regulations to implement the duties of the Secretary under this Act.

(d) DEADLINE FOR ISSUANCE OF REGULATIONS.—All regulations to implement the duties of the Attorney General, the Secretary of State, and the Secretary of Labor shall take effect on the effective date of this Act.

SEC. 404. DETERMINATION AND USE OF USER FEES.

(a) SCHEDULE OF FEES.—The Secretary of Labor shall establish and periodically adjust a schedule for the registry user fee and the alien employment user fee imposed under this Act, and a collection process for such fees from employers participating in the programs provided under this Act. Such fees shall be the only fees chargeable to employers for services provided under this Act.

(b) DETERMINATION OF SCHEDULE.—

(1) IN GENERAL.—The schedule under subsection (a) shall reflect a fee rate based on the number of job opportunities indicated in an employer's application under section 301(a)(1)(C) and sufficient to provide for the reimbursement of the direct costs of providing the following services:

(A) REGISTRY USER FEE.—Services provided through the agricultural worker registries established under section 301(a), including registration, referral, and validation, but not including services that would otherwise be provided by the Secretary of Labor under related or similar programs if such registries had not been established.

(B) ALIEN EMPLOYMENT USER FEE.—Services related to an employer's authorization to employ eligible aliens pursuant to this Act, including the establishment and certification of eligible employers, the issuance of documentation, and the admission of eligible aliens.

(2) PROCEDURE.—

(A) IN GENERAL.—In establishing and adjusting such schedule, the Secretary of Labor shall comply with Federal cost accounting and fee setting standards.

(B) PUBLICATION AND COMMENT.—The Secretary of Labor shall publish in the Federal Register an initial fee schedule and associated collection process and the cost data or estimates upon which such fee schedule is based, and any subsequent amendments thereto, pursuant to which public comment will be sought and a final rule issued.

(c) USE OF PROCEEDS.—

(1) IN GENERAL.—All proceeds resulting from the payment of registry user fees and alien employment user fees shall be available without further appropriation and shall remain available without fiscal year limitation to reimburse the Secretaries of Labor, State, and Agriculture, and the Attorney General for the costs of carrying out section 218 of the Immigration and Nationality Act and the provisions of this Act.

(2) LIMITATION ON ENFORCEMENT COSTS.—In making a determination of reimbursable costs under paragraph (1), the Secretary of Labor shall provide that reimbursement of the costs of enforcement under section 401 shall not exceed 10 percent of the direct costs of the Secretary described in subsection (b)(1) (A) and (B).

SEC. 405. FUNDING FOR STARTUP COSTS.

If additional funds are necessary to pay the startup costs of the agricultural worker registries established under section 301(a), such costs may be paid out of amounts available to Federal or State governmental entities under the Wagner—Peyser Act (29 U.S.C. 49 et seq.). Proceeds described in section 404(c) may be used to reimburse the use of such available amounts.

SEC. 406. REPORT TO CONGRESS.

(a) REQUIREMENT.—Not later than 4 years after the effective date under section 408, the Resources, Community and Economic Development Division, and the Health, Education and Human Services Division, of the Office of the Comptroller General of the United States shall jointly prepare and transmit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report describing the results of a review of the implementation of and compliance with this Act. The report shall address—

(1) whether the program has ensured an adequate and timely supply of qualified, eligible workers at the time and place needed by employers;

(2) whether the program has ensured that aliens admitted under this program are employed only in authorized employment, and that they timely depart the United States when their authorized stay ends;

(3) whether the program has ensured that participating employers comply with the requirements of the program with respect to the employment of United States workers and aliens admitted under this program;

(4) whether the program has ensured that aliens admitted under this program are not displacing eligible, qualified United States workers or diminishing the wages and other terms and conditions of employment of eligible United States workers;

(5) to the extent practicable, compare the wages and other terms of employment of eligible United States workers and aliens employed under this program with the wages and other terms of employment of agricultural workers who are not authorized to work in the United States;

(6) whether the housing provisions of this program ensure that adequate housing is available to workers employed under this program who are required to be provided housing or a housing allowance;

(7) recommendations for improving the operation of the program for the benefit of participating employers, eligible United States workers, participating aliens, and governmental agencies involved in administering the program; and

(8) recommendations for the continuation or termination of the program under this Act.

(b) ADVISORY BOARD.—There shall be established an advisory board to be composed of—

(1) four representatives of agricultural employers to be appointed by the Secretary of Agriculture, including individuals who have experience with the H–2A program; and

(2) four representatives of agricultural workers to be appointed by the Secretary of Labor, including individuals who have experience with the H–2A program,

to provide advice to the Comptroller General in the preparation of the reports required under subsection (a).

SEC. 407. EFFECTIVE DATE.

(a) IN GENERAL.—This Act and the amendments made by this Act shall become effective on the date that is 1 year after the date of enactment of this Act.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit to the appropriate committees of Congress a report that described the measures being taken and the progress made in implementing this Act.

Mr. GRAHAM. Mr. President, I wish to recognize our Presiding Officer who is also one of the stalwart advocates of this reform in agricultural farm labor, as well as the Senator from Oregon who has given such leadership on this issue.

In my opinion, those voices who you anticipate will decry the proposals we are making have to carry the burden of defending the status quo. In my opinion, that is an impossible defense. What has the status quo led to in this country? It has led to over 600,000 people who pick the fruits and vegetables upon which American families depend, upon which much of our agricultural economy is relying—600,000-plus of those persons ranging between a third and a half of all of the migrant workers in the country are illegal. They are here without documents. They are here without any legal status. Can we call the current system a humane system when it puts 600,000 people in the shadows of our society because they are without legal status or legal protection? I think not.

It is also a system which denies benefits, ironically, to U.S. citizens and U.S. legal permanent residents who work as migrants in American agriculture, which we make available to non-U.S. citizens who come here under a temporary work visa that we call a H–2A visa. For instance, we provide transportation assistance to foreign visa workers that we do not provide to U.S. citizens. We provide housing benefits to foreign workers that we do not provide to U.S. citizens. We provide even a higher wage rate, a higher base salary to foreign visa workers than we do to U.S. citizens who work as migrant workers in American agriculture.

We also have a system which is—to say antiquated is to give it a status that is beyond justification. We are using a system that is bureaucratic, that does not apply contemporary methods of technology, communication, which, while it approves some 90 percent of the petitions that are filed to make it possible for those non-U.S.

visa workers to come into the United States, oftentimes the delay in getting that ultimate approval is so extended that by the time the approval arrives the crops have already rotted in the field.

Anyone who wishes to attack our ideas, I think, has the burden of either attempting to defend a clearly—not broken but smashed status quo, and then to come forward with their own ideas. A few days ago, Senator WYDEN and the Presiding Officer and myself offered an amendment to a Department of Labor appropriations bill in which we directed that the administration should come forward with its ideas as to how to correct the broken status quo of migrant farm labor in America. We look forward to receiving that response. We have been asking for that response for the better part of 2 to 3 years.

I hope now that we are on the verge of introducing legislation, we will see an engagement by all the parties who have professed an interest in this issue so we can get their ideas. We do not believe, as thoughtful as we hope this legislation will be seen, that it came down from the mountain on plates of stone. It is the product of our best human effort and we invite others who have their ideas to participate in this process. But I believe we can all start from the fundamental position that the status quo is inhumane, illegal, and unacceptable to the United States of America as a great nation entering the 21st century.

The legislation we are introducing—and we are actually introducing two pieces of legislation—the first is the Agricultural Job Opportunity Benefits and Security Act of 1999, which we intend to acronym into AG-JOBS, which is the comprehensive bill which includes all the elements the Presiding Officer outlined in his introductory remarks. We will then introduce a second bill which will be called the Farm Worker Adjustment Act of 1999, which will include only those provisions that relate to the adjustment of status by the some 600,000 undocumented aliens who are currently in the United States.

We invite our colleagues to consider both of these pieces of legislation. We hope they would be inclined to cosponsor both of these pieces of legislation.

What would be the consequence of passage of the legislation that we introduce this evening? What would be the consequences, first, for farm workers? Farm workers would receive better wages. Instead of having as the base the minimum wage, the base, as the Presiding Officer indicated, would be the greater of the minimum wage or the adverse wage rate plus 5 percent. In my State of Florida, the current calculation of the adverse wage rate plus 5 percent would be approximately $7.45, as compared to the current minimum wage of $5.15.

Second, domestic farm workers, U.S. citizens, and permanent residents, as well as those who would have the temporary work permits under the adjustment of status legislation, would all be entitled to housing, either housing on-site or, if it were determined by the Governor of the State there was adequate housing in the vicinity of the agricultural work site, it could be a housing allowance, a voucher which would allow the farm worker to select their own places to live.

It would also provide for the first time for domestic workers, citizens, permanent residents, and temporary work permit holders, access to a transportation allowance. If they had to go more than 100 miles to get from one job to the next, they would be entitled to compensation for their transportation. They would also receive the benefits of some modern technology. Just as we currently have a worker registry system for much of nonagricultural employment in America, this would provide a computer registry for agricultural workers where they can indicate: I am prepared to work in the following crops. I am prepared to work in the following locations and during the following time periods of the year. They would be permanently registered, so when a farmer was looking for workers who met those criteria, he would find this employee's name and a means by which to access that potential worker.

We would increase worker protection. Farm workers would now be covered by the Migrant and Seasonal Agricultural Worker Protection Act. We would not have this shadow workforce of 600,000 people without legal protection.

There would be stricter penalties for employers who failed to follow the law. Employers could be barred from the H–2A program, including a permanent bar for violations of the rights of workers.

The legal status would be available to all of the persons. They would either be working as a citizen, a permanent resident, a holder of a temporary work permit, or an H–2A visa. But our goal would be to create a situation, both legally and economically, in which all of the persons picking the fruits and vegetables in America's fields would be legal.

How would the farmers benefit? The farmers would have access to this efficient, modern, streamlined register as a means of determining who is available to do the work that I need.

They would have assurance that all of their workers were legal. We have had situations in the last few months in which there were raids on fields—Vidalia onion fields in Georgia, fruit fields in the Pacific Northwest where persons who could not show they had documents—and many could not—were arrested, where the farmer was put into a situation that his livelihood, his crop for the year was about to be lost because he would not have the people necessary to harvest the food.

We would also provide to the farmer the assurance that there would be a streamlined means by which, if necessary, they could access non-U.S. workers to assure they had a full complement of workers to carry out the task.

Mr. President, you have stated with force and eloquence the rationale for this legislation and what we hope to accomplish. I hope in the vein within which you entered this to ask our colleagues to carefully consider this legislation, particularly in the context of the unacceptable status quo. We look forward to engaging with their ideas and the ideas of others who have an interest in this issue so that this session of Congress will have as one of its achievements the closure of a chapter of inhumane abuse of hundreds of thousands of people and a denial to American agriculture of what it wants—a legal, humanely treated agricultural workforce to pick the fruits and vegetables upon which our Nation depends.

I join with you and our colleagues as we start this effort this evening and will shortly be sending to the desk the legislation on the adjustment of status of agricultural workers.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I have had the privilege of listening tonight to both you and the Senator from Florida discuss the introduction of what we call ag jobs. I must tell you that I am pleased to join with you as a shaper and an original cosponsor of this legislation because both you and Senator GRAHAM have so clearly outlined a fundamental human problem in our country that the Department of Labor refuses to look at with any creative form of resolution and for which America's agricultural base pleads for a resolution.

In the mid-1960s, I had the great privilege of serving as a national officer of the Future Farmers of America. During that year, I traveled the length and the breadth of America in behalf of American agriculture. From the beautiful green pea fields of eastern Oregon to the San Joaquin Valley of California where cotton was in abundance to the orange groves of Florida just at the time they were blooming, the one thing that was constantly present was a migrant farm labor force, working with those in production agriculture to pollinate, to weed, to thin, and, most important, to harvest the abundance of American agriculture.

During that year when I was traveling, I often gave speeches that said the American farmer produces enough for himself or herself and 55 other Americans. We, as Americans, were tremendously proud of that statistic.

Today, if I were making the same trip, I would say that the American farmer produces enough for himself or herself and 155 Americans and another 100 foreign mouths. Oh, we are so tremendously proud of America's productive capability. One of the reasons we are proud is not only are we unique in what we do, but we are tremendously efficient in how we do it.

We have always been labor intensive. It is the character of the industry, and

we have chosen that labor from where it was available. We have paid them good wages, but we must have them and we need them for the American consumer, for the abundance of the market shelf, and for the productivity of production agriculture. It is all a part of a total picture.

Starting several decades ago, we began to run into problems. We did not have a Department of Labor that would work collectively and productively with American agriculture to deal with a very significant part of the equation that I have just outlined, and that was the labor side. We have a H–2A program, and Senator GRAHAM has already outlined it. We recognize about 34,000 people are registered in that program on an annual basis and those are the ''foreign guest workers.'' Yet we have nearly 600,000 foreign illegal aliens in the agricultural job market.

What is wrong here? What is wrong is a phenomenally complicated process and, Mr. President, you held the book up tonight—thousands of pages of procedure, controls, regulations, and phenomenal forms for oftentimes illiterate people to fill out to identify with the job market that is clearly in this country. They fall victim to a term we call ''the coyote,'' that exploiter of human beings, the one who takes the opportunity to say: Ah, but for $1,000, I can get you across the border and into the farm fields of eastern Oregon or southwestern Idaho; pay me the money and I will find you the job.

Weeks later, they are oftentimes rounded up by the Immigration Service and whisked back across the border, and they are treated as less than human. Oftentimes, they are crammed into vehicles like sardines in a can. We hear the story almost every year about the vehicle that overturns and splits and spills open, and oftentimes these innocent people are killed.

That is one side of the story we are trying to solve, and I say to the Department of Labor: Why can't you work with us to solve this problem? Why can't we develop a national registry of domestic workers and from that point move to a system that allows workers into our country as foreign guest workers under an H–2A program and a system that recognizes those who are already here, 600,000-plus?

That is what we offer tonight in ag jobs. We think it is tremendously straightforward and it is honest. Yes, there will be opposition, to which the Senator from Oregon who is presiding at this moment, has spoken. I say to those who oppose, they oppose for all of the wrong reasons. They ought to sit down with us to see where we can work out our differences.

I have spoken to the human side of the equation, but I talk tonight about the whole picture of agriculture. There is the other side. There is the agricultural producer who should be allowed to have access to a stable, reliable, and available workforce.

The Department of Labor says today: If you need a job, advertise for it. So the onion farmer in southwestern Idaho advertises in Wisconsin, or New York, or Florida that he has a 2- or 3-week field job? I doubt it. It does not happen; it will not happen. But that is basically what the law of the day requires, and that is why there are 600,000-plus illegal aliens in our country because the current law isn't working, it is denying the farmer his or her reliable workforce, and it is literally opening the doors of our borders and saying: Come in, illegals. The jobs are here for you.

As a sovereign nation, that is something we should not tolerate; and that is our inability and our unwillingness to control a border environment. And we do that if we have a reasonable and easily accessible system so foreign guest workers can find their way into it and find the jobs they seek. That is what our bill offers to that workforce.

The Bureau of Labor Statistics has just come out with an interesting figure that says, in the next 15 years, at today's current economic growth rates, there will be a deficit of at least 20 percent in our workforce. If we take all of the humans in America, all of the willing and available workers, all of those capable of working, and find them jobs, in this economy, there will still be a deficit of 20 percent.

What does that say? That if we are to maintain our productivity and our growth rates in this country, and our economic level of opportunity, that we have to find a legal, responsible, and easily accessible way of allowing foreign guest workers into our country to work at the jobs that will be there; and then for them to be able to return to their homes, having had a positive experience in this country and having allowed our country to grow and to prosper, as it should. That is what our legislation is about, only it is for agriculture specifically.

So we hope our colleagues will look at this legislation and join with us in it. As we move into next year's session, we will, obviously, be holding the necessary and appropriate hearings on it to address what is a very real problem in my State, in Oregon, in Florida, in every other agricultural State in the Nation, and that includes nearly all of the lower 48, and certainly even the State of Hawaii.

So I hope that is the story that comes from the introduction of our legislation tonight. It is one that I think is critically important for us.

ADDITIONAL COSPONSORS

S. 391

At the request of Mr. KERREY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 758

At the request of Mr. ASHCROFT, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 758, a bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes.

S. 1020

At the request of Mr. GRASSLEY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 1020, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1029

At the request of Mr. COCHRAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1029, a bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships.

S. 1044

At the request of Mr. KENNEDY, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1044, a bill to require coverage for colorectal cancer screenings.

S. 1288

At the request of Mr. BINGAMAN, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1288, a bill to provide incentives for collaborative forest restoration projects on National Forest System and other public lands in New Mexico, and for other purposes.

S. 1488

At the request of Mr. GORTON, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 1488, a bill to amend the Public Health Service Act to provide for recommendations of the Secretary of Health and Human Services regarding the placement of automatic external defibrillators in Federal buildings in order to improve survival rates of individuals who experience cardiac arrest in such buildings, and to establish protections from civil liability arising from the emergency use of the devices.

S. 1666

At the request of Mr. LUGAR, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1666, a bill to provide risk education assistance to agricultural producers, and for other purposes.

S. 1680

At the request of Mr. ASHCROFT, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1680, a bill to provide for the improvement of the processing of claims for veterans compensation and pensions, and for other purposes.

S. 1690

At the request of Mr. MACK, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 1690, a bill to require the

United States to take action to provide bilateral debt relief, and improve the provision of multilateral debt relief, in order to give a fresh start to poor countries.

S. 1733

At the request of Mr. FITZGERALD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1733, a bill to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

S. 1750

At the request of Mr. DEWINE, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1750, a bill to reduce the incidence of child abuse and neglect, and for other purposes.

SENATE CONCURRENT RESOLUTION 58

At the request of Mr. WYDEN, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of Senate Concurrent Resolution 58, a concurrent resolution urging the United States to seek a global consensus supporting a moratorium on tariffs and on special, multiple and discriminatory taxation of electronic commerce.

SENATE RESOLUTION 108

At the request of Mr. ROBB, his name was added as a cosponsor of Senate Resolution 108, a resolution designating the month of March each year as ''National Colorectal Cancer Awareness Month.''

SENATE CONCURRENT RESOLUTION 62—RECOGNIZING AND HONORING THE HEROIC EFFORTS OF THE AIR NATIONAL GUARD'S 109TH AIRLIFT WING AND ITS RESCUE OF DR. JERRI NIELSEN FROM THE SOUTH POLE

Mr. SCHUMER (for himself and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 62

Whereas the 109th Airlift Wing of the Air National Guard is based at Stratton Air National Guard Base in Glenville, New York;

Whereas the 109th was called upon by the United States Antarctic Program to undertake a medical evacuation mission to the South Pole to rescue Dr. Jerri Nielsen, a physician who diagnosed herself with breast cancer;

Whereas the 109th is the only unit in the world trained and equipped to attempt such a mission;

Whereas the 10 crew members were pilot Maj. George R. McAllister Jr., senior mission commander Col. Marion G. Pritchard, copilot Maj. David Koltermann, navigator Lt. Col. Bryan M. Fennessy, engineer Ch. M. Sgt. Michael T. Cristiano, loadmasters Sr. M. Sgt. Kurt A. Garrison and T. Sgt. David M. Vesper, flight nurse Maj. Kimberly Terpening, and medical technicians Ch. M. Sgt. Michael Casatelli and M. Sgt. Kelly McDowell;

Whereas the crew departed Stratton Air Base for McMurdo Station in Antarctica via Christchurch, New Zealand, on October 6, 1999;

Whereas on October 15, 1999, Aircraft No. 096 departed McMurdo for the South Pole, where the temperature was approximately −53 degrees Celsius;

Whereas Major McAllister piloted a 130,000 pound LC–130 Hercules cargo plane equipped with Teflon-coated skis to a safe landing on an icy runway with visibility barely above minimums established for safe operations;

Whereas less than 25 minutes later, following an emotional goodbye and brief medical evaluation, Dr. Nielsen and the crew headed back to McMurdo Station;

Whereas the mission lasted 9 days and covered 11,410 nautical miles; and

Whereas Major McAllister became the first person ever to land on a polar ice cap at this time of year: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress recognizes and honors the crew of the Air National Guard's 109th Airlift Wing for its heroic efforts in rescuing Dr. Jerri Nielsen from the South Pole.

SENATE RESOLUTION 207—EXPRESSING THE SENSE OF THE SENATE REGARDING FAIR ACCESS TO JAPANESE TELECOMMUNICATIONS FACILITIES AND SERVICES

Mr. BAUCUS (for himself and Mr. GRASSLEY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 207

Whereas the United States has a deep and sustained interest in the promotion of deregulation, competition, and regulatory reform in Japan;

Whereas new and bold measures by the Government of Japan regarding regulatory reform will help remove the regulatory and structural impediments to the effective functioning of market forces in the Japanese economy;

Whereas regulatory reform will increase the efficient allocation of resources of Japan, which is critical to returning Japan to a long-term growth path powered by domestic demand;

Whereas regulatory reform will not only improve market access for United States business and other foreign firms, but will also enhance consumer choice and economic prosperity in Japan;

Whereas a sustained recovery of the Japanese economy is vital to a sustained recovery of Asian economies;

Whereas the Japanese economy must serve as one of the main engines of growth for Asia and for the global economy;

Whereas the Governments of the United States and Japan reconfirmed the critical importance of deregulation, competition, and regulatory reform when the two governments established the Enhanced Initiative on Deregulation and Competition Policy in 1997;

Whereas telecommunications is a critical sector requiring reform in Japan, where the market is hampered by a history of laws, regulations, and monopolistic practices that do not meet the needs of a competitive market;

Whereas as the result of Japan's laws, regulations, and monopolistic practices, Japanese consumers and Japanese industry have been denied the broad benefits of innovative telecommunications services, cutting edge technology, and lower prices that competition would bring to the market;

Whereas Japan's significant lag in developing broadband and Internet services, and Japan's lag in the entire area of electronic commerce, is a direct result of a noncompetitive telecommunications regulatory structure;

Whereas Japan's lag in developing broadband and Internet services is evidenced by the following: (1) Japan has only 17,000,000 Internet users, while the United States has 80,000,000 Internet users; (2) Japan hosts fewer than 2,000,000 web sites, while the United States hosts over 30,000,000 web sites; (3) electronic commerce in Japan is valued at less than $1,000,000,000, while in the United States electronic commerce is valued at over $30,000,000,000; and (4) 19 percent Japan's schools are connected to the Internet, while in the United States 89 percent of schools are connected; and

Whereas leading edge foreign telecommunications companies, because of their high level of technology and innovation, are the key to building the necessary telecommunications infrastructure in Japan, which will only be able to serve Japanese consumers and industry if there is a fundamental change in Japan's regulatory approach to telecommunications: Now, therefore, be it

Resolved; That it is the sense of the Senate that—

(1) the appropriate officials in the executive branch should implement vigorously the call for Japan to undertake a major regulatory reform in the telecommunications sector, the so called ''Telecommunications Big Bang'';

(2) a ''Telecommunications Big Bang'' must address fundamental legislative and regulatory issues within a strictly defined timeframe;

(3) the new telecommunications regulatory framework should put competition first in order to encourage new and innovative businesses to enter the telecommunications market in Japan;

(4) the Government of Japan should ensure that Nippen Telegraph and Telephone Corporation (NTT) and its affiliates (the NTT Group) are prevented from using their dominant position in the wired and wireless market in an anticompetitive manner; and

(5) the Government of Japan should take credible steps to ensure that competitive carriers have reasonable, cost-based, and nondiscriminatory access to the rights-of-way, facilities, and services controlled by NTT, the NTT Group, other utilities, and the Government of Japan, including—

(A) access to interconnection at market-based rates;

(B) unrestricted access to unbundled elements of the network belonging to NTT and the NTT Group; and

(C) access to public roads for the installation of facilities.

Mr. BAUCUS. Mr. President, the history of our Government's effort to promote deregulation and openness in the Japanese telecommunications sector goes back over 20 years. Back to the days when Bob Strauss was the U.S. Trade Representative.

The first agreement involved significant changes in the procurement policies of Nippon Telegraph and Telephone. Known as NTT, it was then the government owned, monopoly, domestic telecommunications provider. This agreement has been revised and renewed seven times—most recently earlier this year.

There has been a plethora of other bilateral telecommunications agreements with Japan over the years. On

interconnection. On cellular phones. And on international value added networks.

We have used Section 301 to pry open the Japanese telecommunications market. We created Section 1377 in the 1988 Omnibus Trade Act to deal with Japanese telecommunications practices. We have had the MOSS talks with Japan in the 1980s. And we have also pursued multilateral efforts through the GATT, the WTO, and the Information Technology Agreement—the ITA.

I don't think the United States has negotiated more in one sector with any nation than we have done with Japan over telecommunications.

And we have made progress, from virtually zero sales by Americans to Japan in this sector twenty years ago to several billion dollars today.

But there is still a long way to go. Japan is the second largest economy in the world. It is at the cutting edge of most high technology. Yet its consumption of telecommunications goods and services fits more closely the model of a second tier economy.

It is true that penetration of cellular phones in Japan is among the highest in the world. But, Japan has only 17 million Internet users, while the United States has almost five times as many—80 million users. Japan hosts fewer than two million web sites, while the United States hosts over 30 million. Electronic commerce in Japan is valued at less than one billion dollars, versus at least thirty times as much in the United States. And only 19 percent of Japan's schools are connected to the Internet, versus in the United States where 89 percent of schools are connected.

Why is this?

The answer is simple. Japan maintains a non-competitive regulatory system that prevents market forces from fully operating in the telecommunications sector. American telecom service and equipment providers are still limited in their ability to do business in Japan.

But the system also hurts the Japanese consumer. They can't obtain the highest quality telecommunications technology at the lowest price. They are not able to choose from the incredible array of services and products available around the world. And they pay higher prices than they should.

Japanese firms also suffer for the same reasons in their telecommunications purchases. They cannot get the best. And they overpay for what they can buy. Many modern services are simply unavailable in Japan.

Earlier this month, the United States Government presented Japan with its annual deregulation requests in a number of sectors. If the Japanese government implemented this whole list, they would be on a path leading to economic growth. To better choice and lower prices for its consumers. And to increased efficiency for its industry.

I an not naive enough to think that will happen. However, I do know that Japan's adoption of the USTR requests, a so-called ''Telecommunications Big Bang'', would open the telecommunications sector to global competition with all the attendant benefits.

Senator GRASSLEY and I are submitting a sense-of-the-Senate resolution. It simply stresses the need for this significant regulatory reform in Japan. It calls on USTR vigorously to implement their call for this change. And it sends the message to Japan that the Senate is strongly behind this effort.

Such deregulation serves American and International business. It serves the Japanese economy. It serves the Japanese consumer. It serves Japanese industry. And it serves the original and global economy which need so desperately a growing Japan. In the long-run, everyone would win.

I urge my colleagues to support this resolution when it is called up.

Mr. GRASSLEY. Mr. President, this resolution I am offering with Senator BAUCUS calls for fair access to Japan's $35 billion telecommunications equipment market. Telecommunications is one of our most important exports and one of our most significant areas for future export growth.

Recently, the United States and Japan reached a new telecommunications procurement agreement covering procurement by the successor companies of the Nippon Telegraph and Telephone Company. This agreement replaced the 1997 agreement that expired when the Nippon Telegraph and Telephone Company was restructured.

We have had many difficulties gaining access to Japan's telecommunicates market in the past, probably not too different from a lot of sectors as we try to enter our products into Japan. It may be nothing new in that respect, but this is a new agreement that will be in effect for 2 years, and we should give it a chance to work. But history shows we have not made much progress when it comes to implementing fair bilateral market access agreements with Japan.

You know the usual story: We are always overjoyed, after several months or even years of negotiating an agreement with the Japanese, that it has been some major breakthrough; and then down the road a few months or years, when you expect the agreement to be carried out—not only according to its word but also according to its spirit—you find the victory you anticipated and were thankful for at the time it was signed comes out to be a half a loaf or a quarter of a loaf in practice. I think that is what we are finding out here a little bit with this telecommunications agreement.

The Nippon Telegraph and Telephone Company and the government in Japan, which owns 65 percent of the telecommunications group, have traditionally maintained that Nippon Telegraph and Telephone is a private company which should not be subject to government interference but be allowed to make its own procurement decisions.

Our concern is that we need effective bilateral government oversight so Japan's telecommunications industry does not revert to its traditional reliance upon domestic suppliers and consequently circumvent this agreement. That is because Nippon Telegraph and Telephone's procurement history shows that even nearly two decades after the first bilateral agreement on this company's procurement, Japan still tends to make a large portion of its procurement from the ''NTT family'' of Japanese equipment makers; thus, not opening their markets to products from overseas, including U.S. products. Often, NTT over-engineers specifications, which in the past were very Japan-specific or company-specific—another nontariff trade barrier to keep out products from the United States and other countries.

World telecommunications trade is growing very rapidly, but global market access is not keeping pace with the fast pace of technology development. The Baucus-Grassley resolution expresses the sense of the Senate that the only effective way for the United States to achieve significant market access in Japan is through Japan staying with serious and sustained deregulation and consequently having market opportunities for imports from other countries, including the United States.

This resolution carriers a message that ought to be heard loud and clear in the runup to the World Trade Organization Ministerial Conference that will take place in Seattle at the end of November. So I strongly urge my colleagues to approve this resolution.

AMENDMENTS SUBMITTED

AFRICAN GROWTH AND OPPORTUNITY ACT

LAUTENBERG AMENDMENT NO. 2331

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill (H.R. 434) to authorize a new trade and investment policy for sub-Sahara Africa; as follows:

At the appropriate place, insert the following new section:

SEC. ____. NORMAL TRADE RELATIONS FOR ALBANIA.

(a) FINDINGS.—Congress makes the following findings:

(1) Albania has been found to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974.

(2) Since its emergence from communism, Albania has made progress toward democratic rule and the creation of a free-market economy.

(3) Albania has concluded a bilateral investment treaty with the United States.

(4) Albania has demonstrated a strong desire to build a friendly relationship with the United States and has been very cooperative with NATO and the international community during and after the Kosova crisis.

(5) The extension of unconditional normal trade relations treatment to the products of Albania will enable the United States to avail itself of all rights under the World Trade Organization with respect to Albania when that country becomes a member of the World Trade Organization.

(b) TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ALBANIA.—

(1) PRESIDENTIAL DETERMINATIONS AND EXTENSIONS OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Albania; and

(B) after making a determination under subparagraph (A) with respect to Albania, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Albania, title IV of the Trade Act of 1974 shall cease to apply to that country.

LOTT AMENDMENT NO. 2332

Mr. LOTT proposed an amendment to amendment No. 2325 proposed by Mr. ROTH to the bill, H.R. 434, supra; as follows:

Strike all after ''Section'' and add the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Trade and Development Act of 1999''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Statement of policy.
Sec. 104. Sub-Saharan Africa defined.

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

Sec. 111. Eligibility for certain benefits.
Sec. 112. Treatment of certain textiles and apparel.
Sec. 113. United States-sub-Saharan African trade and economic cooperation forum.
Sec. 114. United States-sub-Saharan Africa free trade area.
Sec. 115. Reporting requirement.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.
Sec. 202. Findings and policy.
Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.
Sec. 212. Adequate and effective protection for intellectual property rights.

Subtitle C—Cover Over of Tax on Distilled Spirits

Sec. 221. Suspension of limitation on cover over of tax on distilled spirits.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

Sec. 301. Extension of duty-free treatment under generalized system of preferences.
Sec. 302. Entry procedures for foreign trade zone operations.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

Sec. 401. Trade adjustment assistance.

TITLE V—REVENUE PROVISIONS

Sec. 501. Modification of installment method and repeal of installment method for accrual method taxpayers.
Sec. 502. Limitations on welfare benefit funds of 10 or more employer plans.
Sec. 503. Treatment of gain from constructive ownership transactions.
Sec. 504. Limitation on use of nonaccrual experience method of accounting.
Sec. 505. Allocation of basis on transfers of intangibles in certain nonrecognition transactions.
Sec. 506. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

SEC. 101. SHORT TITLE.

This title may be cited as the ''African Growth and Opportunity Act''.

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced a rise in both economic development and political freedom as countries in sub-Saharan Africa have taken steps toward liberalizing their economies and encouraged broader participation in the political process;

(5) the countries of sub-Saharan Africa have made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages less than $500 annually;

(7) United States foreign direct investment in the region has fallen in recent years and the sub-Saharan African region receives only minor inflows of direct investment from around the world;

(8) trade between the United States and sub-Saharan Africa, apart from the import of oil, remains an insignificant part of total United States trade;

(9) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for building a stable political environment in which political freedom can flourish;

(10) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(11) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(12) encouraging the reciprocal reduction of trade and investment barriers in Africa will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa;

(7) supporting the development of civil societies and political freedom in sub-Saharan Africa; and

(8) establishing a United States-Sub-Saharan African Economic Cooperation Forum.

SEC. 104. SUB-SAHARAN AFRICA DEFINED.

In this title, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

(1) Republic of Angola (Angola).
(2) Republic of Botswana (Botswana).
(3) Republic of Burundi (Burundi).
(4) Republic of Cape Verde (Cape Verde).
(5) Republic of Chad (Chad).
(6) Democratic Republic of Congo.
(7) Republic of the Congo (Congo).
(8) Republic of Djibouti (Djibouti).
(9) State of Eritrea (Eritrea).
(10) Gabonese Republic (Gabon).
(11) Republic of Ghana (Ghana).
(12) Republic of Guinea-Bissau (Guinea-Bissau).
(13) Kingdom of Lesotho (Lesotho).
(14) Republic of Madagascar (Madagascar).
(15) Republic of Mali (Mali).
(16) Republic of Mauritius (Mauritius).
(17) Republic of Namibia (Namibia).
(18) Federal Republic of Nigeria (Nigeria).
(19) Democratic Republic of Sao Tome and Principe (Sao Tome and Principe).
(20) Republic of Sierra Leone (Sierra Leone).
(21) Somalia.
(22) Kingdom of Swaziland (Swaziland).
(23) Republic of Togo (Togo).
(24) Republic of Zimbabwe (Zimbabwe).
(25) Republic of Benin (Benin).
(26) Burkina Faso (Burkina).
(27) Republic of Cameroon (Cameroon).
(28) Central African Republic.
(29) Federal Islamic Republic of the Comoros (Comoros).
(30) Republic of Cote d'Ivoire (Cote d'Ivoire).
(31) Republic of Equatorial Guinea (Equatorial Guinea).
(32) Ethiopia.
(33) Republic of the Gambia (Gambia).
(34) Republic of Guinea (Guinea).
(35) Republic of Kenya (Kenya).
(36) Republic of Liberia (Liberia).
(37) Republic of Malawi (Malawi).
(38) Islamic Republic of Mauritania (Mauritania).
(39) Republic of Mozambique (Mozambique).
(40) Republic of Niger (Niger).

(41) Republic of Rwanda (Rwanda).
(42) Republic of Senegal (Senegal).
(43) Republic of Seychelles (Seychelles).
(44) Republic of South Africa (South Africa).
(45) Republic of Sudan (Sudan).
(46) United Republic of Tanzania (Tanzania).
(47) Republic of Uganda (Uganda).
(48) Republic of Zambia (Zambia).

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

"SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 104 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

''(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 104 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 115 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

"SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

''506A. Designation of sub-Saharan African countries for certain benefits.
''506B. Termination of benefits for sub-Saharan African countries.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, if—

(1) the country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(2) the country enacts legislation or promulgates regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) PENALTIES FOR TRANSSHIPMENTS.—

(1) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a beneficiary sub-Saharan African country, then the President shall deny all benefits under this section and section 506A of the Trade Act of 1974 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter for a period of 2 years.

(2) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under subsection (a) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subsection (a).

(d) TECHNICAL ASSISTANCE.—The Customs Service shall provide technical assistance to the beneficiary sub-Saharan African countries for the implementation of the requirements set forth in subsection (a) (1) and (2).

(e) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of

each year that this section is in effect, a report on the effectiveness of the anti-circumvention systems described in this section and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in article 5 of the Agreement on Textiles and Clothing.

(f) SAFEGUARD.—The President shall have the authority to impose appropriate remedies, including restrictions on or the removal of quota-free and duty-free treatment provided under this section, in the event that textile and apparel articles from a beneficiary sub-Saharan African country are being imported in such increased quantities as to cause serious damage, or actual threat thereof, to the domestic industry producing like or directly competitive articles. The President shall exercise his authority under this subsection consistent with the Agreement on Textiles and Clothing.

(g) DEFINITIONS.—In this section:

(1) AGREEMENT ON TEXTILES AND CLOTHING.—The term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.—The terms ''beneficiary sub-Saharan African country'' and ''beneficiary sub-Saharan African countries'' have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) CUSTOMS SERVICE.—The term ''Customs Service'' means the United States Customs Service.

(h) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000 and shall remain in effect through September 30, 2006.

SEC. 113. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) FIRST MEETING.—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

(2) NONGOVERNMENTAL ORGANIZATIONS.—

(A) IN GENERAL.—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) PRIVATE SECTOR.—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) ANNUAL MEETINGS.—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) IN GENERAL.—The President shall examine the feasibility of negotiating a free trade agreement (or agreements) with interested sub-Saharan African countries.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the President shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the President's conclusions on the feasibility of negotiating such agreement (or agreements). If the President determines that the negotiation of any such free trade agreement is feasible, the President shall provide a detailed plan for such negotiation that outlines the objectives, timing, any potential benefits to the United States and sub-Saharan Africa, and the likely economic impact of any such agreement.

SEC. 115. REPORTING REQUIREMENT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter for 4 years, the President shall submit a report to Congress on the implementation of this title.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

This title may be cited as the ''United States-Caribbean Basin Trade Enhancement Act''.

SEC. 202. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The Caribbean Basin Economic Recovery Act (referred to in this title as ''CBERA'') represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (referred to in this title as ''FTAA'') by the year 2005.

(3) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(4) Offering temporary benefits to Caribbean Basin countries will enhance trade between the United States and the Caribbean Basin, encourage development of trade and investment policies that will facilitate participation of Caribbean Basin countries in the FTAA, preserve the United States commitment to Caribbean Basin beneficiary countries, help further economic development in the Caribbean Basin region, and accelerate the trend toward more open economies in the region.

(5) Promotion of the growth of free enterprise and economic opportunity in the Caribbean Basin will enhance the national security interests of the United States.

(6) Increased trade and economic activity between the United States and Caribbean Basin beneficiary countries will create expanding export opportunities for United States businesses and workers.

(b) POLICY.—It is the policy of the United States to—

(1) offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or a comparable trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) seek the participation of Caribbean Basin beneficiary countries in the FTAA or a trade agreement comparable to the FTAA at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

SEC. 203. DEFINITIONS.

In this title:

(1) BENEFICIARY COUNTRY.—The term ''beneficiary country'' has the meaning given the term in section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

(2) CBTEA.—The term ''CBTEA'' means the United States-Caribbean Basin Trade Enhancement Act.

(3) NAFTA.—The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(4) NAFTA COUNTRY.—The term ''NAFTA country'' means any country with respect to which the NAFTA is in force.

(5) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

''(F) articles to which reduced rates of duty apply under subsection (h).

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) PRODUCTS COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following products:

''(i) APPAREL ARTICLES ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles assembled in a CBTEA beneficiary country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

''(I) entered under subheading 9802.00.80 of the HTS; or

''(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles

would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were subjected to stonewashing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

''(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in such country with thread formed in the United States.

''(iii) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(iv) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in a CBTEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such luggage is assembled in such country with thread formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles described in subparagraph (A) shall enter the United States free of duty and free of any quantitative limitations.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES DEFINED.—For purposes of subparagraph (A)(iii), the President, after consultation with the CBTEA beneficiary country concerned, shall determine which, if any, particular textile and apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3 (a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a CBTEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment for a textile or apparel article under subparagraph (B) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a CBTEA beneficiary country shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows, or

''(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTEA beneficiary country—

''(aa) from which the article is exported, or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment.

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) CBTEA BENEFICIARY COUNTRY.—

''(i) IN GENERAL.—The term 'CBTEA beneficiary country' means any 'beneficiary country', as defined by section 212(a)(1)(A) of this title, which the President determines has demonstrated a commitment to—

''(I) undertake its obligations under the WTO on or ahead of schedule;

''(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

''(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

''(ii) CRITERIA FOR DETERMINATION.—In making the determination under clause (i), the President may consider the criteria in section 212 (b) and (c) and other appropriate criteria, including—

''(I) the extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act;

''(II) the extent to which the country provides protection of intellectual property rights—

''(aa) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

''(bb) in accordance with standards established in chapter 17 of the NAFTA; and

''(cc) by granting the holders of copyrights the ability to control the importation and sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border;

''(III) the extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA;

''(IV) the extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President;

''(V) the extent to which the country provides internationally recognized worker rights, including—

''(aa) the right of association,

''(bb) the right to organize and bargain collectively,

''(cc) prohibition on the use of any form of coerced or compulsory labor,

''(dd) a minimum age for the employment of children, and

''(ee) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(VI) whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance;

''(VII) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals;

''(VIII) the extent to which the country—

''(aa) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996, and

''(bb) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act);

''(IX) the extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act);

''(X) the extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

''(C) CBTEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'CBTEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 with respect to a CBTEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and a CBTEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to a CBTEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of CBTEA beneficiary countries or to the United States and a CBTEA beneficiary country (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to a CBTEA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

''(i) December 31, 2004, or

''(ii) the date on which the FTAA or a comparable trade agreement enters into force with respect to the United States and the CBTEA beneficiary country.

''(E) CBTEA.—The term 'CBTEA' means the United States-Caribbean Basin Trade Enhancement Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)'';

(C) by striking ''would be barred'' and all that follows through the end period and inserting: ''no longer satisfies one or more of the conditions for designation as a beneficiary country set forth in subsection (b) or such country fails adequately to meet one or more of the criteria set forth in subsection (c).''; and

(D) by adding at the end the following:

''(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as a CBTEA beneficiary country, or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b) (2) and (3) to any article of any country, if, after such designation, the President determines that as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 213(b) (2) and (3) is withdrawn, suspended, or limited with respect to a CBTEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B)(ii).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B)(i), and on the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, with respect to the criteria listed in section 213(b)(5)(B)(ii).''.

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking ''TRIENNIAL REPORT'' in the heading and inserting ''REPORT''; and

(B) by striking ''On or before'' and all that follows through ''enactment of this title'' and inserting ''Not later than January 31, 2001''.

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers and on the economy of the beneficiary countries.

''(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

''(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting ''and except as provided in subsection (b) (2) and (3),'' after ''Tax Reform Act of 1986,''.

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

''(D) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(E) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

SEC. 212. ADEQUATE AND EFFECTIVE PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS.

Section 212(c) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)) is amended by adding at the end the following flush sentence:

''Notwithstanding any other provision of law, the President may determine that a country is not providing adequate and effective protection of intellectual property rights under paragraph (9), even if the country is in compliance with the country's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).''.

Subtitle C—Cover Over of Tax on Distilled Spirits

SEC. 221. SUSPENSION OF LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652(f) of the Internal Revenue Code of 1986 (relating to limitation on cover over of tax on distilled spirits) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to articles that are tax-determined after June 30, 1999, and before October 1, 1999.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to articles that are tax-determined after June 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—The treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days after the date of each cover over payment (made to such treasury under section 7652(e) of the Internal Revenue Code of 1986) to which section 7652(f) of such Code does not apply by reason of the last sentence thereof.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(iii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico as required by subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SEC. 301. EXTENSION OF DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES.

(a) IN GENERAL.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''June 30, 1999'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section applies to articles entered on or after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) GENERAL RULE.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), any entry—

(i) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such entry had been made on June 30, 1999, and

(ii) that was made—

(I) after June 30, 1999, and

(II) before the date of enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—As used in this paragraph, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry, or

(B) to reconstruct the entry if it cannot be located.

SEC. 302. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

''(2) OTHER REQUIREMENTS.— The Secretary of the Treasury may require that the operator or user of the zone—

''(A) use an electronic data interchange approved by the Customs Service—

''(i) to file the entries described in paragraph (1); and

''(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

''(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

''(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

''(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms 'foreign trade zone' and 'zone' mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

SEC. 401. TRADE ADJUSTMENT ASSISTANCE.

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a), by striking ''June 30, 1999'' and inserting ''September 30, 2001''; and

(2) in subsection (b), by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(b) NAFTA TRANSITIONAL PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''the period beginning October 1, 1998, and ending June 30, 1999, shall not exceed $15,000,000'' and inserting ''the period beginning October 1, 1998, and ending September 30, 2001, shall not exceed $30,000,000 for any fiscal year''.

(c) ADJUSTMENT FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(d) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended by striking ''June 30, 1999'' each place it appears and inserting ''September 30, 2001''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1999.

TITLE V—REVENUE PROVISIONS

SEC. 501. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 502. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are one or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide one or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 503. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

''SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

''(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

''(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

''(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

''(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

''(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

''(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

''(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

''(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the tax imposed by section 55.

''(c) FINANCIAL ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'financial asset' means—

''(A) any equity interest in any pass-thru entity, and

''(B) to the extent provided in regulations—

''(i) any debt instrument, and

''(ii) any stock in a corporation which is not a pass-thru entity.

''(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) a trust,

''(F) a common trust fund,

''(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

''(H) a foreign personal holding company,

''(I) a foreign investment company (as defined in section 1246(b)), and

''(J) a REMIC.

''(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

''(A) holds a long position under a notional principal contract with respect to the financial asset,

''(B) enters into a forward or futures contract to acquire the financial asset,

''(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

''(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

''(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

''(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

''(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

''(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

''(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

''(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

''(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

''(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

''(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

''(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 1260. Gains from constructive ownership transactions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

''(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

''(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

''(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.''.

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

''(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking ''10 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 2000.

Amend the title so as to read: ''To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.''.

LOTT AMENDMENT NO. 2333

Mr. LOTT proposed an amendment to amendment No. 2332 proposed by him to the bill, H.R. 434, supra; as follows:

Strike all after ''1'' and add the following

. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Trade and Development Act of 1999''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Statement of policy.
Sec. 104. Sub-Saharan Africa defined.

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

Sec. 111. Eligibility for certain benefits.
Sec. 112. Treatment of certain textiles and apparel.
Sec. 113. United States-sub-Saharan African trade and economic cooperation forum.
Sec. 114. United States-sub-Saharan Africa free trade area.
Sec. 115. Reporting requirement.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.
Sec. 202. Findings and policy.
Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.
Sec. 212. Adequate and effective protection for intellectual property rights.

Subtitle C—Cover Over of Tax on Distilled Spirits

Sec. 221. Suspension of limitation on cover over of tax on distilled spirits.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

Sec. 301. Extension of duty-free treatment under generalized system of preferences.
Sec. 302. Entry procedures for foreign trade zone operations.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

Sec. 401. Trade adjustment assistance.

TITLE V—REVENUE PROVISIONS

Sec. 501. Modification of installment method and repeal of installment method for accrual method taxpayers.
Sec. 502. Limitations on welfare benefit funds of 10 or more employer plans.
Sec. 503. Treatment of gain from constructive ownership transactions.
Sec. 504. Limitation on use of nonaccrual experience method of accounting.
Sec. 505. Allocation of basis on transfers of intangibles in certain nonrecognition transactions.
Sec. 506. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

SEC. 101. SHORT TITLE.

This title may be cited as the ''African Growth and Opportunity Act''.

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced a rise in both economic development and political freedom as countries in sub-Saharan Africa have taken steps toward liberalizing their economies and encouraged broader participation in the political process;

(5) the countries of sub-Saharan Africa have made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages less than $500 annually;

(7) United States foreign direct investment in the region has fallen in recent years and the sub-Saharan African region receives only minor inflows of direct investment from around the world;

(8) trade between the United States and sub-Saharan Africa, apart from the import of oil, remains an insignificant part of total United States trade;

(9) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for building a stable political environment in which political freedom can flourish;

(10) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(11) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(12) encouraging the reciprocal reduction of trade and investment barriers in Africa will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa;

(7) supporting the development of civil societies and political freedom in sub-Saharan Africa; and

(8) establishing a United States-Sub-Saharan African Economic Cooperation Forum.

SEC. 104. SUB-SAHARAN AFRICA DEFINED.

In this title, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

(1) Republic of Angola (Angola).
(2) Republic of Botswana (Botswana).
(3) Republic of Burundi (Burundi).
(4) Republic of Cape Verde (Cape Verde).
(5) Republic of Chad (Chad).
(6) Democratic Republic of Congo.
(7) Republic of the Congo (Congo).
(8) Republic of Djibouti (Djibouti).
(9) State of Eritrea (Eritrea).
(10) Gabonese Republic (Gabon).
(11) Republic of Ghana (Ghana).
(12) Republic of Guinea-Bissau (Guinea-Bissau).
(13) Kingdom of Lesotho (Lesotho).
(14) Republic of Madagascar (Madagascar).
(15) Republic of Mali (Mali).
(16) Republic of Mauritius (Mauritius).
(17) Republic of Namibia (Namibia).
(18) Federal Republic of Nigeria (Nigeria).
(19) Democratic Republic of Sao Tome and Principe (Sao Tome and Principe).
(20) Republic of Sierra Leone (Sierra Leone).
(21) Somalia.
(22) Kingdom of Swaziland (Swaziland).
(23) Republic of Togo (Togo).
(24) Republic of Zimbabwe (Zimbabwe).
(25) Republic of Benin (Benin).
(26) Burkina Faso (Burkina).
(27) Republic of Cameroon (Cameroon).
(28) Central African Republic.
(29) Federal Islamic Republic of the Comoros (Comoros).
(30) Republic of Cote d'Ivoire (Cote d'Ivoire).
(31) Republic of Equatorial Guinea (Equatorial Guinea).
(32) Ethiopia.
(33) Republic of the Gambia (Gambia).
(34) Republic of Guinea (Guinea).
(35) Republic of Kenya (Kenya).
(36) Republic of Liberia (Liberia).
(37) Republic of Malawi (Malawi).
(38) Islamic Republic of Mauritania (Mauritania).
(39) Republic of Mozambique (Mozambique).
(40) Republic of Niger (Niger).
(41) Republic of Rwanda (Rwanda).
(42) Republic of Senegal (Senegal).
(43) Republic of Seychelles (Seychelles).
(44) Republic of South Africa (South Africa).
(45) Republic of Sudan (Sudan).
(46) United Republic of Tanzania (Tanzania).
(47) Republic of Uganda (Uganda).
(48) Republic of Zambia (Zambia).

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

''SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 104 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

''(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 104 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 115 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

''SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

''506A. Designation of sub-Saharan African countries for certain benefits.
''506B. Termination of benefits for sub-Saharan African countries.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, if—

(1) the country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(2) the country enacts legislation or promulgates regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) PENALTIES FOR TRANSSHIPMENTS.—

(1) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a beneficiary sub-Saharan African country, then the President shall deny all benefits under this section and section 506A of the Trade Act of 1974 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter for a period of 2 years.

(2) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under subsection (a) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subsection (a).

(d) TECHNICAL ASSISTANCE.—The Customs Service shall provide technical assistance to the beneficiary sub-Saharan African countries for the implementation of the requirements set forth in subsection (a) (1) and (2).

(e) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of each year that this section is in effect, a report on the effectiveness of the anti-circumvention systems described in this section and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in article 5 of the Agreement on Textiles and Clothing.

(f) SAFEGUARD.—The President shall have the authority to impose appropriate remedies, including restrictions on or the removal of quota-free and duty-free treatment provided under this section, in the event that textile and apparel articles from a beneficiary sub-Saharan African country are being imported in such increased quantities as to cause serious damage, or actual threat thereof, to the domestic industry producing like or directly competitive articles. The President shall exercise his authority under this subsection consistent with the Agreement on Textiles and Clothing.

(g) DEFINITIONS.—In this section:

(1) AGREEMENT ON TEXTILES AND CLOTHING.—The term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.—The terms ''beneficiary sub-Saharan African country'' and ''beneficiary sub-Saharan African countries'' have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) CUSTOMS SERVICE.—The term ''Customs Service'' means the United States Customs Service.

(h) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000 and shall remain in effect through September 30, 2006.

SEC. 113. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) FIRST MEETING.—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

(2) NONGOVERNMENTAL ORGANIZATIONS.—

(A) IN GENERAL.—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) PRIVATE SECTOR.—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) ANNUAL MEETINGS.—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) IN GENERAL.—The President shall examine the feasibility of negotiating a free trade agreement (or agreements) with interested sub-Saharan African countries.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the President shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the President's conclusions on the feasibility of negotiating such agreement (or agreements). If the President determines that the negotiation of any such free trade agreement is feasible, the President shall provide a detailed plan for such negotiation that outlines the objectives, timing, any potential benefits to the United States and sub-Saharan Africa, and the likely economic impact of any such agreement.

SEC. 115. REPORTING REQUIREMENT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter for 4 years, the President shall submit a report to Congress on the implementation of this title.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

This title may be cited as the ''United States-Caribbean Basin Trade Enhancement Act''.

SEC. 202. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The Caribbean Basin Economic Recovery Act (referred to in this title as ''CBERA'') represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (referred to in this title as ''FTAA'') by the year 2005.

(3) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(4) Offering temporary benefits to Caribbean Basin countries will enhance trade between the United States and the Caribbean Basin, encourage development of trade and investment policies that will facilitate participation of Caribbean Basin countries in the FTAA, preserve the United States commitment to Caribbean Basin beneficiary countries, help further economic development in the Caribbean Basin region, and accelerate the trend toward more open economies in the region.

(5) Promotion of the growth of free enterprise and economic opportunity in the Caribbean Basin will enhance the national security interests of the United States.

(6) Increased trade and economic activity between the United States and Caribbean Basin beneficiary countries will create expanding export opportunities for United States businesses and workers.

(b) POLICY.—It is the policy of the United States to—

(1) offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or a comparable trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) seek the participation of Caribbean Basin beneficiary countries in the FTAA or a

trade agreement comparable to the FTAA at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

SEC. 203. DEFINITIONS.

In this title:

(1) BENEFICIARY COUNTRY.—The term ''beneficiary country'' has the meaning given the term in section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

(2) CBTEA.—The term ''CBTEA'' means the United States-Caribbean Basin Trade Enhancement Act.

(3) NAFTA.—The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(4) NAFTA COUNTRY.—The term ''NAFTA country'' means any country with respect to which the NAFTA is in force.

(5) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

''(F) articles to which reduced rates of duty apply under subsection (h).

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) PRODUCTS COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following products:

''(i) APPAREL ARTICLES ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles assembled in a CBTEA beneficiary country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

''(I) entered under subheading 9802.00.80 of the HTS; or

''(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were subjected to stonewashing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

''(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in such country with thread formed in the United States.

''(iii) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(iv) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in a CBTEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such luggage is assembled in such country with thread formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles described in subparagraph (A) shall enter the United States free of duty and free of any quantitative limitations.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES DEFINED.—For purposes of subparagraph (A)(iii), the President, after consultation with the CBTEA beneficiary country concerned, shall determine which, if any, particular textile and apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3 (a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a CBTEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment for a textile or apparel article under subparagraph (B) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a CBTEA beneficiary country shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows, or

''(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTEA beneficiary country—

''(aa) from which the article is exported, or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment.

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(5) DEFINITIONS AND SPECIAL RULES.—for purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) CBTEA BENEFICIARY COUNTRY.—

''(i) IN GENERAL.—The term 'CBTEA beneficiary country' means any 'beneficiary country', as defined by section 212(a)(1)(A) of this title, which the President determines has demonstrated a commitment to—

''(I) undertake its obligations under the WTO on or ahead of schedule;

''(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

''(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

''(ii) CRITERIA FOR DETERMINATION.—In making the determination under clause (i), the President may consider the criteria in section 212 (b) and (c) and other appropriate criteria, including—

''(I) the extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act;

''(II) the extent to which the country provides protection of intellectual property rights—

''(aa) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

''(bb) in accordance with standards established in chapter 17 of the NAFTA; and

''(cc) by granting the holders of copyrights the ability to control the importation and sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border;

''(III) the extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA;

''(IV) the extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President;

''(V) the extent to which the country provides internationally recognized worker rights, including—

''(aa) the right of association,

''(bb) the right to organize and bargain collectively,

''(cc) prohibition on the use of any form of coerced or compulsory labor,

''(dd) a minimum age for the employment of children, and

''(ee) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(VI) whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance;

''(VII) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals;

''(VIII) the extent to which the country—

''(aa) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996, and

''(bb) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act);

''(IX) the extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act);

''(X) the extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

''(C) CBTEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'CBTEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 with respect to a CBTEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and a CBTEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to a CBTEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of CBTEA beneficiary countries or to the United States and a CBTEA beneficiary country (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to a CBTEA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

''(i) December 31, 2004, or

''(ii) the date on which the FTAA or a comparable trade agreement enters into force with respect to the United States and the CBTEA beneficiary country.

''(E) CBTEA.—The term 'CBTEA' means the United States-Caribbean Basin Trade Enhancement Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)'';

(C) by striking ''would be barred'' and all that follows through the end period and inserting: ''no longer satisfies one or more of the conditions for designation as a beneficiary country set forth in subsection (b) or such country fails adequately to meet one or more of the criteria set forth in subsection (c).''; and

(D) by adding at the end the following:

''(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as a CBTEA beneficiary country, or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b) (2) and (3) to any article of any country, if, after such designation, the President determines that as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 213(b) (2) and (3) is withdrawn, suspended, or limited with respect to a CBTEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B)(ii).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B)(i), and on the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, with respect to the criteria listed in section 213(b)(5)(B)(ii).''.

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking ''TRIENNIAL REPORT'' in the heading and inserting ''REPORT''; and

(B) by striking ''On or before'' and all that follows through ''enactment of this title'' and inserting ''Not later than January 31, 2001''.

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this

title on United States industries and consumers and on the economy of the beneficiary countries.

''(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

''(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting ''and except as provided in subsection (b) (2) and (3),'' after ''Tax Reform Act of 1986,''.

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

''(D) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(E) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

SEC. 212. ADEQUATE AND EFFECTIVE PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS.

Section 212(c) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)) is amended by adding at the end the following flush sentence:

''Notwithstanding any other provision of law, the President may determine that a country is not providing adequate and effective protection of intellectual property rights under paragraph (9), even if the country is in compliance with the country's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).''.

Subtitle C—Cover Over of Tax on Distilled Spirits

SEC. 221. SUSPENSION OF LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652(f) of the Internal Revenue Code of 1986 (relating to limitation on cover over of tax on distilled spirits) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to articles that are tax-determined after June 30, 1999, and before October 1, 1999.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to articles that are tax-determined after June 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—The treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days after the date of each cover over payment (made to such treasury under section 7652(e) of the Internal Revenue Code of 1986) to which section 7652(f) of such Code does not apply by reason of the last sentence thereof.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(iii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico as required by subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SEC. 301. EXTENSION OF DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES.

(a) IN GENERAL.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''June 30, 1999'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section applies to articles entered on or after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) GENERAL RULE.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), any entry—

(i) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such entry had been made on June 30, 1999, and

(ii) that was made—

(I) after June 30, 1999, and

(II) before the date of enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—As used in this paragraph, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry, or

(B) to reconstruct the entry if it cannot be located.

SEC. 302. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

''(2) OTHER REQUIREMENTS.— The Secretary of the Treasury may require that the operator or user of the zone—

''(A) use an electronic data interchange approved by the Customs Service—

''(i) to file the entries described in paragraph (1); and

''(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

''(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

''(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

''(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms 'foreign trade zone' and 'zone' mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

SEC. 401. TRADE ADJUSTMENT ASSISTANCE.

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a), by striking ''June 30, 1999'' and inserting ''September 30, 2001''; and

(2) in subsection (b), by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(b) NAFTA TRANSITIONAL PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''the period beginning October 1, 1998, and ending June 30, 1999, shall not exceed $15,000,000'' and inserting ''the period beginning October 1, 1998, and ending September 30, 2001, shall not exceed $30,000,000 for any fiscal year''.

(c) ADJUSTMENT FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(d) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended by striking ''June 30, 1999'' each place it appears and inserting ''September 30, 2001''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1999.

TITLE V—REVENUE PROVISIONS

SEC. 501. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 502. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are one or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide one or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 503. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

''SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

''(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

''(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

''(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

''(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

''(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

''(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

''(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

''(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the tax imposed by section 55.

''(c) FINANCIAL ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'financial asset' means—

''(A) any equity interest in any pass-thru entity, and

''(B) to the extent provided in regulations—

''(i) any debt instrument, and

''(ii) any stock in a corporation which is not a pass-thru entity.

''(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) a trust,

''(F) a common trust fund,

''(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

''(H) a foreign personal holding company,

''(I) a foreign investment company (as defined in section 1246(b)), and

''(J) a REMIC.

''(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

''(A) holds a long position under a notional principal contract with respect to the financial asset,

''(B) enters into a forward or futures contract to acquire the financial asset,

''(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

''(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

''(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

''(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional

principal contract with respect to any financial asset if such person—

''(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

''(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

''(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

''(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

''(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

''(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

''(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

''(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 1260. Gains from constructive ownership transactions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

''(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

''(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

''(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.''.

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

''(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking ''10 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 30, 2000.

Amend the title so as to read: ''To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.''.

LOTT AMENDMENT NO. 2334

Mr. LOTT proposed an amendment to the motion to recommit proposed by him to the bill, H.R. 434, supra; as follows:

At the end of the instructions, add the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Trade and Development Act of 1999''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Statement of policy.
Sec. 104. Sub-Saharan Africa defined.

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

Sec. 111. Eligibility for certain benefits.
Sec. 112. Treatment of certain textiles and apparel.
Sec. 113. United States-sub-Saharan African trade and economic cooperation forum.
Sec. 114. United States-sub-Saharan Africa free trade area.
Sec. 115. Reporting requirement.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.
Sec. 202. Findings and policy.
Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.
Sec. 212. Adequate and effective protection for intellectual property rights.

Subtitle C—Cover Over of Tax on Distilled Spirits

Sec. 221. Suspension of limitation on cover over of tax on distilled spirits.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

Sec. 301. Extension of duty-free treatment under generalized system of preferences.
Sec. 302. Entry procedures for foreign trade zone operations.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

Sec. 401. Trade adjustment assistance.

TITLE V—REVENUE PROVISIONS

Sec. 501. Modification of installment method and repeal of installment method for accrual method taxpayers.
Sec. 502. Limitations on welfare benefit funds of 10 or more employer plans.
Sec. 503. Treatment of gain from constructive ownership transactions.
Sec. 504. Limitation on use of nonaccrual experience method of accounting.
Sec. 505. Allocation of basis on transfers of intangibles in certain nonrecognition transactions.
Sec. 506. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

SEC. 101. SHORT TITLE.

This title may be cited as the ''African Growth and Opportunity Act''.

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced a rise in both economic development and political freedom as countries in sub-Saharan Africa have taken steps toward liberalizing their economies and encouraged broader participation in the political process;

(5) the countries of sub-Saharan Africa have made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages less than $500 annually;

(7) United States foreign direct investment in the region has fallen in recent years and the sub-Saharan African region receives only minor inflows of direct investment from around the world;

(8) trade between the United States and sub-Saharan Africa, apart from the import of oil, remains an insignificant part of total United States trade;

(9) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for building a stable political environment in which political freedom can flourish;

(10) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(11) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(12) encouraging the reciprocal reduction of trade and investment barriers in Africa will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa;

(7) supporting the development of civil societies and political freedom in sub-Saharan Africa; and

(8) establishing a United States-Sub-Saharan African Economic Cooperation Forum.

SEC. 104. SUB-SAHARAN AFRICA DEFINED.

In this title, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

(1) Republic of Angola (Angola).
(2) Republic of Botswana (Botswana).
(3) Republic of Burundi (Burundi).
(4) Republic of Cape Verde (Cape Verde).
(5) Republic of Chad (Chad).
(6) Democratic Republic of Congo.
(7) Republic of the Congo (Congo).
(8) Republic of Djibouti (Djibouti).
(9) State of Eritrea (Eritrea).
(10) Gabonese Republic (Gabon).
(11) Republic of Ghana (Ghana).
(12) Republic of Guinea-Bissau (Guinea-Bissau).
(13) Kingdom of Lesotho (Lesotho).
(14) Republic of Madagascar (Madagascar).
(15) Republic of Mali (Mali).
(16) Republic of Mauritius (Mauritius).
(17) Republic of Namibia (Namibia).
(18) Federal Republic of Nigeria (Nigeria).
(19) Democratic Republic of Sao Tome and Principe (Sao Tome and Principe).
(20) Republic of Sierra Leone (Sierra Leone).
(21) Somalia.
(22) Kingdom of Swaziland (Swaziland).
(23) Republic of Togo (Togo).
(24) Republic of Zimbabwe (Zimbabwe).
(25) Republic of Benin (Benin).
(26) Burkina Faso (Burkina).
(27) Republic of Cameroon (Cameroon).
(28) Central African Republic.
(29) Federal Islamic Republic of the Comoros (Comoros).
(30) Republic of Cote d'Ivoire (Cote d'Ivoire).
(31) Republic of Equatorial Guinea (Equatorial Guinea).
(32) Ethiopia.
(33) Republic of the Gambia (Gambia).
(34) Republic of Guinea (Guinea).
(35) Republic of Kenya (Kenya).
(36) Republic of Liberia (Liberia).
(37) Republic of Malawi (Malawi).
(38) Islamic Republic of Mauritania (Mauritania).
(39) Republic of Mozambique (Mozambique).
(40) Republic of Niger (Niger).
(41) Republic of Rwanda (Rwanda).
(42) Republic of Senegal (Senegal).
(43) Republic of Seychelles (Seychelles).
(44) Republic of South Africa (South Africa).
(45) Republic of Sudan (Sudan).
(46) United Republic of Tanzania (Tanzania).
(47) Republic of Uganda (Uganda).
(48) Republic of Zambia (Zambia).

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

''SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 104 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

''(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 104 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 115 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

''SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

''506A. Designation of sub-Saharan African countries for certain benefits.

''506B. Termination of benefits for sub-Saharan African countries.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, if—

(1) the country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(2) the country enacts legislation or promulgates regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) PENALTIES FOR TRANSSHIPMENTS.—

(1) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a beneficiary sub-Saharan African country, then the President shall deny all benefits under this section and section 506A of the Trade Act of 1974 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter for a period of 2 years.

(2) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under subsection (a) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subsection (a).

(d) TECHNICAL ASSISTANCE.—The Customs Service shall provide technical assistance to the beneficiary sub-Saharan African countries for the implementation of the requirements set forth in subsection (a) (1) and (2).

(e) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of each year that this section is in effect, a report on the effectiveness of the anti-circumvention systems described in this section and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in article 5 of the Agreement on Textiles and Clothing.

(f) SAFEGUARD.—The President shall have the authority to impose appropriate remedies, including restrictions on or the removal of quota-free and duty-free treatment provided under this section, in the event that textile and apparel articles from a beneficiary sub-Saharan African country are being imported in such increased quantities as to cause serious damage, or actual threat thereof, to the domestic industry producing like or directly competitive articles. The President shall exercise his authority under this subsection consistent with the Agreement on Textiles and Clothing.

(g) DEFINITIONS.—In this section:

(1) AGREEMENT ON TEXTILES AND CLOTHING.—The term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.—The terms ''beneficiary sub-Saharan African country'' and ''beneficiary sub-Saharan African countries'' have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) CUSTOMS SERVICE.—The term ''Customs Service'' means the United States Customs Service.

(h) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000 and shall remain in effect through September 30, 2006.

SEC. 113. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) FIRST MEETING.—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

(2) NONGOVERNMENTAL ORGANIZATIONS.—

(A) IN GENERAL.—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) PRIVATE SECTOR.—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) ANNUAL MEETINGS.—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) IN GENERAL.—The President shall examine the feasibility of negotiating a free trade agreement (or agreements) with interested sub-Saharan African countries.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the President shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the President's conclusions on the feasibility of negotiating such agreement (or agreements). If the President determines that the negotiation of any such free trade agreement is feasible, the President shall provide a detailed

plan for such negotiation that outlines the objectives, timing, any potential benefits to the United States and sub-Saharan Africa, and the likely economic impact of any such agreement.

SEC. 115. REPORTING REQUIREMENT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter for 4 years, the President shall submit a report to Congress on the implementation of this title.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

This title may be cited as the ''United States-Caribbean Basin Trade Enhancement Act''.

SEC. 202. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The Caribbean Basin Economic Recovery Act (referred to in this title as ''CBERA'') represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (referred to in this title as ''FTAA'') by the year 2005.

(3) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(4) Offering temporary benefits to Caribbean Basin countries will enhance trade between the United States and the Caribbean Basin, encourage development of trade and investment policies that will facilitate participation of Caribbean Basin countries in the FTAA, preserve the United States commitment to Caribbean Basin beneficiary countries, help further economic development in the Caribbean Basin region, and accelerate the trend toward more open economies in the region.

(5) Promotion of the growth of free enterprise and economic opportunity in the Caribbean Basin will enhance the national security interests of the United States.

(6) Increased trade and economic activity between the United States and Caribbean Basin beneficiary countries will create expanding export opportunities for United States businesses and workers.

(b) POLICY.—It is the policy of the United States to—

(1) offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or a comparable trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) seek the participation of Caribbean Basin beneficiary countries in the FTAA or a trade agreement comparable to the FTAA at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

SEC. 203. DEFINITIONS.

In this title:

(1) BENEFICIARY COUNTRY.—The term ''beneficiary country'' has the meaning given the term in section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

(2) CBTEA.—The term ''CBTEA'' means the United States-Caribbean Basin Trade Enhancement Act.

(3) NAFTA.—The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(4) NAFTA COUNTRY.—The term ''NAFTA country'' means any country with respect to which the NAFTA is in force.

(5) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

''(F) articles to which reduced rates of duty apply under subsection (h).

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) PRODUCTS COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following products:

''(i) APPAREL ARTICLES ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles assembled in a CBTEA beneficiary country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

''(I) entered under subheading 9802.00.80 of the HTS; or

''(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were subjected to stonewashing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

''(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in such country with thread formed in the United States.

''(iii) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(iv) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in a CBTEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such luggage is assembled in such country with thread formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles described in subparagraph (A) shall enter the United States free of duty and free of any quantitative limitations.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES DEFINED.—For purposes of subparagraph (A)(iii), the President, after consultation with the CBTEA beneficiary country concerned, shall determine which, if any, particular textile and apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3 (a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a CBTEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment for a textile or apparel article under subparagraph (B) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as

satisfied if the President requests consultations with the beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a CBTEA beneficiary country shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows, or

''(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTEA beneficiary country—

''(aa) from which the article is exported, or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment.

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) CBTEA BENEFICIARY COUNTRY.—

''(i) IN GENERAL.—The term 'CBTEA beneficiary country' means any 'beneficiary country', as defined by section 212(a)(1)(A) of this title, which the President determines has demonstrated a commitment to—

''(I) undertake its obligations under the WTO on or ahead of schedule;

''(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

''(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

''(ii) CRITERIA FOR DETERMINATION.—In making the determination under clause (i), the President may consider the criteria in section 212 (b) and (c) and other appropriate criteria, including—

''(I) the extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act;

''(II) the extent to which the country provides protection of intellectual property rights—

''(aa) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

''(bb) in accordance with standards established in chapter 17 of the NAFTA; and

''(cc) by granting the holders of copyrights the ability to control the importation and sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border;

''(III) the extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA;

''(IV) the extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President;

''(V) the extent to which the country provides internationally recognized worker rights, including—

''(aa) the right of association,

''(bb) the right to organize and bargain collectively,

''(cc) prohibition on the use of any form of coerced or compulsory labor,

''(dd) a minimum age for the employment of children, and

''(ee) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(VI) whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance;

''(VII) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals;

''(VIII) the extent to which the country—

''(aa) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996, and

''(bb) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act);

''(IX) the extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act);

''(X) the extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

''(C) CBTEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'CBTEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 with respect to a CBTEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and a CBTEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to a CBTEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of CBTEA beneficiary countries or to the United States and a CBTEA beneficiary country (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to a CBTEA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

''(i) December 31, 2004, or

''(ii) the date on which the FTAA or a comparable trade agreement enters into force with respect to the United States and the CBTEA beneficiary country.

''(E) CBTEA.—The term 'CBTEA' means the United States-Caribbean Basin Trade Enhancement Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)'';

(C) by striking ''would be barred'' and all that follows through the end period and inserting: ''no longer satisfies one or more of the conditions for designation as a beneficiary country set forth in subsection (b) or such country fails adequately to meet one or more of the criteria set forth in subsection (c).''; and

(D) by adding at the end the following:

''(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as a CBTEA beneficiary country, or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b) (2) and (3) to any article of any country, if, after such designation, the President determines that as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 213(b) (2) and (3) is withdrawn, suspended, or limited with respect to a CBTEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B)(ii).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B)(i), and on the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, with respect to the criteria listed in section 213(b)(5)(B)(ii).''.

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking ''TRIENNIAL REPORT'' in the heading and inserting ''REPORT''; and

(B) by striking ''On or before'' and all that follows through ''enactment of this title'' and inserting ''Not later than January 31, 2001''.

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers and on the economy of the beneficiary countries.

''(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

''(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting ''and except as provided in subsection (b) (2) and (3),'' after ''Tax Reform Act of 1986,''.

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

''(D) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(E) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

SEC. 212. ADEQUATE AND EFFECTIVE PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS.

Section 212(c) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)) is amended by adding at the end the following flush sentence:

''Notwithstanding any other provision of law, the President may determine that a country is not providing adequate and effective protection of intellectual property rights under paragraph (9), even if the country is in compliance with the country's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).''.

Subtitle C—Cover Over of Tax on Distilled Spirits

SEC. 221. SUSPENSION OF LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652(f) of the Internal Revenue Code of 1986 (relating to limitation on cover over of tax on distilled spirits) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to articles that are tax-determined after June 30, 1999, and before October 1, 1999.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to articles that are tax-determined after June 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—The treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days after the date of each cover over payment (made to such treasury under section 7652(e) of the Internal Revenue Code of 1986) to which section 7652(f) of such Code does not apply by reason of the last sentence thereof.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(iii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico as required by subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SEC. 301. EXTENSION OF DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES.

(a) IN GENERAL.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''June 30, 1999'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section applies to articles entered on or after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) GENERAL RULE.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), any entry—

(i) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such entry had been made on June 30, 1999, and

(ii) that was made—

(I) after June 30, 1999, and

(II) before the date of enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—As used in this paragraph, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry, or

(B) to reconstruct the entry if it cannot be located.

SEC. 302. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

''(2) OTHER REQUIREMENTS.— The Secretary of the Treasury may require that the operator or user of the zone—

''(A) use an electronic data interchange approved by the Customs Service—

''(i) to file the entries described in paragraph (1); and

''(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

''(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

''(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

''(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms 'foreign trade zone' and 'zone' mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

SEC. 401. TRADE ADJUSTMENT ASSISTANCE.

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a), by striking ''June 30, 1999'' and inserting ''September 30, 2001''; and

(2) in subsection (b), by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(b) NAFTA TRANSITIONAL PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''the period beginning October 1, 1998, and ending June 30, 1999, shall not exceed $15,000,000'' and inserting ''the period beginning October 1, 1998, and ending September 30, 2001, shall not exceed $30,000,000 for any fiscal year''.

(c) ADJUSTMENT FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(d) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended by striking ''June 30, 1999'' each place it appears and inserting ''September 30, 2001''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1999.

TITLE V—REVENUE PROVISIONS

SEC. 501. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (l)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 502. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are one or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide one or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 503. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

''SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

''(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

''(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

''(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

''(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

''(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

''(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

''(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal

rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

''(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the tax imposed by section 55.

''(c) FINANCIAL ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'financial asset' means—

''(A) any equity interest in any pass-thru entity, and

''(B) to the extent provided in regulations—

''(i) any debt instrument, and

''(ii) any stock in a corporation which is not a pass-thru entity.

''(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) a trust,

''(F) a common trust fund,

''(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

''(H) a foreign personal holding company,

''(I) a foreign investment company (as defined in section 1246(b)), and

''(J) a REMIC.

''(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

''(A) holds a long position under a notional principal contract with respect to the financial asset,

''(B) enters into a forward or futures contract to acquire the financial asset,

''(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

''(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

''(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

''(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

''(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

''(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

''(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

''(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

''(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

''(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

''(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

''(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 1260. Gains from constructive ownership transactions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

''(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

''(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

''(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.''.

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

''(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking ''10 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 29, 2000.

Amend the title so as to read: ''To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.''.

LOTT AMENDMENT NO. 2335

Mr. LOTT proposed an amendment to amendment No. 2334 proposed by him to the bill, H.R. 434, supra; as follows:

Strike all after ''section'' and add the following:

1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Trade and Development Act of 1999''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Statement of policy.
Sec. 104. Sub-Saharan Africa defined.

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

Sec. 111. Eligibility for certain benefits.
Sec. 112. Treatment of certain textiles and apparel.
Sec. 113. United States-sub-Saharan African trade and economic cooperation forum.
Sec. 114. United States-sub-Saharan Africa free trade area.
Sec. 115. Reporting requirement.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

Sec. 201. Short title.
Sec. 202. Findings and policy.
Sec. 203. Definitions.

Subtitle B—Trade Benefits for Caribbean Basin Countries

Sec. 211. Temporary provisions to provide additional trade benefits to certain beneficiary countries.
Sec. 212. Adequate and effective protection for intellectual property rights.

Subtitle C—Cover Over of Tax on Distilled Spirits

Sec. 221. Suspension of limitation on cover over of tax on distilled spirits.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

Sec. 301. Extension of duty-free treatment under generalized system of preferences.
Sec. 302. Entry procedures for foreign trade zone operations.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

Sec. 401. Trade adjustment assistance.

TITLE V—REVENUE PROVISIONS

Sec. 501. Modification of installment method and repeal of installment method for accrual method taxpayers.
Sec. 502. Limitations on welfare benefit funds of 10 or more employer plans.
Sec. 503. Treatment of gain from constructive ownership transactions.
Sec. 504. Limitation on use of nonaccrual experience method of accounting.
Sec. 505. Allocation of basis on transfers of intangibles in certain nonrecognition transactions.
Sec. 506. Increase in elective withholding rate for nonperiodic distributions from deferred compensation plans.

TITLE I—EXTENSION OF CERTAIN TRADE BENEFITS TO SUB-SAHARAN AFRICA

Subtitle A—Trade Policy for Sub-Saharan Africa

SEC. 101. SHORT TITLE.

This title may be cited as the ''African Growth and Opportunity Act''.

SEC. 102. FINDINGS.

Congress finds that—

(1) it is in the mutual interest of the United States and the countries of sub-Saharan Africa to promote stable and sustainable economic growth and development in sub-Saharan Africa;

(2) the 48 countries of sub-Saharan Africa form a region richly endowed with both natural and human resources;

(3) sub-Saharan Africa represents a region of enormous economic potential and of enduring political significance to the United States;

(4) the region has experienced a rise in both economic development and political freedom as countries in sub-Saharan Africa have taken steps toward liberalizing their economies and encouraged broader participation in the political process;

(5) the countries of sub-Saharan Africa have made progress toward regional economic integration that can have positive benefits for the region;

(6) despite those gains, the per capita income in sub-Saharan Africa averages less than $500 annually;

(7) United States foreign direct investment in the region has fallen in recent years and the sub-Saharan African region receives only minor inflows of direct investment from around the world;

(8) trade between the United States and sub-Saharan Africa, apart from the import of oil, remains an insignificant part of total United States trade;

(9) trade and investment, as the American experience has shown, can represent powerful tools both for economic development and for building a stable political environment in which political freedom can flourish;

(10) increased trade and investment flows have the greatest impact in an economic environment in which trading partners eliminate barriers to trade and capital flows and encourage the development of a vibrant private sector that offers individual African citizens the freedom to expand their economic opportunities and provide for their families;

(11) offering the countries of sub-Saharan Africa enhanced trade preferences will encourage both higher levels of trade and direct investment in support of the positive economic and political developments under way throughout the region; and

(12) encouraging the reciprocal reduction of trade and investment barriers in Africa will enhance the benefits of trade and investment for the region as well as enhance commercial and political ties between the United States and sub-Saharan Africa.

SEC. 103. STATEMENT OF POLICY.

Congress supports—

(1) encouraging increased trade and investment between the United States and sub-Saharan Africa;

(2) reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade;

(3) expanding United States assistance to sub-Saharan Africa's regional integration efforts;

(4) negotiating reciprocal and mutually beneficial trade agreements, including the possibility of establishing free trade areas that serve the interests of both the United States and the countries of sub-Saharan Africa;

(5) focusing on countries committed to accountable government, economic reform, and the eradication of poverty;

(6) strengthening and expanding the private sector in sub-Saharan Africa;

(7) supporting the development of civil societies and political freedom in sub-Saharan Africa; and

(8) establishing a United States-Sub-Saharan African Economic Cooperation Forum.

SEC. 104. SUB-SAHARAN AFRICA DEFINED.

In this title, the terms ''sub-Saharan Africa'', ''sub-Saharan African country'', ''country in sub-Saharan Africa'', and ''countries in sub-Saharan Africa'' refer to the following:

(1) Republic of Angola (Angola).
(2) Republic of Botswana (Botswana).
(3) Republic of Burundi (Burundi).
(4) Republic of Cape Verde (Cape Verde).
(5) Republic of Chad (Chad).
(6) Democratic Republic of Congo.
(7) Republic of the Congo (Congo).
(8) Republic of Djibouti (Djibouti).
(9) State of Eritrea (Eritrea).
(10) Gabonese Republic (Gabon).
(11) Republic of Ghana (Ghana).
(12) Republic of Guinea-Bissau (Guinea-Bissau).
(13) Kingdom of Lesotho (Lesotho).
(14) Republic of Madagascar (Madagascar).
(15) Republic of Mali (Mali).
(16) Republic of Mauritius (Mauritius).
(17) Republic of Namibia (Namibia).
(18) Federal Republic of Nigeria (Nigeria).
(19) Democratic Republic of Sao Tome and Principe (Sao Tome and Principe).
(20) Republic of Sierra Leone (Sierra Leone).
(21) Somalia.
(22) Kingdom of Swaziland (Swaziland).
(23) Republic of Togo (Togo).
(24) Republic of Zimbabwe (Zimbabwe).
(25) Republic of Benin (Benin).
(26) Burkina Faso (Burkina).
(27) Republic of Cameroon (Cameroon).
(28) Central African Republic.
(29) Federal Islamic Republic of the Comoros (Comoros).
(30) Republic of Cote d'Ivoire (Cote d'Ivoire).
(31) Republic of Equatorial Guinea (Equatorial Guinea).
(32) Ethiopia.
(33) Republic of the Gambia (Gambia).
(34) Republic of Guinea (Guinea).
(35) Republic of Kenya (Kenya).
(36) Republic of Liberia (Liberia).
(37) Republic of Malawi (Malawi).
(38) Islamic Republic of Mauritania (Mauritania).
(39) Republic of Mozambique (Mozambique).
(40) Republic of Niger (Niger).
(41) Republic of Rwanda (Rwanda).
(42) Republic of Senegal (Senegal).
(43) Republic of Seychelles (Seychelles).
(44) Republic of South Africa (South Africa).
(45) Republic of Sudan (Sudan).
(46) United Republic of Tanzania (Tanzania).
(47) Republic of Uganda (Uganda).
(48) Republic of Zambia (Zambia).

Subtitle B—Extension of Certain Trade Benefits to Sub-Saharan Africa

SEC. 111. ELIGIBILITY FOR CERTAIN BENEFITS.

(a) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 506 the following new section:

''SEC. 506A. DESIGNATION OF SUB-SAHARAN AFRICAN COUNTRIES FOR CERTAIN BENEFITS.

''(a) AUTHORITY TO DESIGNATE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the President is authorized to designate a country listed in section 104 of the African Growth and Opportunity Act as a beneficiary sub-Saharan African country eligible for the benefits described in subsection (b), if the President determines that the country—

''(A) has established, or is making continual progress toward establishing—

''(i) a market-based economy, where private property rights are protected and the principles of an open, rules-based trading system are observed;

''(ii) a democratic society, where the rule of law, political freedom, participatory democracy, and the right to due process and a fair trial are observed;

''(iii) an open trading system through the elimination of barriers to United States trade and investment and the resolution of bilateral trade and investment disputes; and

''(iv) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, and promote the establishment of private enterprise;

''(B) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities; and

''(C) subject to the authority granted to the President under section 502 (a), (d), and (e), otherwise satisfies the eligibility criteria set forth in section 502.

''(2) MONITORING AND REVIEW OF CERTAIN COUNTRIES.—The President shall monitor and review the progress of each country listed in section 104 of the African Growth and Opportunity Act in meeting the requirements described in paragraph (1) in order to determine the current or potential eligibility of each country to be designated as a beneficiary sub-Saharan African country for purposes of subsection (a). The President shall include the reasons for the President's determinations in the annual report required by section 115 of the African Growth and Opportunity Act.

''(3) CONTINUING COMPLIANCE.—If the President determines that a beneficiary sub-Saharan African country is not making continual progress in meeting the requirements described in paragraph (1), the President shall terminate the designation of that country as a beneficiary sub-Saharan African country for purposes of this section, effective on January 1 of the year following the year in which such determination is made.

''(b) PREFERENTIAL TARIFF TREATMENT FOR CERTAIN ARTICLES.—

''(1) IN GENERAL.—The President may provide duty-free treatment for any article described in section 503(b)(1) (B) through (G) (except for textile luggage) that is the growth, product, or manufacture of a beneficiary sub-Saharan African country described in subsection (a), if, after receiving the advice of the International Trade Commission in accordance with section 503(e), the President determines that such article is not import-sensitive in the context of imports from beneficiary sub-Saharan African countries.

''(2) RULES OF ORIGIN.—The duty-free treatment provided under paragraph (1) shall apply to any article described in that paragraph that meets the requirements of section 503(a)(2), except that—

''(A) if the cost or value of materials produced in the customs territory of the United States is included with respect to that article, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (A) of section 503(a)(2); and

''(B) the cost or value of the materials included with respect to that article that are produced in one or more beneficiary sub-Saharan African countries shall be applied in determining such percentage.

''(c) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES, ETC.—For purposes of this title, the terms 'beneficiary sub-Saharan African country' and 'beneficiary sub-Saharan African countries' mean a country or countries listed in section 104 of the African Growth and Opportunity Act that the President has determined is eligible under subsection (a) of this section.''.

(b) WAIVER OF COMPETITIVE NEED LIMITATION.—Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C. 2463(c)(2)(D)) is amended to read as follows:

''(D) LEAST-DEVELOPED BENEFICIARY DEVELOPING COUNTRIES AND BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Subparagraph (A) shall not apply to any least-developed beneficiary developing country or any beneficiary sub-Saharan African country.''.

(c) TERMINATION.—Title V of the Trade Act of 1974 is amended by inserting after section 506A, as added by subsection (a), the following new section:

''SEC. 506B. TERMINATION OF BENEFITS FOR SUB-SAHARAN AFRICAN COUNTRIES.

''In the case of a country listed in section 104 of the African Growth and Opportunity Act that is a beneficiary developing country, duty-free treatment provided under this title shall remain in effect through September 30, 2006.''.

(d) CLERICAL AMENDMENTS.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 505 the following new items:

''506A. Designation of sub-Saharan African countries for certain benefits.

''506B. Termination of benefits for sub-Saharan African countries.''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000.

SEC. 112. TREATMENT OF CERTAIN TEXTILES AND APPAREL.

(a) PREFERENTIAL TREATMENT.—Notwithstanding any other provision of law, textile and apparel articles described in subsection (b) (including textile luggage) imported from a beneficiary sub-Saharan African country, described in section 506A(c) of the Trade Act of 1974, shall enter the United States free of duty and free of any quantitative limitations, if—

(1) the country adopts an efficient visa system to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(2) the country enacts legislation or promulgates regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country.

(b) PRODUCTS COVERED.—The preferential treatment described in subsection (a) shall apply only to the following textile and apparel products:

(1) APPAREL ARTICLES ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles assembled in one or more beneficiary sub-Saharan African countries from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

(A) entered under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States; or

(B) entered under chapter 61 or 62 of the Harmonized Tariff Schedule of the United States, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the Harmonized Tariff Schedule of the United States but for the fact that the articles were subjected to stone-washing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

(2) APPAREL ARTICLES CUT AND ASSEMBLED IN BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES.—Apparel articles cut in one or more beneficiary sub-Saharan African countries from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in one or more beneficiary sub-Saharan African countries with thread formed in the United States.

(3) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a beneficiary sub-Saharan African country or countries that is certified as such by the competent authority of such beneficiary country or countries. For purposes of this paragraph, the President, after consultation with the beneficiary sub-Saharan African country or countries concerned, shall determine which, if any, particular textile and apparel goods of the country (or countries) shall be treated as being handloomed, handmade, or folklore goods.

(c) PENALTIES FOR TRANSSHIPMENTS.—

(1) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a beneficiary sub-Saharan African country, then the President shall deny all benefits under this section and section 506A of the Trade Act of 1974 to such exporter, any successor of such exporter, and any other entity owned or operated by the principal of the exporter for a period of 2 years.

(2) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subsection has occurred when preferential treatment for a textile or apparel article under subsection (a) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this paragraph, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subsection (a).

(d) TECHNICAL ASSISTANCE.—The Customs Service shall provide technical assistance to the beneficiary sub-Saharan African countries for the implementation of the requirements set forth in subsection (a) (1) and (2).

(e) MONITORING AND REPORTS TO CONGRESS.—The Customs Service shall monitor and the Commissioner of Customs shall submit to Congress, not later than March 31 of each year that this section is in effect, a report on the effectiveness of the anti-circumvention systems described in this section and on measures taken by countries in sub-Saharan Africa which export textiles or apparel to the United States to prevent circumvention as described in article 5 of the Agreement on Textiles and Clothing.

(f) SAFEGUARD.—The President shall have the authority to impose appropriate remedies, including restrictions on or the removal of quota-free and duty-free treatment provided under this section, in the event that textile and apparel articles from a beneficiary sub-Saharan African country are being imported in such increased quantities as to cause serious damage, or actual threat thereof, to the domestic industry producing like or directly competitive articles. The President shall exercise his authority under this subsection consistent with the Agreement on Textiles and Clothing.

(g) DEFINITIONS.—In this section:

(1) AGREEMENT ON TEXTILES AND CLOTHING.—The term ''Agreement on Textiles and Clothing'' means the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

(2) BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY, ETC.—The terms ''beneficiary sub-Saharan African country'' and ''beneficiary sub-Saharan African countries'' have the same meaning as such terms have under section 506A(c) of the Trade Act of 1974.

(3) CUSTOMS SERVICE.—The term ''Customs Service'' means the United States Customs Service.

(h) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000 and shall remain in effect through September 30, 2006.

SEC. 113. UNITED STATES-SUB-SAHARAN AFRICAN TRADE AND ECONOMIC COOPERATION FORUM.

(a) DECLARATION OF POLICY.—The President shall convene annual meetings between senior officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa.

(b) ESTABLISHMENT.—Not later than 12 months after the date of enactment of this Act, the President, after consulting with the officials of interested sub-Saharan African governments, shall establish a United States-Sub-Saharan African Trade and Economic Cooperation Forum (in this section referred to as the ''Forum'').

(c) REQUIREMENTS.—In creating the Forum, the President shall meet the following requirements:

(1) FIRST MEETING.—The President shall direct the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the United States Trade Representative to invite their counterparts from interested sub-Saharan African governments and representatives of appropriate regional organizations to participate in the first annual meeting to discuss expanding trade and investment relations between the United States and sub-Saharan Africa.

(2) NONGOVERNMENTAL ORGANIZATIONS.—

(A) IN GENERAL.—The President, in consultation with Congress, shall invite United States nongovernmental organizations to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(B) PRIVATE SECTOR.—The President, in consultation with Congress, shall invite United States representatives of the private sector to host meetings with their counterparts from sub-Saharan Africa in conjunction with meetings of the Forum for the purpose of discussing the issues described in paragraph (1).

(3) ANNUAL MEETINGS.—As soon as practicable after the date of enactment of this Act, the President shall meet with the heads of the governments of interested sub-Saharan African countries for the purpose of discussing the issues described in paragraph (1).

SEC. 114. UNITED STATES-SUB-SAHARAN AFRICA FREE TRADE AREA.

(a) IN GENERAL.—The President shall examine the feasibility of negotiating a free trade agreement (or agreements) with interested sub-Saharan African countries.

(b) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the President shall submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the President's conclusions on the feasibility of negotiating such agreement (or agreements). If the President determines that the negotiation of any such free trade agreement is feasible, the President shall provide a detailed plan for such negotiation that outlines the objectives, timing, any potential benefits to the United States and sub-Saharan Africa, and the likely economic impact of any such agreement.

SEC. 115. REPORTING REQUIREMENT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter for 4 years, the President shall submit a report to Congress on the implementation of this title.

TITLE II—TRADE BENEFITS FOR CARIBBEAN BASIN

Subtitle A—Trade Policy for Caribbean Basin Countries

SEC. 201. SHORT TITLE.

This title may be cited as the ''United States-Caribbean Basin Trade Enhancement Act''.

SEC. 202. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The Caribbean Basin Economic Recovery Act (referred to in this title as ''CBERA'') represents a permanent commitment by the United States to encourage the development of strong democratic governments and revitalized economies in neighboring countries in the Caribbean Basin.

(2) Thirty-four democratically elected leaders agreed at the 1994 Summit of the Americas to conclude negotiation of a Free Trade Area of the Americas (referred to in this title as ''FTAA'') by the year 2005.

(3) The economic security of the countries in the Caribbean Basin will be enhanced by the completion of the FTAA.

(4) Offering temporary benefits to Caribbean Basin countries will enhance trade between the United States and the Caribbean Basin, encourage development of trade and investment policies that will facilitate participation of Caribbean Basin countries in the FTAA, preserve the United States commitment to Caribbean Basin beneficiary countries, help further economic development in the Caribbean Basin region, and accelerate the trend toward more open economies in the region.

(5) Promotion of the growth of free enterprise and economic opportunity in the Caribbean Basin will enhance the national security interests of the United States.

(6) Increased trade and economic activity between the United States and Caribbean Basin beneficiary countries will create expanding export opportunities for United States businesses and workers.

(b) POLICY.—It is the policy of the United States to—

(1) offer Caribbean Basin beneficiary countries willing to prepare to become a party to the FTAA or a comparable trade agreement, tariff treatment essentially equivalent to that accorded to products of NAFTA countries for certain products not currently eligible for duty-free treatment under the CBERA; and

(2) seek the participation of Caribbean Basin beneficiary countries in the FTAA or a trade agreement comparable to the FTAA at the earliest possible date, with the goal of achieving full participation in such agreement not later than 2005.

SEC. 203. DEFINITIONS.

In this title:

(1) BENEFICIARY COUNTRY.—The term ''beneficiary country'' has the meaning given the term in section 212(a)(1)(A) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)(A)).

(2) CBTEA.—The term ''CBTEA'' means the United States-Caribbean Basin Trade Enhancement Act.

(3) NAFTA.—The term ''NAFTA'' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

(4) NAFTA COUNTRY.—The term ''NAFTA country'' means any country with respect to which the NAFTA is in force.

(5) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

Subtitle B—Trade Benefits for Caribbean Basin Countries

SEC. 211. TEMPORARY PROVISIONS TO PROVIDE ADDITIONAL TRADE BENEFITS TO CERTAIN BENEFICIARY COUNTRIES.

(a) TEMPORARY PROVISIONS.—Section 213(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(b)) is amended to read as follows:

''(b) IMPORT-SENSITIVE ARTICLES.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

''(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

''(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

''(C) tuna, prepared or preserved in any manner, in airtight containers;

''(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

''(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply; or

''(F) articles to which reduced rates of duty apply under subsection (h).

''(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

''(A) PRODUCTS COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following products:

''(i) APPAREL ARTICLES ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles assembled in a CBTEA beneficiary country from fabrics wholly formed and cut in the United States, from yarns wholly formed in the United States that are—

''(I) entered under subheading 9802.00.80 of the HTS; or

''(II) entered under chapter 61 or 62 of the HTS, if, after such assembly, the articles would have qualified for entry under subheading 9802.00.80 of the HTS but for the fact that the articles were subjected to stonewashing, enzyme-washing, acid washing, perma-pressing, oven-baking, bleaching, garment-dyeing, or other similar processes.

''(ii) APPAREL ARTICLES CUT AND ASSEMBLED IN A CBTEA BENEFICIARY COUNTRY.—Apparel articles cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such articles are assembled in such country with thread formed in the United States.

''(iii) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of a CBTEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

''(iv) TEXTILE LUGGAGE.—Textile luggage—

''(I) assembled in a CBTEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

''(II) assembled from fabric cut in a CBTEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States, if such luggage is assembled in such country with thread formed in the United States.

''(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles described in

subparagraph (A) shall enter the United States free of duty and free of any quantitative limitations.

''(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES DEFINED.—For purposes of subparagraph (A)(iii), the President, after consultation with the CBTEA beneficiary country concerned, shall determine which, if any, particular textile and apparel goods of the country shall be treated as being handloomed, handmade, or folklore goods of a kind described in section 2.3 (a), (b), or (c) or Appendix 3.1.B.11 of the Annex.

''(D) PENALTIES FOR TRANSSHIPMENTS.—

''(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel products from a CBTEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

''(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the CBTEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3.

''(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment for a textile or apparel article under subparagraph (B) has been claimed on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

''(E) BILATERAL EMERGENCY ACTIONS.—

''(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from a CBTEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

''(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

''(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

''(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

''(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

''(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

''(A) EQUIVALENT TARIFF TREATMENT.—

''(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B) through (F) of paragraph (1) that originates in the territory of a CBTEA beneficiary country shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

''(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

''(B) RELATIONSHIP TO SUBSECTION (h) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (h) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

''(4) CUSTOMS PROCEDURES.—

''(A) IN GENERAL.—

''(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

''(aa) has implemented and follows, or

''(bb) is making substantial progress toward implementing and following,

procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

''(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is a CBTEA beneficiary country—

''(aa) from which the article is exported, or

''(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment.

''(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

''(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

''(B) CBTEA BENEFICIARY COUNTRY.—

''(i) IN GENERAL.—The term 'CBTEA beneficiary country' means any 'beneficiary country', as defined by section 212(a)(1)(A) of this title, which the President determines has demonstrated a commitment to—

''(I) undertake its obligations under the WTO on or ahead of schedule;

''(II) participate in negotiations toward the completion of the FTAA or a comparable trade agreement; and

''(III) undertake other steps necessary for that country to become a party to the FTAA or a comparable trade agreement.

''(ii) CRITERIA FOR DETERMINATION.—In making the determination under clause (i), the President may consider the criteria in section 212 (b) and (c) and other appropriate criteria, including—

''(I) the extent to which the country follows accepted rules of international trade provided for under the agreements listed in section 101(d) of the Uruguay Round Agreements Act;

''(II) the extent to which the country provides protection of intellectual property rights—

''(aa) in accordance with standards established in the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act;

''(bb) in accordance with standards established in chapter 17 of the NAFTA; and

''(cc) by granting the holders of copyrights the ability to control the importation and sale of products that embody copyrighted works, extending the period set forth in Article 1711(6) of NAFTA for protecting test data for agricultural chemicals to 10 years, protecting trademarks regardless of their subsequent designation as geographic indications, and providing enforcement against the importation of infringing products at the border;

''(III) the extent to which the country provides protections to investors and investments of the United States substantially equivalent to those set forth in chapter 11 of the NAFTA;

''(IV) the extent to which the country provides the United States and other WTO members nondiscriminatory, equitable, and reasonable market access with respect to the products for which benefits are provided under paragraphs (2) and (3), and in other relevant product sectors as determined by the President;

''(V) the extent to which the country provides internationally recognized worker rights, including—

''(aa) the right of association,

''(bb) the right to organize and bargain collectively,

''(cc) prohibition on the use of any form of coerced or compulsory labor,

''(dd) a minimum age for the employment of children, and

''(ee) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

''(VI) whether the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance;

''(VII) the extent to which the country becomes a party to and implements the Inter-American Convention Against Corruption, and becomes party to a convention regarding the extradition of its nationals;

''(VIII) the extent to which the country—

''(aa) supports the multilateral and regional objectives of the United States with respect to government procurement, including the negotiation of government procurement provisions as part of the FTAA and conclusion of a WTO transparency agreement as provided in the declaration of the WTO Ministerial Conference held in Singapore on December 9 through 13, 1996, and

''(bb) applies transparent and competitive procedures in government procurement equivalent to those contained in the WTO Agreement on Government Procurement (described in section 101(d)(17) of the Uruguay Round Agreements Act);

''(IX) the extent to which the country follows the rules on customs valuation set forth in the WTO Agreement on Implementation of Article VII of the GATT 1994 (described in section 101(d)(8) of the Uruguay Round Agreements Act);

''(X) the extent to which the country affords to products of the United States which the President determines to be of commercial importance to the United States with respect to such country, and on a nondiscriminatory basis to like products of other WTO members, tariff treatment that is no less favorable than the most favorable tariff treatment provided by the country to any other country pursuant to any free trade agreement to which such country is a party, other than the Central American Common Market or the Caribbean Community and Common Market.

''(C) CBTEA ORIGINATING GOOD.—

''(i) IN GENERAL.—The term 'CBTEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

''(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 with respect to a CBTEA beneficiary country for purposes of this subsection—

''(I) no country other than the United States and a CBTEA beneficiary country may be treated as being a party to the NAFTA;

''(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and a CBTEA beneficiary country;

''(III) any reference to a party shall be deemed to refer to a CBTEA beneficiary country or the United States; and

''(IV) any reference to parties shall be deemed to refer to any combination of CBTEA beneficiary countries or to the United States and a CBTEA beneficiary country (or any combination thereof).

''(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to a CBTEA beneficiary country, the period that begins on October 1, 2000, and ends on the earlier of—

''(i) December 31, 2004, or

''(ii) the date on which the FTAA or a comparable trade agreement enters into force with respect to the United States and the CBTEA beneficiary country.

''(E) CBTEA.—The term 'CBTEA' means the United States-Caribbean Basin Trade Enhancement Act.

''(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.''.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 212(e) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ''(A)'' after ''(1)'';

(C) by striking ''would be barred'' and all that follows through the end period and inserting: ''no longer satisfies one or more of the conditions for designation as a beneficiary country set forth in subsection (b) or such country fails adequately to meet one or more of the criteria set forth in subsection (c).''; and

(D) by adding at the end the following:

''(B) The President may, after the requirements of subsection (a)(2) and paragraph (2) have been met—

''(i) withdraw or suspend the designation of any country as a CBTEA beneficiary country, or

''(ii) withdraw, suspend, or limit the application of preferential treatment under section 213(b) (2) and (3) to any article of any country, if, after such designation, the President determines that as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 213(b)(5)(B).''; and

(2) by adding after paragraph (2) the following new paragraph:

''(3) If preferential treatment under section 213(b) (2) and (3) is withdrawn, suspended, or limited with respect to a CBTEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 213(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.''.

(c) REPORTING REQUIREMENTS.—

(1) Section 212(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(f)) is amended to read as follows:

''(f) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—Not later than December 31, 2001, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

''(A) with respect to subsections (b) and (c), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

''(B) the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, under the criteria set forth in section 213(b)(5)(B)(ii).

''(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 213(b)(5)(B)(i), and on the performance of each beneficiary country or CBTEA beneficiary country, as the case may be, with respect to the criteria listed in section 213(b)(5)(B)(ii).''.

(2) Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended—

(A) by striking ''TRIENNIAL REPORT'' in the heading and inserting ''REPORT''; and

(B) by striking ''On or before'' and all that follows through ''enactment of this title'' and inserting ''Not later than January 31, 2001''.

(d) INTERNATIONAL TRADE COMMISSION REPORTS.—

(1) Section 215(a) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2704(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENT.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers and on the economy of the beneficiary countries.

''(2) FIRST REPORT.—The first report shall be submitted not later than September 30, 2001.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(2) Section 206(a) of the Andean Trade Preference Act (19 U.S.C. 3204(a)) is amended to read as follows:

''(a) REPORTING REQUIREMENTS.—

''(1) IN GENERAL.—The United States International Trade Commission (in this section referred to as the 'Commission') shall submit to Congress and the President biennial reports regarding the economic impact of this title on United States industries and consumers, and, in conjunction with other agencies, the effectiveness of this title in promoting drug-related crop eradication and crop substitution efforts of the beneficiary countries.

''(2) SUBMISSION.—During the period that this title is in effect, the report required by paragraph (1) shall be submitted on December 31 of each year that the report required by section 215 of the Caribbean Basin Economic Recovery Act is not submitted.

''(3) TREATMENT OF PUERTO RICO, ETC.—For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States are considered to be United States industries.''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701) is amended by inserting ''(or other preferential treatment)'' after ''treatment''.

(B) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting ''and except as provided in subsection (b) (2) and (3),'' after ''Tax Reform Act of 1986,''.

(2) DEFINITIONS.—Section 212(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(a)(1)) is amended by adding at the end the following new subparagraphs:

''(D) The term 'NAFTA' means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

''(E) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).''.

SEC. 212. ADEQUATE AND EFFECTIVE PROTECTION FOR INTELLECTUAL PROPERTY RIGHTS.

Section 212(c) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(c)) is amended by adding at the end the following flush sentence:

''Notwithstanding any other provision of law, the President may determine that a country is not providing adequate and effective protection of intellectual property rights under paragraph (9), even if the country is in compliance with the country's obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)).''.

Subtitle C—Cover Over of Tax on Distilled Spirits

SEC. 221. SUSPENSION OF LIMITATION ON COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Section 7652(f) of the Internal Revenue Code of 1986 (relating to limitation on cover over of tax on distilled spirits) is amended by adding at the end the following new flush sentence:

''The preceding sentence shall not apply to articles that are tax-determined after June 30, 1999, and before October 1, 1999.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to articles that are tax-determined after June 30, 1999.

(2) SPECIAL RULE.—

(A) IN GENERAL.—The treasury of Puerto Rico shall make a Conservation Trust Fund transfer within 30 days after the date of each cover over payment (made to such treasury under section 7652(e) of the Internal Revenue Code of 1986) to which section 7652(f) of such Code does not apply by reason of the last sentence thereof.

(B) CONSERVATION TRUST FUND TRANSFER.—

(i) IN GENERAL.—For purposes of this paragraph, the term ''Conservation Trust Fund transfer'' means a transfer to the Puerto Rico Conservation Trust Fund of an amount equal to 50 cents per proof gallon of the taxes imposed under section 5001 or section 7652 of such Code on distilled spirits that are covered over to the treasury of Puerto Rico under section 7652(e) of such Code.

(ii) TREATMENT OF TRANSFER.—Each Conservation Trust Fund transfer shall be treated as principal for an endowment, the income from which to be available for use by

the Puerto Rico Conservation Trust Fund for the purposes for which the Trust Fund was established.

(iii) RESULT OF NONTRANSFER.—

(I) IN GENERAL.—Upon notification by the Secretary of the Interior that a Conservation Trust Fund transfer has not been made by the treasury of Puerto Rico as required by subparagraph (A), the Secretary of the Treasury shall, except as provided in subclause (II), deduct and withhold from the next cover over payment to be made to the treasury of Puerto Rico under section 7652(e) of such Code an amount equal to the appropriate Conservation Trust Fund transfer and interest thereon at the underpayment rate established under section 6621 of such Code as of the due date of such transfer. The Secretary of the Treasury shall transfer such amount deducted and withheld, and the interest thereon, directly to the Puerto Rico Conservation Trust Fund.

(II) GOOD CAUSE EXCEPTION.—If the Secretary of the Interior finds, after consultation with the Governor of Puerto Rico, that the failure by the treasury of Puerto Rico to make a required transfer was for good cause, and notifies the Secretary of the Treasury of the finding of such good cause before the due date of the next cover over payment following the notification of nontransfer, then the Secretary of the Treasury shall not deduct the amount of such nontransfer from any cover over payment.

(C) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this paragraph, the term ''Puerto Rico Conservation Trust Fund'' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SEC. 301. EXTENSION OF DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES.

(a) IN GENERAL.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''June 30, 1999'' and inserting ''June 30, 2004''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section applies to articles entered on or after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(A) GENERAL RULE.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), any entry—

(i) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such entry had been made on June 30, 1999, and

(ii) that was made—

(I) after June 30, 1999, and

(II) before the date of enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—As used in this paragraph, the term ''entry'' includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefore is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry, or

(B) to reconstruct the entry if it cannot be located.

SEC. 302. ENTRY PROCEDURES FOR FOREIGN TRADE ZONE OPERATIONS.

(a) IN GENERAL.—Section 484 of the Tariff Act of 1930 (19 U.S.C. 1484) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR FOREIGN TRADE ZONE OPERATIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (3), all merchandise (including merchandise of different classes, types, and categories), withdrawn from a foreign trade zone during any 7-day period, shall, at the option of the operator or user of the zone, be the subject of a single estimated entry or release filed on or before the first day of the 7-day period in which the merchandise is to be withdrawn from the zone. The estimated entry or release shall be treated as a single entry and a single release of merchandise for purposes of section 13031(a)(9)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)(A)) and all fee exclusions and limitations of such section 13031 shall apply, including the maximum and minimum fee amounts provided for under subsection (b)(8)(A)(i) of such section. The entry summary for the estimated entry or release shall cover only the merchandise actually withdrawn from the foreign trade zone during the 7-day period.

''(2) OTHER REQUIREMENTS.— The Secretary of the Treasury may require that the operator or user of the zone—

''(A) use an electronic data interchange approved by the Customs Service—

''(i) to file the entries described in paragraph (1); and

''(ii) to pay the applicable duties, fees, and taxes with respect to the entries; and

''(B) satisfy the Customs Service that accounting, transportation, and other controls over the merchandise are adequate to protect the revenue and meet the requirements of other Federal agencies.

''(3) EXCEPTION.—The provisions of paragraph (1) shall not apply to merchandise the entry of which is prohibited by law or merchandise for which the filing of an entry summary is required before the merchandise is released from customs custody.

''(4) FOREIGN TRADE ZONE; ZONE.—In this subsection, the terms 'foreign trade zone' and 'zone' mean a zone established pursuant to the Act of June 18, 1934, commonly known as the Foreign Trade Zones Act (19 U.S.C. 81a et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date that is 60 days after the date of enactment of this Act.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE

SEC. 401. TRADE ADJUSTMENT ASSISTANCE.

(a) ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a), by striking ''June 30, 1999'' and inserting ''September 30, 2001''; and

(2) in subsection (b), by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(b) NAFTA TRANSITIONAL PROGRAM.—Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking ''the period beginning October 1, 1998, and ending June 30, 1999, shall not exceed $15,000,000'' and inserting ''the period beginning October 1, 1998, and ending September 30, 2001, shall not exceed $30,000,000 for any fiscal year''.

(c) ADJUSTMENT FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking ''June 30, 1999'' and inserting ''September 30, 2001''.

(d) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended by striking ''June 30, 1999'' each place it appears and inserting ''September 30, 2001''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on July 1, 1999.

TITLE V—REVENUE PROVISIONS

SEC. 501. MODIFICATION OF INSTALLMENT METHOD AND REPEAL OF INSTALLMENT METHOD FOR ACCRUAL METHOD TAXPAYERS.

(a) REPEAL OF INSTALLMENT METHOD FOR ACCRUAL BASIS TAXPAYERS.—

(1) IN GENERAL.—Subsection (a) of section 453 of the Internal Revenue Code of 1986 (relating to installment method) is amended to read as follows:

''(a) USE OF INSTALLMENT METHOD.—

''(1) IN GENERAL.—Except as otherwise provided in this section, income from an installment sale shall be taken into account for purposes of this title under the installment method.

''(2) ACCRUAL METHOD TAXPAYER.—The installment method shall not apply to income from an installment sale if such income would be reported under an accrual method of accounting without regard to this section. The preceding sentence shall not apply to a disposition described in subparagraph (A) or (B) of subsection (1)(2).''.

(2) CONFORMING AMENDMENTS.—Sections 453(d)(1), 453(i)(1), and 453(k) are each amended by striking ''(a)'' each place it appears and inserting ''(a)(1)''.

(b) MODIFICATION OF PLEDGE RULES.—Paragraph (4) of section 453A(d) of the Internal Revenue Code of 1986 (relating to pledges, etc., of installment obligations) is amended by adding at the end the following: ''A payment shall be treated as directly secured by an interest in an installment obligation to the extent an arrangement allows the taxpayer to satisfy all or a portion of the indebtedness with the installment obligation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or other dispositions occurring on or after the date of the enactment of this Act.

SEC. 502. LIMITATIONS ON WELFARE BENEFIT FUNDS OF 10 OR MORE EMPLOYER PLANS.

(a) BENEFITS TO WHICH EXCEPTION APPLIES.—Section 419A(f)(6)(A) of the Internal Revenue Code of 1986 (relating to exception for 10 or more employer plans) is amended to read as follows:

''(A) IN GENERAL.—This subpart shall not apply to a welfare benefit fund which is part of a 10 or more employer plan if the only benefits provided through the fund are one or more of the following:

''(i) Medical benefits.

''(ii) Disability benefits.

''(iii) Group term life insurance benefits which do not provide directly or indirectly for any cash surrender value or other money that can be paid, assigned, borrowed, or pledged for collateral for a loan.

The preceding sentence shall not apply to any plan which maintains experience-rating arrangements with respect to individual employers.''.

(b) LIMITATION ON USE OF AMOUNTS FOR OTHER PURPOSES.—Section 4976(b) of the Internal Revenue Code of 1986 (defining disqualified benefit) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR 10 OR MORE EMPLOYER PLANS EXEMPTED FROM PREFUNDING LIMITS.—For purposes of paragraph (1)(C), if—

''(A) subpart D of part I of subchapter D of chapter 1 does not apply by reason of section 419A(f)(6) to contributions to provide one or more welfare benefits through a welfare benefit fund under a 10 or more employer plan, and

''(B) any portion of the welfare benefit fund attributable to such contributions is

used for a purpose other than that for which the contributions were made,

then such portion shall be treated as reverting to the benefit of the employers maintaining the fund.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or accrued after June 9, 1999, in taxable years ending after such date.

SEC. 503. TREATMENT OF GAIN FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

(a) IN GENERAL.—Part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1259 the following new section:

''SEC. 1260. GAINS FROM CONSTRUCTIVE OWNERSHIP TRANSACTIONS.

''(a) IN GENERAL.—If the taxpayer has gain from a constructive ownership transaction with respect to any financial asset and such gain would (without regard to this section) be treated as a long-term capital gain—

''(1) such gain shall be treated as ordinary income to the extent that such gain exceeds the net underlying long-term capital gain, and

''(2) to the extent such gain is treated as a long-term capital gain after the application of paragraph (1), the determination of the capital gain rate (or rates) applicable to such gain under section 1(h) shall be determined on the basis of the respective rate (or rates) that would have been applicable to the net underlying long-term capital gain.

''(b) INTEREST CHARGE ON DEFERRAL OF GAIN RECOGNITION.—

''(1) IN GENERAL.—If any gain is treated as ordinary income for any taxable year by reason of subsection (a)(1), the tax imposed by this chapter for such taxable year shall be increased by the amount of interest determined under paragraph (2) with respect to each prior taxable year during any portion of which the constructive ownership transaction was open. Any amount payable under this paragraph shall be taken into account in computing the amount of any deduction allowable to the taxpayer for interest paid or accrued during such taxable year.

''(2) AMOUNT OF INTEREST.—The amount of interest determined under this paragraph with respect to a prior taxable year is the amount of interest which would have been imposed under section 6601 on the underpayment of tax for such year which would have resulted if the gain (which is treated as ordinary income by reason of subsection (a)(1)) had been included in gross income in the taxable years in which it accrued (determined by treating the income as accruing at a constant rate equal to the applicable Federal rate as in effect on the day the transaction closed). The period during which such interest shall accrue shall end on the due date (without extensions) for the return of tax imposed by this chapter for the taxable year in which such transaction closed.

''(3) APPLICABLE FEDERAL RATE.—For purposes of paragraph (2), the applicable Federal rate is the applicable Federal rate determined under 1274(d) (compounded semiannually) which would apply to a debt instrument with a term equal to the period the transaction was open.

''(4) NO CREDITS AGAINST INCREASE IN TAX.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the tax imposed by section 55.

''(c) FINANCIAL ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'financial asset' means—

''(A) any equity interest in any pass-thru entity, and

''(B) to the extent provided in regulations—

''(i) any debt instrument, and

''(ii) any stock in a corporation which is not a pass-thru entity.

''(2) PASS-THRU ENTITY.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) a trust,

''(F) a common trust fund,

''(G) a passive foreign investment company (as defined in section 1297 without regard to subsection (e) thereof),

''(H) a foreign personal holding company,

''(I) a foreign investment company (as defined in section 1246(b)), and

''(J) a REMIC.

''(d) CONSTRUCTIVE OWNERSHIP TRANSACTION.—For purposes of this section—

''(1) IN GENERAL.—The taxpayer shall be treated as having entered into a constructive ownership transaction with respect to any financial asset if the taxpayer—

''(A) holds a long position under a notional principal contract with respect to the financial asset,

''(B) enters into a forward or futures contract to acquire the financial asset,

''(C) is the holder of a call option, and is the grantor of a put option, with respect to the financial asset and such options have substantially equal strike prices and substantially contemporaneous maturity dates, or

''(D) to the extent provided in regulations prescribed by the Secretary, enters into one or more other transactions (or acquires one or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

''(2) EXCEPTION FOR POSITIONS WHICH ARE MARKED TO MARKET.—This section shall not apply to any constructive ownership transaction if all of the positions which are part of such transaction are marked to market under any provision of this title or the regulations thereunder.

''(3) LONG POSITION UNDER NOTIONAL PRINCIPAL CONTRACT.—A person shall be treated as holding a long position under a notional principal contract with respect to any financial asset if such person—

''(A) has the right to be paid (or receive credit for) all or substantially all of the investment yield (including appreciation) on such financial asset for a specified period, and

''(B) is obligated to reimburse (or provide credit for) all or substantially all of any decline in the value of such financial asset.

''(4) FORWARD CONTRACT.—The term 'forward contract' means any contract to acquire in the future (or provide or receive credit for the future value of) any financial asset.

''(e) NET UNDERLYING LONG-TERM CAPITAL GAIN.—For purposes of this section, in the case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

''(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

''(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

''(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

''(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

''(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.''.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 1260. Gains from constructive ownership transactions.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting ''in fields described in paragraph (2)(A)'' after ''services by such person'', and

(2) by inserting ''CERTAIN PERSONAL'' before ''SERVICES'' in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NONRECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.

''(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

''(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

''(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.''.

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

''(d) TRANSFERS OF INTANGIBLE PROPERTY.—

''(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

''(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking ''10 percent'' and inserting ''15 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 28, 2000.

Amend the title so as to read: ''To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.''.

REID AMENDMENT NO. 2336

Mr. REID proposed an amendment to amendment No. 2334 proposed by Mr. LOTT to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following new section:

SEC. ___. ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS.

Section 1211(d) of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note) is amended—

(1) in the second sentence, by striking ''180'' and inserting ''30''; and

(2) by adding at the end, the following new sentence: ''The 30-day reporting requirement shall apply to any changes to the composite theoretical performance level for purposes of subsection (a) proposed by the President on or after June 1, 1999.''.

HATCH AMENDMENTS NOS. 2337–2338

(Ordered to lie on the table.)

Mr. HATCH submitted two amendments intended to be proposed by him to amendment No. 2325 proposed by Mr. ROTH to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2337

On page 21, between lines 6 and 7, insert the following:

(d) HIV/AIDS EFFECT ON THE SUB-SAHARAN AFRICAN WORKFORCE.—In selecting issues of common interest to the United States-Sub-Saharan African Trade and Economic Cooperation Forum, the President shall instruct the United States delegates to the Forum to promote a review by the Forum of the HIV/AIDS epidemic in each sub-Saharan African country and the effect of the HIV/AIDS epidemic on human and social development in each country.

AMENDMENT NO. 2338

On page 21, at the end of line 23, insert the following: ''The report shall also include the President's recommendations for bilateral debt relief for sub-Saharan African countries and the President's recommendations for new loan, credit, and guarantee programs and procedures for such countries.''.

WELLSTONE AMENDMENT NO. 2339

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, H.R. 434, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. EVALUATION OF OUTCOME OF WELFARE REFORM AND FORMULA FOR BONUSES TO HIGH PERFORMANCE STATES.

(a) ADDITIONAL MEASURES OF STATE PERFORMANCE.—Section 403(a)(4)(C) of the Social Security Act (42 U.S.C. 603(a)(4)(C)) is amended—

(1) by striking ''Not later'' and inserting the following:

''(i) IN GENERAL.—Not later'';

(2) by inserting ''The formula shall provide for the awarding of grants under this paragraph based on criteria contained in clause (ii) and in accordance with clauses (iii) and (iv).'' after the period; and

(3) by adding at the end the following:

''(ii) FORMULA CRITERIA.—The grants awarded under this paragraph shall be based on the following:

''(I) EMPLOYMENT-RELATED MEASURES.—Employment-related measures, including work force entries, job retention, increases in earnings of recipients of assistance under the State program funded under this title, and measures of utilization of resources available under welfare-to-work grants under paragraph (5) and title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), including the implementation of programs (as defined in subclause (VII)(bb)) to increase the number of individuals training for, and placed in, nontraditional employment.

''(II) MEASURES OF CHANGES IN INCOME OR NUMBER OF CHILDREN BELOW HALF OF POVERTY.—For a sample of recipients of assistance under the State program funded under this title, longitudinal measures of annual changes in income (or measures of changes in the proportion of children in families with income below ½ of the poverty line), including earnings and the value of benefits received under that State program and food stamps.

''(III) FOOD STAMPS MEASURES.—The change since 1995 in the proportion of children in working poor families that receive food stamps to the total number of children in the State (or, if possible, to the estimated number of children in working families with incomes low enough to be eligible for food stamps).

''(IV) MEDICAID AND SCHIP MEASURES.—The percentage of members of families who are former recipients of assistance under the State program funded under this title (who have ceased to receive such assistance for approximately 6 months) who currently receive medical assistance under the State plan approved under title XIX or the child health assistance under title XXI.

''(V) CHILD CARE MEASURES.—In the case of a State that pays child care rates that are equal to at least the 75th percentile of market rates, based on a market rate survey that is not more than 2 years old, measures of the State's success in providing child care, as measured by the percentage of children in families with incomes below 85 percent of the State's median income who receive subsidized child care in the State, and by the amount of the State's expenditures on child care subsidies divided by the estimated number of children younger than 13 in families with incomes below 85 percent of the State's median income.

''(VI) MEASURES OF ADDRESSING DOMESTIC VIOLENCE.—In the case of a State that has adopted the option under the State plan relating to domestic violence set forth in section 402(a)(7) and that reports the proportion of eligible recipients of assistance under this title who disclose their status as domestic violence victims or survivors, measures of the State's success in addressing domestic violence as a barrier to economic self-sufficiency, as measured by the proportion of such recipients who are referred to and receive services under a service plan developed by an individual trained in domestic violence pursuant to section 260.55(c) of title 45 of the Code of Federal Regulations.

''(VII) DEFINITIONS.—In this clause:

''(aa) DOMESTIC VIOLENCE.—The term 'domestic violence' has the meaning given the term 'battered or subjected to extreme cruelty' in section 408(a)(7)((C)(iii).

''(bb) IMPLEMENTATION OF PROGRAMS.—The term 'implementation of programs' means activities conducted pursuant to section 134(a)(3)(A)(vi)(II) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(3)(A)(vi)(II)), placement of recipients in nontraditional employment, as reported to the Department of Labor pursuant to section 185(d)(1)(C) of such Act (29 U.S.C. 2935(d)(1)(C)), and the performance of the State on other measures such as the provision of education, training, and career development assistance for nontraditional employment developed pursuant to section 136(b)(2) of such Act (29 U.S.C. 2871(b)(2))).

''(cc) NONTRADITIONAL EMPLOYMENT.—The term 'nontraditional employment' means occupations or fields of work, including careers in computer science, technology, and other emerging high skill occupations, for which individuals from 1 gender comprise less than 25 percent of the individuals employed in each such occupation or field of work.

''(dd) WORKING POOR FAMILIES.—The term 'working poor families' means families that receive earnings at least equal to a comparable amount that would be received by an individual working a half-time position for minimum wage.

''(iii) EMPLOYMENT, EARNING, AND INCOME RELATED MEASURES.—$100,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States under this paragraph for that fiscal year based on the measures of employment, earnings, and income described in subclauses (I), (II), and (V) of clause (ii), including scores for the criteria described in those items.

''(iv) MEASURES OF SUPPORT FOR WORKING FAMILIES.—$100,000,000 of the amount appropriated for a fiscal year under subparagraph (F) shall be used to award grants to States

under this paragraph for that fiscal year based on measures of support for working families, including scores for the criteria described in subclauses (III), (IV) and (VI) of clause (ii).

''(v) LIMITATION ON APPLYING FOR ONLY 1 BONUS.—To qualify under any one of the employment, earnings, food stamp, or health coverage criteria described in subclauses (I), (III), or (IV) of clause (ii), a State must submit the data required to compete for all of the criteria described in those subclauses.

(b) DATA COLLECTION AND REPORTING.—Section 411(a) of the Social Security Act (42 U.S.C. 611(a)) is amended by adding at the end the following:

''(8) REPORT ON OUTCOME OF WELFARE REFORM FOR STATES NOT PARTICIPATING IN BONUS GRANTS UNDER SECTION 403(a)(4).—

''(A) IN GENERAL.—In the case of a State which does not participate in the procedure for awarding grants under section 403(a)(4) pursuant to regulations prescribed by the Secretary, the report required by paragraph (1) for a fiscal quarter shall include data regarding the characteristics and well-being of former recipients of assistance under the State program funded under this title for an appropriate period of time after such recipient has ceased receiving such assistance.

''(B) CONTENTS.—The data required under subparagraph (A) shall consist of information regarding former recipients, including—

''(i) employment status;

''(ii) job retention;

''(iii) changes in income or resources;

''(iv) poverty status, including the number of children in families of such former recipients with income below ½ of the poverty line;

''(v) receipt of food stamps, medical assistance under the State plan approved under title XIX or child health assistance under title XXI, or subsidized child care;

''(vi) accessibility of child care and child care cost;

''(vii) the percentage of families in poverty receiving child care subsidies;

''(viii) measures of hardship, including lack of medical insurance and difficulty purchasing food; and

''(ix) the availability of the option under the State plan in section 402(a)(7)(relating to domestic violence) and the difficulty accessing services for victims of domestic violence.

''(C) SAMPLING.—A State may comply with this paragraph by using a scientifically acceptable sampling method approved by the Secretary.

''(D) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to ensure that—

''(i) data reported under this paragraph is in such a form as to promote comparison of data among States;

''(ii) a State reports, for each measure, changes in data over time and comparisons in data between such former recipients and comparable groups of current recipients; and

''(iii) a State that is already conducting a scientifically acceptable study of former recipients that provides sufficient data required under subparagraph (A) may use the results of such study to satisfy the requirements of this paragraph.''.

(c) REPORT OF CURRENTLY COLLECTED DATA.—

(1) IN GENERAL.—Not later than July 1, 2000, and annually thereafter, the Secretary of Health and Human Services shall transmit to Congress a report regarding characteristics of former and current recipients of assistance under the State program funded under this part, based on information currently being received from States.

(2) CHARACTERISTICS.—For purposes of paragraph (1), the characteristics shall include earnings, employment, and, to the extent possible, income (including earnings, the value of benefits received under the State program funded under this title, and food stamps), the ratio of income to poverty, receipt of food stamps, and other family resources.

(3) BASIS OF REPORT.—The report under paragraph (1) shall be based on longitudinal data of employer reported earnings for a sample of States, which represents at least 80 percent of the population of the United States, including separate data for each of fiscal years 1997 through 2000 regarding—

(A) a sample of former recipients;

(B) a sample of current recipients; and

(C) a sample of food stamp recipients.

(d) REPORT ON DEVELOPMENT OF MEASURES.—Not later than July 1, 2000, the Secretary of Health and Human Services shall transmit to Congress—

(1) a report regarding the development of measures required under subclauses (II) and (V) of section 403(a)(4)(C)(ii) of the Social Security Act (42 U.S.C. 603(a)(4)(C)(ii)), as added by this Act, regarding subsidized child care and changes in income; and

(2) a report, prepared in consultation with domestic violence organizations, regarding the domestic violence criteria required under subclause (VI) of such section.

(e) EFFECTIVE DATES.—

(1) ADDITIONAL MEASURES OF STATE PERFORMANCE.—The amendments made by subsection (a) apply to each of fiscal years 2001 through 2003, except that the income change (or extreme child poverty) criteria described in section 403(a)(4)(C)(ii)(II) of the Social Security Act (42 U.S.C. 603(a)(4)(C)(ii)(II)) shall not apply to grants awarded under section 403(a)(4) of that Act (42 U.S.C. 603(a)(4)) for fiscal year 2001.

(2) DATA COLLECTION AND REPORTING.—The amendment made by subsection (b) shall apply to reports submitted in fiscal years beginning with fiscal year 2001.

ASHCROFT (AND OTHERS) AMENDMENT NO. 2340

Mr. LOTT (for Mr. ASHCROFT (for himself, Mr. DASCHLE, Mr. BAUCUS, Mr. BURNS, Mr. BROWNBACK, Mr. GRASSLEY, Mr. INHOFE, Mr. HARKIN, Mr. ROBB, Mr. CRAIG, Mr. DORGAN, Mr. LUGAR, Mr. HELMS, Mr. DURBIN, Mr. INOUYE, Mr. CONRAD, Mr. WYDEN, Mr. GORTON, Mr. THOMAS, Ms. COLLINS, Mr. ROBERTS, Mr. BINGAMAN, Mr. MCCONNELL, Mr. JOHNSON, Mr. FITZGERALD, Mr. GRAMS, Mr. ALLARD, Mr. HUTCHINSON, Mr. BOND, Mr. ENZI, and Mr. CRAPO)) proposed an amendment to amendment No. 2334 proposed by Mr. LOTT to the bill, H.R. 434, supra; as follows:

At the appropriate place, add the following:

SEC. . CHIEF AGRICULTURAL NEGOTIATOR.

(a) ESTABLISHMENT OF A POSITION.—There is established the position of Chief Agricultural Negotiator in the Office of the United States Trade Representative. The Chief Agricultural Negotiator shall be appointed by the President, with the rank of Ambassador, by and with the advice and consent of the Senate.

(b) FUNCTIONS.—The primary function of the Chief Agricultural Negotiator shall be to conduct trade negotiations and to enforce trade agreements relating to U.S. agricultural products and services. The Chief Agricultural Negotiator shall be a vigorous advocate on behalf of U.S. agricultural interests. The Chief Agricultural Negotiator shall perform such other functions as the United States Trade Representative may direct.

(c) COMPENSATION.—The Chief Agricultural Negotiator shall be paid at the highest rate of basic pay payable to a member of the Senior Executive Service.

HATCH AMENDMENTS NOS. 2341–2342

(Ordered to lie on the table.)

Mr. HATCH submitted two amendments intended to be proposed by him to amendment No. 2325 proposed by Mr. ROTH to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2341

On page 22, line 5, insert the following: ''The report shall include the President's recommendations regarding bilateral debt relief for sub-Saharan African countries and the President's recommendations for new loan, credit, and guarantee programs and procedures for such countries.''.

AMENDMENT NO. 2342

On page 22, between lines 5 and 6, insert the following new section:

SEC. 116. HIV/AIDS EFFECT ON THE SUB-SAHARAN AFRICAN WORKFORCE.

In selecting issues of common interest to the United States-Sub-Saharan African Trade and Economic Cooperation Forum, the President shall instruct the United States delegates to the Forum to promote a review by the Forum of the HIV/AIDS epidemic in each sub-Saharan African country and the effect of the HIV/AIDS epidemic on human and social development in each country.

REED AMENDMENTS NOS. 2343–2344

(Ordered to lie on the table.)

Mr. REED submitted two amendments intended to be proposed by him to the bill, H.R. 434, supra; as follows:

AMENDMENT NO. 2343

At the appropriate place, insert the following new section:

SEC. ___. MARKING OF IMPORTED JEWELRY.

(a) MARKING REQUIREMENT.—Not later than the date that is 1 year after the date of enactment of this Act, the Secretary of the Treasury shall prescribe and implement regulations that require that all jewelry described in subsection (b) that enters the customs territory of the United States have the English name of the country of origin indelibly marked in a conspicuous place on such jewelry by cutting, die-sinking, engraving, stamping, or some other permanent method to the same extent as such marking is required for Native American-style jewelry under section 134.43 of title 19, Code of Federal Regulations, as in effect on October 1, 1998.

(b) JEWELRY.—The jewelry described in this subsection means any article described in heading 7117 of the Harmonized Tariff Schedule of the United States.

(c) DEFINITION.—As used in this section, the term ''enters the customs territory of the United States'' means enters, or is withdrawn from warehouse for consumption, in the customs territory of the United States.

AMENDMENT NO. 2344

At the appropriate place, insert the following new section:

SEC. ___. MARKING OF IMPORTED JEWELRY BOXES.

(a) MARKING REQUIREMENT.—Not later than the date that is 1 year after the date of enactment of this Act, the Secretary of the Treasury shall prescribe and implement regulations that require that all jewelry boxes

described in subsection (b) that enter the customs territory of the United States have the English name of the country of origin indelibly marked in a conspicuous place on such jewelry boxes by cutting, die-sinking, engraving, stamping, or some other permanent method to the same extent as such marking is required for Native American-style jewelry under section 134.43 of title 19, Code of Federal Regulations, as in effect on October 1, 1998.

(b) JEWELRY.—The jewelry boxes referred to in subsection (a) are jewelry boxes provided for in headings 4202.92.60, 4202.92.90, and 4202.99.10 of the Harmonized Tariff Schedule of the United States.

(c) DEFINITION.—As used in this section, the term ''enter the customs territory of the United States'' means enter, or withdrawn from warehouse for consumption, in the customs territory of the United States.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, October 27, 1999, in open session, to consider the nominations of General Joseph W. Ralston, USAF, Vice Chairman of the Joint Chiefs of Staff to be commander-in-chief, U.S. Forces, Europe and Supreme Allied Commander, Europe; General Richard B. Meyers, USAF, commander-in-chief, U.S. Space Command to be Vice Chairman of the Joint Chiefs of Staff; General Thomas A. Schwartz, USA, Commander of U.S. Army Forces to be commander-in-chief, United Nations Command/Combined Forces Command/Commander, U.S. Forces, Korea; and General Ralph E. Eberhart, USAF, commander, Air Combat Command to be commander-in-chief, U.S. Space Command.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. LOTT. 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, October 27, 1999, to conduct a hearing on ''The Changing Face of Capital Markets: What Is the Impact of ECN's''

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, October 27, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 27, 1999 at 10:30 am and 3:00 pm to hold two hearings.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, October 27, 1999 at 9:00 a.m. to mark up pending legislation to be followed by a hearing on the Elementary and Secondary Education Act Reauthorization (ESEA).

The meeting/hearing will be held in room 485, Russell Senate Building.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, the Committee on the Judiciary requests unanimous consent to conduct a hearing on Wednesday, October 27, 1999 beginning at 10:00 a.m. in Dirksen Room 226.

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

SUBCOMMITTEE ON CRIMINAL JUSTICE OVERSIGHT

Mr. LOTT. Mr. President, the Committee on the Judiciary Subcommittee on Criminal Justice Oversight requests unanimous consent to conduct a hearing on Wednesday, October 27, 1999 beginning at 2:30 p.m. in Dirksen Room 226.

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

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Emerging Threats and Capabilities of the Committee on Armed Services be authorized to meet at 2:00 p.m. on Wednesday, October 27, 1999, in open and closed sessions, to receive testimony on the agricultural biological weapons threat to the United States.

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

ADDITIONAL STATEMENTS

HONORING THE LIFE OF JACK LYNCH

• Mr. DODD. Mr. President, earlier today, I learned of the passing of Jack Lynch, the former Prime Minister of Ireland. I was deeply saddened to hear of Prime Minister Lynch's passing and would like to reflect for just a few moments on his life and enormous contributions to peace in Ireland.

While Prime Minister Lynch's achievements were many, he is best remembered for encouraging a more tolerant Irish attitude toward British sovereignty in the Protestant-dominated North; a change in attitude that made the Good Friday peace accords possible. In 1969, during his tenure as Prime Minister, Jack Lynch showed remarkable restraint in his dealings with the North, resisting pressure from his party and many citizens of Ireland to send troops across the border to protect Catholics in Londonderry from attacks by Protestant paramilitaries and local police forces. This desire for peace further manifested itself in the late 1970s, when Prime Minister Lynch began traveling to Belfast to discuss peace with British officials. These efforts cumulated in a historic dialogue about peace and tolerance with then-British Prime Minister Margaret Thatcher, a dialogue which began the gradual process of trust-building necessary for a lasting peace.

Another reminder of the enduring achievements of Prime Minister Lynch is Irish membership in the European Union. In 1973, Ireland was a country with a failing economy, a high unemployment rate, and rampant emigration. In an effort to rekindle the faltering economy and reconnect Ireland with the European continent, Jack Lynch entered Ireland into the European Economic Community. Today, billions of dollars of European aid and investment have helped Ireland become one of the world's 25 wealthiest nations, unemployment has dropped to half the European Union average, and people are returning to their ancestral homes. It is mainly due to Prime Minister Lynch's foresight in negotiating Irish entry into the E.E.C. that this economic turnaround has occurred.

These accomplishments only begin to illustrate the many professional successes of Peter Lynch. He was a man who was able to look past historic prejudice and heat-of-the-moment emotions to bring individuals with very different viewpoints together in meaningful dialogue. He was a visionary who saw the need for economic modernization and was unafraid to seek help from his European neighbors. And, in the end, he was a leader. As current Irish Prime Minister Bertie Ahern has said, his firm leadership saw Ireland through a period of great turbulence and his outstanding work to gain Irish membership in the E.E.C. changed forever the way Ireland sees itself as a nation. And for this, Mr. President, people of Irish descent, such as myself, thank him.

THE PEOPLE'S CREED

• Mr. BENNETT. Mr. President, I submit for the RECORD the following document, written by one of my constituents, Mr. Terry Harris. The People's Creed, which Mr. Harris hopes will serve as a tool to those learning about the U.S. Constitution, is on display this week in the Utah State Capitol. I ask that it be printed in the RECORD.

The material follows:

THE PEOPLE'S CREED

(By Terry Harris)

The People's Creed, set forth in the United States of America, for the people of the United States of America and all those who desire and respect liberty, freedom, justice and the pursuit of happiness; on Sunday the fourth of July nineteen hundred and ninety-nine.

For this creed was written with the intention to include Every Woman, Man and Child

regardless of his or her race, content or creed, For we are all the people of the United States of America.

For together we stand proud as one nation under God, indivisible, with liberty and justice for all.

We the people of the United States of America (every woman, man and child/all nationalities to be included), share a foundation bound by democracy, freedom, justice, liberty and the pursuit of happiness. This foundation has caused us to be united as one nation under God.

We the people of the United States of America have been blessed and recognized with freedom of speech and of the press.

We the people of the United States of America understand that freedom has a price, and we must maintain that which was set forth by the founding fathers of this great country and by those who have paid the ultimate price for freedom.

We the people of the United States of America must respect the laws of this great nation, and when we find ourselves outside of this realm, must act swiftly to make necessary corrections.

We the people of the United States are protected against unreasonable search and seizure.

We the people of the United States of America are all subject to due process of law and equal protection of the law.

We the people of the United States of America are protected against excessive bail and cruel and unusual punishment.

We the people of the United States retain all rights not specifically granted to the States or by the Constitution.

We the people of the United States of America recognize that slavery is wrong and hereby denounce and abolish it.

We the people of the United States of America (woman & man) have been granted the right to vote, regardless of race, color or previous condition of servitude.

We the people of the United States of America understand that this country may not be without faults, yet we will strive to do the best that we can to ensure the right to democracy, freedom, justice, liberty and the pursuit of happiness for all to enjoy.

We the people of the United States of America realize that this country is made up of different cultures, sexes beliefs and religions that may not necessarily be our own; however, we must respect and practice tolerance for one another. For it is diversity that serves as an important link which holds the foundation of this great country together.

We the people of the United States of America hold at the very core of our foundation that democracy is vital and necessary for the people and by the people. For democracy must never be threatened by forces from within or without these United States of America.

From the pages of the Magna Carta, to Puritan New England let liberty ring.

From the Virginia House of Burgesses, to the Washington Monument let liberty ring.

Let liberty ring from Williamsburg to Philadelphia.

From the waters of the Delaware to the Golden Gate Bridge, let liberty ring.

From the sparkling, sandy beaches of Miami to Stone Mountain Georgia, let liberty ring.

From the green pastures of New Hampshire, to the deserts of Arizona, let liberty ring.

From Alabama to Alaska, let liberty ring.

From the Oregon forests to the New Mexico desert, let liberty ring.

From the flat lands of Indiana, to the farm lands of Arkansas, let liberty ring.

From the Colorado Rocky Mountains to the clear Connecticut waters, let liberty ring.

From Seattle to Independence Hall, let liberty ring.

From the Florida Atlantic to the shores of Hawaii, let liberty ring.

From Stone Mountain Georgia to Mt. Rushmore, let liberty ring.

From the Iowa Woodlands to the mighty Missouri River, let liberty ring.

From the Bluegrass Heartlands of Kentucky, to the Flint Hills of Kansas, let liberty ring.

From the potato fields of Idaho, to the dairy lands of Iowa, let liberty ring.

From the golden country side of Kansas to Bourbon Street, let liberty ring

Let Liberty ring from Freedom Trail Boston to Old town Alexandria.

From the cold waters of Maine to the green Montana mountains let liberty ring.

From the great lakes of Michigan to the mighty Mississippi River, let liberty ring

From Historic New Jersey to the Statue of Liberty let liberty ring.

From the sandy mountains of New Mexico to the Alamo, let liberty ring

Let Liberty ring from Industry, Ohio to the steel mills of Pittsburgh.

From the banks of Rhode Island to the historic Carolinas let liberty ring.

From Baltimore's inner harbors to Minnesota's Thousand lakes, let liberty ring.

From the subtly colored sandstones of Wisconsin to Mustang, Wyoming, let liberty ring.

Let liberty ring out from Apollo 13 to the Space Shuttle.

From the heart of Rock-n-roll to the soul of Jazz, let liberty ring.

My Country tis of thee, sweet land of liberty; of thee I sing. Land where my fathers died, land of every one's pride, from every mountain side let liberty ring.

For I am proud to be an American. I will do my best to give my fellow American my honor and my respect. When my fellow American is in need of a helping hand, it is I who must reach out. For it is I who must respect nature that God has placed for all to enjoy, for we must live with nature as one.

May the mercy of liberty, democracy, freedom and the pursuit of happiness echo throughout the world, making this land yours and mine for generations to come.

May God have mercy upon the United States of America and all that lie within.●

IN RECOGNITION OF THE 50TH ANNIVERSARY OF THE MICHIGAN REHABILITATION ASSOCIATION

● Mr. LEVIN. Mr. President, I rise today to pay tribute to the Michigan Rehabilitation Association, a remarkable organization from my home state of Michigan, which will celebrate its 50th Anniversary on November 1, 1999.

Over the past five decades, the Michigan Rehabilitation Association (MRA) has proudly worked to meet the needs of Michigan's disabled community. While beginning as a professional association for rehabilitation practitioners, it has quickly grown into one of Michigan's leading advocates for the welfare and rights of handicapped people. While its scope and purpose have evolved, its members have remained steadfastly committed to excellence in the delivery of services to the disabled.

Since its inception in 1949 as the country's first state chapter of the National Rehabilitation Association, the MRA's far-reaching hand has helped thousands of Michigan's citizens achieve a higher quality of life. As it celebrates this important milestone, I am sure its staff, friends and supporters will have the opportunity to recall its many successes. I am pleased to join with them in thanking the people of the Michigan Rehabilitation Association for their efforts while applauding all the hard work and determination that have resulted in the MRA's prestigious reputation.

The Michigan Rehabilitation Association can take pride in the many important achievements of its first fifty years. I know my colleagues will join me in saluting the accomplishments of MRA's first half century and in wishing it continued success for the future.●

RED MASS HOMILY

● Mr. ASHCROFT. Mr. President, on Sunday, October 3, 1999, the Most Reverend Raymond J. Boland, Bishop of the Kansas City-St. Joseph area of Missouri, delivered the homily at the Red Mass held at St. Matthew's Cathedral in Washington, DC. The Red Mass traditionally marks the opening of the Supreme Court's new term. In his address, Bishop Boland discusses the idea of having cooperative dialog between the Church and State in their mutual search for justice and respect.

I ask to have printed in the RECORD the text of the homily given by Bishop Raymond J. Boland.

The text follows.

HOMILY: 1999 RED MASS

(St. Matthew's Cathedral, Washington, DC, Sunday, October 3, 1999, Most Reverend Raymond J. Boland, D.D., Bishop of Kansas City-St. Joseph, Missouri)

I am grateful to Cardinal Hickey for his gracious invitation to give the homily at this 47th annual Red Mass. Another legal year, the last of this century, is about to begin and conscious of our fallibilities we gather in prayer to beg God's Spirit to give us understanding, courage, forbearance and, above all else, wisdom. I am also grateful to the John Carroll Society for sponsoring this annual event once again. John Carroll, the first Roman Catholic Bishop of the Republic, played a significant part in defining the role of the church in an infant nation where religion would have freedom but not state sponsorship. John's brother, Daniel, signed the Constitution which gave political and legal shape to what is now the United States.

Because of a certain anniversary which occurs this year, I would like to think that a fuller acceptance of the dignity of the human person may lead to a more productive understanding of the relationship between church and state in this country and elsewhere. It augurs well for our individual freedoms but it is also a delicate balance which may be in jeopardy.

This year marks the 350th Anniversary of the Toleration Act of 1649, a significant development for its time which boldly reaffirmed the right of religious and political freedom in the Maryland colony. Many of you are familiar with the monument at St. Mary's City, the first capital of the future state, which symbolically depicts a man with uplifted countenance emerging from the confining stone from which he is sculpted. At his feet three words are carved, Freedom of Conscience.

The Edict of Toleration provided, ''No person shall from henceforth be in any ways troubled . . . for or in respect of his or her religion nor in the free exercise thereof within this Province nor any way be compelled to the belief or exercise of any other against his will.'' (Their Rights and Liberties, Thomas O'Brien Hanley, S.J. p. 115)

When Jesus enunciated his oft-quoted judgment, ''Give to Caesar what is Caesar's, but give to God what is God's.'' (Luke 20:25) Luke tells us that his response ''completely disconcerted'' his audience ''and reduced them to silence.'' (Luke 20:26) Over the centuries we have not remained silent but we have continued to remain perplexed. Couched in terms of black and white the principle is one for the ages but its complexity intensifies as its application uncovers a multiplicity of details. All people of faith are citizens and most citizens are people of faith. Avowed atheists may not believe in God or any god, as Bishop Fulton Sheen used to quip, ''they have no invisible means of support,'' but it can be argued that their secularized or humanistic self-sufficiency constitutes a belief system of some sort. The predicament is obvious. The church-goer pays taxes. A devout Christian can be passionately patriotic. Among our citizens are Jews, Muslims, Hindus, Buddhists and adherents of many other religions, all of whom wish to practice their faith in freedom and many of whom honor forebears who came to this country precisely for that reason. According to reputable opinion polls the vast majority of Americans believe in God, pray with some frequency and articulate their sincerely-held beliefs by following rituals and disciplines promoted by their respective churches. These same people are also participants in the political process. They vote, they seek political office, they express their opinions, they establish forums to give wider circulation to their political philosophies. There is absolutely no way they can prevent the influence of their religious beliefs from coloring their public attitudes and forming their political convictions. Indeed, churches as a whole, convinced that they have much which is positive to contribute to the public debate, expect their members to bring their cultural and religious values to the various arenas where ideas are being generated and laws being honed. The church, no less than the state, seeks to meet the challenges of a society where sociological and technological change seems to be constantly outpacing our human capacity to keep it within the bounds of comprehension not to mention control.

There is another dimension to this reality which is even more important because it comes closer to the cutting edge. Many citizens, whether they be religious or not, only participate in the public debate in a limited way. But we are concerned with the other end of the spectrum—the lawyers, the judges, the legislators who devote their lives to enacting and interpreting laws and who will naturally do so within the context of their own inherited and acquired religious convictions. When they enter statehouses and courtrooms they cannot leave their consciences along with their coats in the cloakroom. Not all matters are charged with ethical or moral overtones but those which are of most concern to our populace—rights and liberties, life and death, war and peace, affluence and poverty, personal freedom and the common good—are so interlaced with cultural, religious, scientific and legal implications that wisdom in all its personifications is called for.

Is it possible to hope that, as we enter a new millennium, church and state in our land, and even the international world, may all subscribe to a synthesis of basic principles which guarantee freedom for all while equally protecting the rights of believers and unbelievers? Have we been moving in that direction? Surely such an outcome is desirable. Church and state have a lot in common in their mutual search for justice, in promoting respect for all just laws, in their concern for the common good and this, of necessity, includes such important areas as education, health care and social services.

It is difficult to assess what influence Maryland's Edict of Toleration had on the framers of the Constitution. The Establishment Clause and, later on, the Free Exercise Clause have achieved a hallowed place in our national psyche even though many modern scholars detect inconsistencies in their application and some straying from their authors' intention in their interpretation. History certainly indicates that Congress adopted the two religion clauses as protection for religion, not protection from religion. English teachers constantly warn their students that analogies and metaphors should not be pushed too far. Thomas Jefferson's famous ''Wall of Separation'' metaphor may have suffered this over extension, something certainly not supported by a complete examination of his legal philosophy nor of the Constitution itself. The phrase has become a mantra. How high the wall? How impenetrable? Nobody denies the need for separation but such does not exclude cooperation. This vital area of constitutional law has experienced many twists and turns in its two centuries of history and more cases are winding their way upwards from lower courts. Maybe we need the equivalent of what manufacturers call R and D, Research and Development, to discover where we've been and to propose new ways of legally facilitating those who work with Caesar and walk with God. Instead of tanks and guns and land mines, maybe we have a great opportunity to offer the world a legal system which guarantees elementary human rights and yes, religious rights, and as a result, the potential for peace, justice and economic growth. We may even get to the stage when the words of Deuteronomy will be applied to us, ''this great nation is truly a wise and intelligent people.'' (Deut. 4:6).

In the last century the Church has made extraordinary strides in its own understanding of pluralism, religious freedom and political liberty. It was not easy because theocracies dominated the scene in the western world for so many centuries. The demise of the Holy Roman Empire and the disappearance of the Papal States gave the Church both an opportunity and a challenge to speak to the world with moral authority unfettered and unprotected by armies, navies or nuclear weapons.

The high point of this new attitude was enshrined in one of the shortest documents of the Second Vatican Council, that world-wide meeting of Catholic Bishops in Rome in the mid-sixties. The document, known as Dignitatis Humanae, the Declaration on Religious Liberty, was promulgated by Pope Paul VI in December, 1965 after five drafts and two years of vigorous debate. Called by the Pope ''one of the major texts of the Council'' it began with the felicitous observation, ''contemporary man is becoming increasingly conscious of the dignity of the human person'' (Dignitatis Humanae, 1). It is no secret that one of the most influential framers of this document was the American Jesuit, John Courtney Murray, who brought with him to the Vatican a deep understanding and a genuine admiration for the guarantees established by the United States Constitution and Bill of Rights. It may have been indirect but there is no doubt that the American experience, dating back to the Toleration Act of 1649, found a responsive echo in St. Peter's Basilica.

If there was any question about this new initiative it was resoundingly dispelled by our new Pope, John Paul II, in 1979 during the very first year of his pontificate. Here was a man whose only fellow seminarian was snatched in the night and executed by the Gestapo precisely because he was a Catholic seminarian. Here was a priest and bishop who later prevailed over the disabilities imposed upon him and his flock by an atheistic Communist regime.

In his papal letter Redemptor Hominis, John Paul II would recall and reaffirm that Vatican Council document and again declare that the right to religious freedom together with the right to freedom of conscience is not only a theological concept but is one also ''reached from the point of view of natural law, that is to say, from the purely human position, on the basis of the premises given by man's own experience, his reason and his sense of human dignity.'' (Redemptor Hominis, 17)

For over 20 years, on every continent, again and again the Holy Father has stressed that the human dignity of each individual is the basis for all law.

Within the last year, in his New Year's message, addressing people of good will everywhere the Pope reiterated his conviction that ''when the promotion of the dignity of the human person is the guiding principle and when the search for the common good is the overriding commitment'' (World Day of Peace Message, 1999, 1) the right to life, to religious freedom, of citizens to participate in the life of their community, the right of ethnic groups and national minorities to exist along with those rights to self-fulfilment covering educational, economic and peace issues become possible.

The Universal Declaration of Human Rights, intimately associated with the United Nations Charter, affirms the innate dignity of all members of the human family along with the equality and inalienability of their rights. Even though these ideals are being blatantly ignored in many places across the globe, here in this land we must not ignore the unique opportunity we have to solidify the principle enunciated and developed by our leaders of both church and state that ''human rights stem from the inherent dignity and worth of the human person.'' (Cf. In particular the Vienna Declaration, 1993 Preamble 2).

Crafting principles is easy in comparison to applying them to the extraordinary complexities of modern life. Mistakes have been made in the past. On the part of the Church there have been excesses of evangelistic zeal: in the halls of justice nobody seems proud of the Dred Scott decision. We live in an imperfect world and we are not all pious God-fearing and timid law-abiding clones.

There will always be tension between church and state. This tension, in many ways, creates a safety valve. It is, after all, when this tension disappears that we should worry.

In the enactment and administration of civil laws, people of faith do not expect privileges but they do expect fairness. George Orwell in his classic, Animal Farm, coined the phrase that ''all animals are created equal but some are more equal than others.'' Is there a danger that the devotees of secularism are ''more equal'' than those who are proud of the faith they profess? Do secular symbols enjoy more protection than religious symbols? In every age there are some who would like to have religion disappear. As religion has proven itself remarkably durable, the next line of attack is the attempt to trivialize it into insignificance. It seems incredible but now and again there are those who maintain that believers have no right to engage in the public debate.

''To accept the separation of the church from the state did not mean accepting a passive or marginal status for the Church in society''. (Responsibilities and Temptations of Power: A Catholic View. J. Bryan Hehir, Georgetown University.)

The church by definition has a theological foundation but it is also a voluntary association within our society with much to say about social policies. It should be accorded the same rights in the public debate as associations which profess no theological leanings.

Even Pope John Paul II expressed his apprehension on this matter when he accepted the credentials of one of the esteemed John Carroll Society members, Lindy Boggs, as the United States Ambassador to the Holy See, a year ago. On that occasion he declared, ''It would truly be a sad thing if the religious and moral convictions upon which the American experiment was founded could now somehow be considered a danger to free society, such that those who would bring these convictions to bear upon your nation's public life would be denied a voice in debating and resolving issues of public policy. The original separation of church and state in the United States was certainly not an effort to ban all religious conviction from the public sphere, a kind of banishment of God from civil society. Indeed, the vast majority of Americans, regardless of their religious persuasion, are convinced that religious conviction and religiously informed moral argument have a vital role in public life.''

Religion will endure. Christianity, for one, has its own inner guarantees revolving around the presence of God's Spirit and the promises of Christ. They are doomed to disappointment who constantly predict that the unfolding discoveries of the many scientific disciplines will make religion obsolete or, at best, the hollow consolation of the feeble-minded. On the contrary, the more we reveal the mysteries of the universe in which we live, and decipher the minutiae of human existence, the more we come face to face with the creativity of God. We can partially answer the ''hows'' and the ''whens'' and the ''whats'' but at the end of the day, there is still the ''why''?

My accent always betrays my origins and on July 12, 1965 I became an American citizen in the court house of Upper Marlboro, Maryland, which, coincidentally, is the town where John Carroll was born. I willingly promised to uphold the laws of the United States and I acquired the freedom and, indeed, the expectation to be part of the process which monitors, implements and sometimes modifies those laws. During these past thirty something years of my citizenship I have observed the Constitution endure some severe pressures and, by and large, I agree with the national consensus that ''the system works''. There is no substitute for the rule of law.

Across the impressive facade of the Supreme Court Building are the words ''Equal Justice Under Law.'' If I were the architect I would have been tempted to add two further words, ''For All.'' Criminals should fear the law: good people whose means are meager should not be intimidated by either the law itself or the wealth of those who can retain a bevy of high-profile lawyers. Claims are sometimes made that those on the lowest rungs of the economic ladder rarely have access to adequate legal representation. It is for this reason that I wish to commend those legal firms and individual lawyers who, through various pro bono networks, seek to alleviate this shortcoming. They bring a nobility to their profession which is beyond value and it is often the only antidote to the popular cynicism which is foisted upon lawyers in general.

As we usher in a new millennium, and as the world shrinks around us, we have much to learn from each other. The Church and the state must protect the freedom and the integrity of one another within their respective spheres of competence, and where there is overlapping, the dialogue must be marked by, as one scholar suggested, (J. Bryan Hehir) technical competency, civil intelligibility and political courtesy. In this way the 350 year old vision of the Toleration Act of 1649 will endure.●

IN TRIBUTE TO RONALD DOBIES' INDUCTION TO THE NEW JERSEY ELECTED OFFICIALS HALL OF FAME

● Mr. TORRICELLI. Mr. President, I rise today to recognize Mayor Ronald Dobies of Middlesex Borough on his induction into the New Jersey Elected Officials Hall of Fame. After nearly 30 years in public service Mayor Dobies was inducted last January. He was first elected Mayor in 1979, and he has been re-elected four times since. Prior to this service, Mayor Dobies was a member of the school board for six years, as well as a four-year member of the Borough Council.

Through these years, Mayor Dobies' administrations have grappled with some basic suburban dilemmas, such as preserving open space while attracting development and keeping municipal services up and taxes down. Among his accomplishments, Mayor Dobies has secured flood-control measures and ongoing road projects, increased park and recreation areas, and overseen the construction of the borough's Senior Citizen Housing complex.

Mayor Dobies is originally from Scranton, Pennsylvania, and attended the University of Scranton. He graduated with a degree in chemistry and philosophy, and ultimately joined basic training at Fort Gordon in Augusta, Georgia. After serving in the military police corps overseas, Ronald and his wife Blanche returned to the United States.

Mayor Dobies has added to his impressive record of community service by demonstrating his abilities in the business world as well. He is currently the Director of Analytical Research for Wyeth-Ayerst Research in Pearl River, New York. While this job is a full-time one, he still finds the time to devote between 30 and 40 hours each week to his responsibilities as Mayor. Each Friday night, Mayor Dobies hosts meetings with his constituents, a tradition he began during his first term. Mayor Dobies has won the respect of both Republicans and Democrats in his borough, and his non-contentious style has promoted a successful bipartisan spirit at all levels of government in Middlesex Borough. This December, Mayor Dobies will conclude his fifth term, and he hopes to return for a sixth next year. I look forward to his continued service in this office, and I extend my congratulations to him on his honor by the New Jersey Elected Officials Hall of Fame.●

WORKER SAFETY AWARD FOR FORT JAMES MILL OF OLD TOWN

● Ms. SNOWE. Mr. President, I am pleased to announce that this past June 2, 1999, the Fort James Corporation Paper Mills 2 was recognized for its impressive safety record of performance for the entire year of 1998. The award was presented by the Pulp & Paper Association, which honored the St. James Mill at its Awards Banquet at the Association's annual Professional Development Conference in St. Petersburg, Florida.

The award is the highest honor given for safety performance throughout the paper industry, and reflects the most improved safety record in the class of 56 mills working between one and to two million hours per year. Mr. President, the mill logged over 1.3 million work hours with an extremely low incidence of Occupational Safety and Health Administration (OSHA) recordable work injuries—only 21, yielding an exemplary incident rate of 3.2. This incident rate reflects that very few employees required any type of medical attention while carrying out their demanding jobs.

Further, in light of their accomplishments on behalf of the safety of the community and its people, the City of Old Town issued a resolution to the Fort James Corporation honoring its employees for their outstanding commitment. And at a follow-up picnic, mill employees were given a true Maine ''thank you'' as mill management, along with corporate environmental and safety leaders as well as local officials, helped out in cooking and serving a Celebration Picnic to all of the mill's employees. Each employee was also presented with a gift in recognition of the worker safety accomplishments.

To the entire workforce and management at the Fort James Mill, I would like to add my congratulations and a sincere Maine thank you as well for their efforts in worker safety that have culminated in this well deserved award, and I thank the Chair.●

10TH ANNIVERSARY OF THE VERMONT DEVELOPMENT CREDIT UNION

● Mr. LEAHY. Mr. President, 10 years ago, Caryl Stewart, Executive Director of the Vermont Development Credit Union, had a dream for a grass roots community development ''bank'' to serve low and moderate income people in Burlington, Vermont. Who would have guessed them that her dream would become a growing credit union with over $10 million in assets and 5,000 members in 175 Vermont towns?

Through it all, the credit union, with Caryl at its helm, has stayed true to its vision of serving lower income families and small business entrepreneurs in Vermont. Not just with loans, but also with the personal attention and counseling needed to ensure that loan

recipients succeed, whatever their goals. It is that commitment to Vermonters and the communities they live in that has won the Credit Union the support and patronage of so many Vermont businesses and organizations.

It has also won the organization support from far beyond Vermont's borders. From Fannie Mae to the Community Development Financial Institutions program the Vermont Development Credit Union has received funding and won national recognition for its innovative lending and support programs.

Vermont Development came from very small beginnings in a very small city of our very small State. But like that State, it had very big ideas and has earned its place as a model for organizations providing credit and financial assistance to low and moderate income people throughout the country.

Happy Birthday, Vermont Development Credit Union and congratulations on 10 years of bringing hope and opportunity to thousands of Vermonters.●

THE CONSTITUTION IN TODAY'S CLASSROOM

● Mr. CRAIG. Mr. President, I rise today to discuss an important matter brought to my attention by one of my constituents. I recently received a letter from G. Ross Darnell, and he pointed out the importance of educating our students about the Constitution. In his letter, though, he also mentioned that our educational system has not been performing well in this area. I agree with Mr. Darnell on both points.

The importance of education in preserving our liberties has been realized since the founding of our Republic. In 1787, Thomas Jefferson wrote to James Madison with his reflections on the new Constitution. In that letter he said, ''I hope the education of the common people will be attended to; convinced that on their good sense we may rely with the most security for the preservation of a due degree of liberty.'' Jefferson knew if the people were not aware of the freedoms guaranteed by the Constitution they would be powerless to stop any encroachments upon them. I'm sure Mr. Jefferson would be quite alarmed at the state of ignorance today.

While it is a cliche that a generation always finds faults with the one which follows, there is no denying that in terms of constitutional knowledge, the level of ignorance is severe. A poll of teenagers last year illustrates this. Only forty-one percent could name the constitutionally ordained branches of our government, only twenty-one percent could say that there were one hundred senators, and only thirty-six percent knew one of the most important phrases in our nation's history: ''We the People . . .'' These teenagers are moving into adulthood, but they are not taking with them a knowledge of our nation's Constitution.

It is undeniable that our educational system has failed to address this deficiency. Many experts have documented the fact that most textbooks do not devote a sufficient amount of space to exploring the Constitution and the ideas and personalities which shaped it. Even the national history standards proposed a few years ago failed to address adequately the importance of this document. The Constitution, along with the Declaration of Independence, is the very foundation upon which our nation is built. To not devote sufficient space in textbooks or time in class to it is a tragedy not only for students but also for the nation.

It's also troubling to note that when constitutional history is discussed today, the Founding Fathers are portrayed as racist, sexist elitists. This caricature of the Founders, which fails to take into account how the Constitutional Convention tried to balance the idealism of the Declaration of Independence with the political realities of the day, is only abetted by the shallowness of the constitutional teaching in our schools. How can students weigh the competing claims in this important debate when they don't even know what is in the Constitution?

How should this deficiency be addressed? I'm not here to suggest another federal program which would impose standards on the state and local school districts. I have long believed that curriculum is best determined by local school boards which are much closer to the people than we are here in Washington, D.C. Instead, I am today using this opportunity in the United States Senate to urge my colleagues to support states, school districts, and teachers beginning a wholesale effort to renew in our youth a respect and knowledge for the Constitution. Our young people need to know the rights guaranteed by this seminal document. As Thomas Jefferson said, our liberties may depend on it.●

CLEANER GASOLINE AND CLEANER AIR FOR CHICAGO

● Mr. DURBIN. Mr. President, I want to take this opportunity to applaud BP/Amoco for its decision to provide cleaner gasoline to the Chicago Metropolitan Area. BP/Amoco recently announced that it will begin offering lower sulfur premium gasoline immediately and that it intends to provide lower sulfur gasoline in all three grades by 2001—three years ahead of the requirement for lower sulfur gasoline proposed by EPA.

The average sulfur content of gasoline sold in Chicago today is approximately 300 ppm. BP/Amoco's decision will reduce the sulfur content in its gasolines to 30 ppm. As a cosponsor of legislation to cap the sulfur content of gasoline—S. 172, the Clean Gasoline Act of 1999—I believe reducing sulfur levels in gasoline is an extremely cost-effective way to improve our nation's air quality.

It is estimated that when fully implemented, lower-sulfur gasoline offered by BP/Amoco will reduce nitrogen oxide emissions—one of the precursors to the formation of ozone—by about 3 tons per day. That is the equivalent of removing 70,000 cars from Chicago's highways every day.

BP/Amoco's decision to voluntarily reduce the sulfur content of gasoline sold in Chicago means cleaner, healthier air for the residents of the Chicago metropolitan area. It demonstrates again that when we work together we can ensure continued economic growth and protect our environment.●

GOVERNOR'S COMMISSION ON WOMEN 35TH ANNIVERSARY CELEBRATION

● Mr. JEFFORDS. Mr. President, today I rise to celebrate women in my home state of Vermont. It gives me great pleasure to speak in recognition of the Governor's Commission on Women of Vermont and to acknowledge their 35th anniversary.

Over the last 35 years, the Governor's Commission on Women has accrued a long list of achievements in the state of Vermont. It is a vibrant and healthy organization, dedicated to ensuring that women's rights, health, life choices, careers and community service are in sharp focus for policymakers and citizens alike. Commission members know how to use their strength of advocacy to empower women and raise the profile and scope of key issues. To highlight a recent endeavor, the Commission made it a priority to give all Vermonters a better understanding of their health benefits by offering a series of educational materials on managed care plans.

I have often said that community service is the cornerstone of democracy and I believe that each citizen has a responsibility to contribute to their community. The Governor's Commission on Women does just this, by addressing the pressing matters of concern throughout the state, such as poverty, child care and pay equity. For over three decades the Commission has taken on the ''tough to tackle'' issues. I was very pleased to partner with women's groups across Vermont, including the Commission, in the fight to ratify the Equal Rights Amendment. Although we suffered defeat on this particular issue, we knew we were successful in championing the message of equal rights.

Through a combination of their hard work, commitment and vision, the Vermont Commission has surpassed all expectations and created new, and I believe lasting, community partnerships. I am proud of what they have been able to achieve and I hope that others throughout the state and nation will look to the Commission's accomplishments and be inspired to act as resourcefully.

I have made it a personal priority to support the Commission's efforts to reach their goals and, because I am

committed to raising awareness at the federal level about the needs of women, I rely upon them for guidance. From a woman's right to make her own reproductive health choices, to supporting efforts to thwart domestic violence, to addressing the life quality issue of retirement security, I have had the opportunity to listen, to learn and to act on each of these issues in Congress. I encourage my colleagues to forge the same relationship of mutual reliance with any organization representing women in their respective states. I firmly believe that we can never shy away from efforts to understand, and eventually ameliorate the impacts of discrimination, low wages and lack of opportunities.

I extend my best wishes to the Governor's Commission on Women and to honor their very notable accomplishments over the past 35 years.●

CHILDREN WITH BRACHIAL PLEXUS INJURIES

● Mr. GRASSLEY. Mr. President, I rise today to discuss an issue which affects children across the country.

Brachial plexus injuries (BPI), also known as Erb's palsy, occur when the nerves which control the muscles in the shoulders, arms and hands are injured. Any or all of the nerves which run from the spine to the arms and hands may be paralyzed. Often this injury is caused when an infant's brachial plexus nerves are stretched in the birth canal.

What is devastating about BPI is that the children will have paralyzed arms and hands which may be misshapen or extending out from the body at unnatural angles. This can retard a child's physical development, making everyday tasks such as coloring, drawing, dressing and going to the bathroom, which their peers can perform with no trouble, almost impossible. The feeling in the children's arms and hands is similar to how a non-paralyzed person's arm feels when he or she sleeps on it. This numbness leads to more serious injuries—toddlers and young children will accidentally or purposely burn or mutilate themselves because they lack feeling in their extremities. Some children can undergo expensive surgery and therapy and, though never fully recovering, can regain some normal function of their arms and hands. However, many children suffer permanent, debilitating paralysis from which they never fully recover.

On Thursday, October 21, I sponsored a meeting between members of the United Brachial Plexus Network (UBPN), surgeons, occupational therapists and experts from the Social Security Administration to discuss why so many families with children with brachial plexus injuries were being turned down for Supplemental Security Income despite seeming to meet the qualifications for such payments as laid out in the Social Security Administration handbook.

The Social Security Administration gave a presentation explaining the statutory qualifications for receiving SSI. Their presentations were followed by presentations by surgeons and therapists explaining how children with BPI function and why they feel children paralyzed by BPI should be eligible for SSI payments because of their disability.

Most moving were the presentations made by children with BPI and parents of BPI children. These courageous people talked about their daily lives and the difficulties children with BPI must endure in attempting to perform everyday tasks.

I want to commend UBPN board member Kathleen Kennedy from my home state of Iowa, Iowa State Senator Kitty Rehberg and Sharon Gavagan, who also sits on the board for UBPN, for their hard work and dedication in organizing the meeting between the UBPN and the Social Security Administration. I want to thank the surgeons and therapists who traveled from Texas to make presentations. I also want to commend Susan Daniels, Kenneth Nibali of the Social Security Administration and the experts from SSA for their willingness to travel from Baltimore to participate in the meeting. I am encouraged by their willingness to consider issuing new guidelines to the personnel in the SSA field offices regarding brachial plexus injuries.

We must work to ensure that everyone who meets the guidelines for receiving SSI has the opportunity to apply for the benefits and be given a fair hearing. I look forward to seeing the new guidelines from SSA, and I am eager to continue working with the Social Security Administration on this issue.●

SEQUENTIAL REFERRALS—S. 225 AND S. 400

Mr. CRAIG. Mr. President, I ask unanimous consent that S. 225 and S. 400 be sequentially referred to the Committee on Banking, Housing, and Urban Affairs. I further ask consent that if these bills are not reported out of the Banking Committee by November 2, the bills then be automatically discharged from the committee and placed on the calendar.

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

Mr. CRAIG. I ask unanimous consent that a letter to Senator LOTT relative to the two bills, S. 225 and S. 400, be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, October 26, 1999.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR LOTT: We respectfully request that unanimous consent be sought so that the Committee on Banking, Housing, and Urban Affairs may be granted a sequential referral of the "Native American Housing Assistance and Self-Determination Act Amendments of 1999" (S. 400) and the "Native American Housing Assistance and Self-Determination Act Amendments of 1999" (S. 255). These bills have been referred to the Committee on Indian Affairs, although they contain housing provisions which are under the express jurisdiction of the Banking Committee.

If S. 400 and S. 225 are not reported out by the Committee on Banking, Housing and Urban Affairs by November 2, 1999, such bills will be automatically discharged from the Committee.

Thank you for your consideration.

PHIL GRAMM,
Chairman, Committee on Banking, Housing and Urban Affairs.

WAYNE ALLARD,
Chairman, Subcommittee on Housing and Transportation.

BEN NIGHTHORSE CAMPBELL,
Chairman, Committee on Indian Affairs.

PAUL SARBANES,
Ranking Member, Committee on Banking, Housing and Urban Affairs.

JOHN F. KERRY,
Ranking Member, Subcommittee on Housing and Transportation.

DANIEL INOUYE,
Vice Chairman, Committee on Indian Affairs.

MULTIDISTRICT, MULTIPARTY, MULTIFORUM TRIAL JURISDICTION ACT OF 1999

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 341, H.R. 2112.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2112) to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multidistrict Jurisdiction Act of 1999".

SEC. 2. MULTIDISTRICT LITIGATION.

Section 1407 of title 28, United States Code, is amended—

(1) in the third sentence of subsection (a), by inserting "or ordered transferred to the transferee or other district under subsection (i)" after "terminated"; and

(2) by adding at the end the following new subsection:

"(i)(1) Subject to paragraph (2), any action transferred under this section by the panel may

be transferred, for trial purposes, by the judge or judges of the transferee district to whom the action was assigned to the transferee or other district in the interest of justice and for the convenience of the parties and witnesses.

''(2) Any action transferred for trial purposes under paragraph (1) shall be remanded by the panel for the determination of compensatory damages to the district court from which it was transferred, unless the court to which the action has been transferred for trial purposes also finds, for the convenience of the parties and witnesses and in the interests of justice, that the action should be retained for the determination of compensatory damages.''.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to any civil action pending on or brought on or after the date of the enactment of this Act.

Mr. LEAHY. Mr. President, I am pleased that the Senate is about to pass S. 1748, the Multi-District Jurisdiction Act of 1999, and H.R. 2112, as amended by the Hatch-Leahy substitute during its consideration in the Senate Judiciary Committee. Our substitute amendment is the text of S. 1748, the Multi-District Jurisdiction Act of 1999, which the distinguished Chairman of the Senate Judiciary Committee and I, along with Senators GRASSLEY, TORRICELLI, KOHL, and SCHUMER, introduced last week. Our bipartisan legislation is needed by Federal judges across the country to restore their power to promote the fair and efficient administration of justice in multi-district litigation.

Current law authorizes the Judicial Panel on Multi-District Litigation to transfer related cases, pending in multiple Federal judicial districts, to a single district for coordinated or consolidated pretrial proceedings. This makes good sense because transfers by the Judicial Panel on Multi-District Litigation are based on centralizing those cases to serve the convenience of the parties and witnesses and to promote efficient judicial management.

For nearly 30 years, many transferee judges, following circuit and district court case law, retained these multi-district cases for trial because the transferee judge and the parties were already familiar with each other and the facts of the case through the pretrial proceedings. The Supreme Court in Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach, 523 U.S. 26 (1998), however, found that this well-established practice was not authorized by the general venue provisions in the United States Code. Following the Lexecon ruling, the Judicial Panel on Multi-District Litigation must now remand each transferred case to its original district at the conclusion of the pretrial proceedings, unless the case is already settled or otherwise terminated. This new process is costly, inefficient and time consuming.

The Multi-District Jurisdiction Act of 1999 seeks to restore the power of transferee judges to resolve multi-district cases as expeditiously and fairly as possible. Our bipartisan bill amends section 1407 of title 28 of the United States Code to allow a transferee judge to retain cases for trial or transfer those cases to another judicial district for trial in the interests of justice and for the convenience of parties and witnesses. The legislation provides transferee judges the flexibility they need to administer justice quickly and efficiently. Indeed, our legislation is supported by the Administrative Office of the U.S. Courts, the Judicial Conference of the United States and the Department of Justice.

In addition, we have included a section in our bill to ensure fairness during the determination of compensatory damages by adding the presumption that the case will be remanded to the transferor court for this phase of the trial. Specifically, this provision provides that to the extent a case is tried outside of the transferor forum, it would be solely for the purpose of a consolidated trial on liability, and if appropriate, punitive damages, and that the case must be remanded to the transferor court for the purposes of trial on compensatory damages, unless the court to which the action has been transferred for trial purposes also finds, for the convenience of the parties and witnesses and in the interests of justice, that the action should be retained for the determination of compensatory damages. This section is identical to a bipartisan amendment proposed by Representative Berman and accepted by the House Judiciary Committee during its consideration of similar legislation earlier this year.

Multi-district litigation generally involves some of the most complex fact-specific cases, which affect the lives of citizens across the nation. For example, multi-district litigation entails such national legal matters as asbestos, silicone gel breast implants, diet drugs like fen-phen, hemophiliac blood products, Norplant contraceptives and all major airplane crashes. In fact, as of February 1999, approximately 140 transferee judges were supervising about 160 groups of multi-district cases, with each group composed of hundreds, or even thousands, of cases in various stages of trial development.

But the efficient case management of these multi-district cases is a risk after the Lexecon ruling. Judge John F. Nangle, Chairman of the Judicial Panel on Multi-District Litigation, recently testified before Congress that: ''Since Lexecon, significant problems have arisen that have hindered the sensible conduct of multi-district litigation. Transferee judges throughout the United States have voiced their concern to me about the urgent need to enact this legislation.''

Mr. President, Congress should listen to the concerned voices of our Federal Judiciary and swiftly send the Multi-District Jurisdiction Act of 1999 to the President for his signature into law.

Mr. CRAIG. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The committee substitute was agreed to.

The bill (H.R. 2112), as amended, was read the third time and passed.

ORDERS FOR THURSDAY, OCTOBER 28, 1999

Mr. CRAIG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Thursday, October 28. I further ask unanimous consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period of morning business, with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator DURBIN, or designee, 9:30 to 10 a.m.; Senator THOMAS, or designee, 10 to 10:30 a.m.

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

PROGRAM

Mr. CRAIG. Mr. President, for the information of all Senators, the Senate will be in a period of morning business from 9:30 to 10:30 a.m. Following morning business, the Senate will resume consideration of the African trade bill. As a reminder, cloture has been filed on the substitute amendment to the trade bill and, therefore, all first-degree amendments must be filed to the substitute by 1 p.m. tomorrow. Also, pursuant to rule XXII, that cloture vote will occur 1 hour after the Senate convenes on Friday, unless an agreement is made between the two leaders.

Currently, Senator ASHCROFT's amendment to establish the position of chief agriculture negotiator is pending. It is hoped that an agreement regarding further amendments can be made so the Senate can complete action on this important legislation.

The Senate may also consider any legislative or executive items cleared for action during tomorrow's session of the Senate.

ORDER FOR ADJOURNMENT

Mr. CRAIG. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of the Senator from Oregon, Mr. WYDEN.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Reserving the right to object. I say to my colleague from Idaho, I believe the junior Senator from Washington also wishes to make a statement after the Senator from Oregon. And I wish to make a statement

after the junior Senator from Washington.

Mr. CRAIG. Mr. President, I amend my unanimous consent request and ask unanimous consent that following the comments of the Senator from Oregon, Senator MURRAY from the State of Washington be allowed to speak, followed by the Senator from Florida, who would make the final remarks of the evening.

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

The Chair recognizes the Senator from Oregon.

Mr. WYDEN. I thank the Chair.

MEDICARE COVERAGE FOR PRESCRIPTION DRUGS

Mr. WYDEN. Mr. President, and colleagues, this is the seventh time I have come to the floor of the Senate in recent days to talk about the issue of Medicare coverage for prescription drugs. The reason I do so is I think it is so important that before we wrap up our work in this session of Congress, we take action on this matter, given how many vulnerable senior citizens there are in this country who simply cannot afford their prescriptions.

There is just one bipartisan bill with respect to prescription drug coverage now before the Senate. It is a piece of legislation known as the SPICE Act, the Senior Prescription Insurance Coverage Equity Act.

It is a bipartisan bill on which I have teamed with Senator OLYMPIA SNOWE of Maine; and it is one that the two of us are very hopeful this Congress will act on before we conclude our work.

There are some who think this issue is too controversial and too difficult to tackle before the next election. I would note that it is going to be more than a year until the next election. We are going to have a lot of senior citizens who are walking on an economic tightrope, every week balancing their food costs against their fuel costs, and their fuel costs against their medical bills, who are not going to be able to pay for their prescriptions and their necessities if the Senate decides to duck this issue and put it off until after the next election. I think the reason we are sent here is to tackle issues and not just put them off until after the election.

Over the last few months, Senator SNOWE and I have worked with senior citizen groups; we have worked with people in the pharmaceutical sector, in the insurance sector, various public- and private-sector organizations; and we believe the SPICE legislation that we have crafted is the kind of bill that Members of the Senate can support.

In fact, as part of the budget, Senator SNOWE and I teamed up, and we offered a specific funding plan. And 54 Members of the Senate are now on record—they are now specifically on record—with respect to the SNOWE-WYDEN funding plan for paying for prescription drug benefits. So we are now in a position, it seems to me, colleagues, to take specific action.

One of the reasons I have come to the floor tonight is my hope that we can really show how urgent this need is.

What I have done, as the poster next to me says, is urge senior citizens to send in copies of their prescription drug bills, directly to their Senator, U.S. Senate, Washington, DC. I have decided I am going to, in my discussions on the floor each evening, read a portion of the letters I am receiving from seniors at home in Oregon.

I read about one group in the newspaper the other day who said it is not really that urgent a need. More than 20 percent of the Nation's senior citizens are spending over $1,000 a year out of pocket for their prescription medicine.

I read a couple of nights ago about an elderly woman from southern Oregon whose income is just over $1,000 a month in Social Security. She spends more than half of it on her prescriptions.

Those are the kinds of accounts we are hearing again and again and again. The fact is, our senior citizens are getting shellacked twice. First, Medicare doesn't cover prescriptions. That is the way the program began in 1965. I was director of the Gray Panthers at home for about 7 years before I was elected to Congress. The need was very acute back then for prescription drug coverage. But today it is even more important, for two reasons.

First, the senior citizen, who not only gets no Medicare coverage for their prescriptions, is now subsidizing the big buyers such as the health maintenance organizations that are in a position to negotiate big discounts. These big buyers, the health maintenance organizations, have real bargaining power and clout. They go out and negotiate a discount; they get a break. If you are a senior citizen, for example, in Myrtle Creek, OR, or Philomath—I will read from those letters in a moment—you end up subsidizing those big buyers. I don't think that is right.

In addition, since the days when we began to push, with the Gray Panthers, for prescription drug coverage, a lot of the new, important prescriptions are preventive in nature. I described several days ago an important anticoagulant drug that can help with a variety of ailments relating to strokes. The cost of that anticoagulant drug is in the vicinity of about $1,000 a year. You have a full-scale stroke that can come about if you don't get the medicine, and the cost can be $100,000 a year.

When people ask me, can this country afford to cover prescription drugs under Medicare, my view is, our country cannot afford not to do it. As part of this campaign we have launched in the Senate to have seniors send in, as this poster says, copies of their prescription drug bills, Senator SNOWE and I have teamed up on a bipartisan kind of plan. I am going to read from these letters. I will take just a couple of minutes for that tonight.

Just a couple of days ago, I heard from a woman in Philomath, OR, who wrote me about her mother. Her mother had recently spent more than $2,220 on prescription drugs. The daughter said—this was particularly poignant, in my view—the only way her mother was able to, in effect, cover her prescription needs was that her mother was getting samples from the doctor. The fact that she spent more than $2,220 on prescription drugs and the year isn't even over yet is dramatized by the fact that the cost would be much greater were it not for the fact that she was getting samples to supplement what she was paying for. That is the kind of account we are hearing from seniors in Oregon, as they, as this poster says, send in copies of their prescription drug bills. I hope we will get more of that.

We need to deal with this issue on a bipartisan basis. Senator SNOWE and I have chosen to model our program after the Federal Employees Health Benefit Plan. The SPICE proposal we introduced is sort of a senior citizens version of the Federal Employees Health Benefit Plan. The elderly population, of course, is different from that of the Federal workforce, but the model of trying to offer choices and options and alternatives to make sure there is competition in health care of the kind Senator GRAHAM has advocated in the past is very sensible. If it is good enough for Members of Congress, it certainly ought to be the kind of thing we look at to cover older people. It is especially important because it can be a model that prevents cost shifting on to other groups of citizens.

There are other proposals, for example, that in effect have Medicare sort of buying up all the prescription drugs and taking the lead as the purchaser. What concerns me about that approach is, I think you will have massive cost shifting on to other groups of individuals. Nobody in the Congress intentionally would want to see a proposal developed that would, in effect, give a discount to folks on Medicare and then just have the cost shifted over to somebody who was 27 years old and had a couple of kids and was working hard and doing their best to get ahead in life. We have to use marketplace forces to develop and implement this benefit.

The proposal I have introduced with Senator SNOWE is one that uses those marketplace forces. It would give seniors the kind of bargaining power a health maintenance organization and a big buying group would have, but it wouldn't involve a lot of price controls. It wouldn't involve a lot of micromanagement. It wouldn't be sort of one-size-fits-all health care.

As we go ahead with this bipartisan campaign, the bill on which Senator SNOWE and I have teamed up is, in fact, the only bipartisan measure now before the Senate. I am going to come to this floor as often as I can and urge seniors to send in copies of their prescription drug bills directly to their Senator and just keep bringing to our colleagues' attention the need for action on this issue.

The second letter I want to describe tonight comes from an elderly couple from my hometown in Portland who said they have already spent $1,750-plus on their prescription drug costs so far this year. They wrote: We have saved all our life, never knowing what health problems would befall us. We are glad to pay our fair share, but the cost of prescription drugs is eating up our savings.

Finally, a constituent from Myrtle Creek has written that recently they spent $700 on prescription medicines. This exceeds the so-called average many of the experts in the beltway are talking about as not being that big a deal for senior citizens. This is a bill incurred by an older person from Myrtle Creek. We hear the same thing from Portland, OR. We hear the same thing from Philomath, OR. This is what we are hearing all across this country.

It would be a terrible shame, in my view, for the Senate to say we are not going to act, we are going to let this become a big campaign issue in the 2000 election, and Democrats and Republicans can engage in a lot of finger pointing and, in effect, sort of put out that the other side doesn't care, the other side isn't interested. We will end up seeing this issue drag on well into the next century.

I believe the Snowe-Wyden legislation, the only bipartisan bill now before the Senate on prescription drugs, may not be the last word on this issue. It is not going to be enacted into law with every I dotted and every T crossed, as it has been proposed thus far, but I do believe it can serve as a model.

It is bipartisan. Fifty-four Members in the Senate are already on record as having cast a vote for the specific plan we have to fund this program. And so the opportunity to make the lives of older people in this country better, to help those who are scrimping and not taking their drugs the way they ought to, to be able to do it in a way that uses marketplace kinds of forces and provides choices and options, just the way our families get, seems to be an opportunity we cannot afford to pass up.

I know Senator GRAHAM, who has done good work on the health care issue and the prescription issue as a member of the Finance Committee, is here to talk. The hour is late. But I intend to keep coming to the floor of the U.S. Senate and pushing for action on this issue. There is a bipartisan bill before the Senate now. This would be the kind of issue that could be a legacy for this session of the Congress. I intend to keep coming to the floor of the U.S. Senate, reading from the letters I am getting from home, urging seniors to do as this poster says: Send in copies of your prescription drug bills.

I intend to come back to this floor again and again and again, until we get action on this matter. For years, since the days when I was director of the Oregon Gray Panthers at home, I have had a dream that the U.S. Congress would make sure that older people who aren't taking their medicines because they can't afford it would be able to get this coverage.

The opportunity to team up with Senator SNOWE has been a real pleasure for me. She has been speaking out on this issue. I will continue to speak out on it, and we are going to do everything we can to make sure the U.S. Senate acts on this question and does it in this session of the Congress.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

IN HONOR OF THEODORE ROOSEVELT AND JOHN CHAFEE

THE NATIONAL PARK SYSTEM

Mr. GRAHAM. Mr. President, I rise today to honor two visionary statesmen—President Theodore Roosevelt and Senator John Chafee. Today, October 27, 1999, we celebrate what would have been President Theodore Roosevelt's 141st birthday. Last Friday, we celebrated John Chafee's 77th—and much to our sadness his last.

Working at opposite ends of the 20th century, these two outstanding leaders contributed greatly to the cause of preserving our precious natural resources for this and especially for future generations.

President Roosevelt was born on October 27, 1858, in New York City. He is remembered as one of our finest Presidents. He is honored as such by being the only 20th century President to join Presidents Washington, Jefferson, and Lincoln at Mount Rushmore.

In 1901, after the assassination of President McKinley, Theodore Roosevelt became America's youngest President. As a child, Roosevelt was faced with poor health and asthma. To escape the pollution of New York City, Roosevelt's father would often take him to Long Island for extended visits. It was there that Roosevelt began his lifelong devotion to the outdoors and to vigorous exercise. His dedication to the ''strenuous life'' was a hallmark of his career.

In 1884, his first wife, Alice Lee Roosevelt, and his mother died on the same day. Roosevelt spent much of the next two years on his ranch, the Elkhorn, located in the Badlands of the Dakota Territory.

Today, a portion of this ranch is included in the national park named in his honor—the Theodore Roosevelt National Park in North Dakota. History shows Roosevelt to be a true visionary as one reviews his many accomplishments. The Panama Canal, one of the world's engineering marvels, would not have been complete without President Roosevelt's tenacious leadership. He is remembered by business and labor as a ''trust buster'' who spearheaded the dissolution of a large railroad monopoly in the Northwest using the Sherman Antitrust Act.

In 1905, Roosevelt won the Nobel Peace Prize for mediating an end to the Russo-Japanese War.

But perhaps his greatest contribution to future generations of Americans was his passionate advocacy of conservationism. The history of our Nation is marked by activism on public lands issues. The beginning of the 19th century was marked by President Thomas Jefferson's purchase of the Louisiana Territory. That one purchase added almost 530 million acres to the United States. The Louisiana Purchase changed America from an eastern coastal Nation to a continental empire.

Roosevelt set the tone for public lands issues at the beginning of the 20th century. His words and his actions created a new call to America's environmental ethic. Theodore Roosevelt said, ''We must ask ourselves if we are leaving for future generations an environment that is as good, or better, than what we found.''

He lived up to his challenge. Mr. President, listen to what Theodore Roosevelt contributed to the public lands legacy of the United States. During his period in the White House, from 1901 to 1909, Theodore Roosevelt designated 150 national forests; the first 51 Federal bird reservations; 5 national parks; the first 18 national monuments; the first 4 national game preserves; and the first 21 reclamation projects.

Theodore Roosevelt also established the National Wildlife Refuge System, beginning with Pelican Island in Florida, which was designated in 1903. Together, these projects equaled Federal protection for almost 230 million acres—a land area equivalent to that of all the east coast States from Maine to Florida and just under one-half of the area of the Louisiana Purchase.

Theodore Roosevelt's contributions to the public land trust cannot be equaled. Perhaps even greater was his contagious passion for the ethic of conservation that he managed to instill for the first time in America's consciousness, the idea of conservation and environmental protection as goals worthy of pursuit.

Mr. President, Senator John Chafee was a leader in the Theodore Roosevelt model. Senator Chafee was a major participant in every piece of environmental legislation that passed the Congress since the early 1980s. He authored the Superfund program, created in 1980 to direct and fund the cleanup of hazardous waste dump sites and leaking underground storage tanks.

In 1982, he sponsored the Coastal Barrier Resources Act, a law that resulted in the preservation of thousands of acres of coastline throughout the Nation.

He led major reform of the Clean Water Act in 1986, introducing more thorough controls on industrial pollution and a new emphasis on non-point source pollution.

He created the National Estuary Program to protect coastal resources and

steered the bill to enactment over a Presidential veto in 1987.

In the 1980s, Senator Chafee turned his attention to the air, leading efforts to adopt the Clean Air Act Amendments of 1990, taking steps to control acid rain and toxic chemical emissions.

In 1993, Senator Chafee wrote the law establishing the nation's first indoor air hazard research and response program.

With his clear head, methodical mind, and ability to broker a compromise, Senator Chafee led us through these legislative battles to today's result—a legal infrastructure of environmental law that ensures our own health and safety and preserves the public land trust established by Theodore Roosevelt.

On this day, as we celebrate the 141st anniversary of the birth of Theodore Roosevelt and pay tribute to the work of Senator John Chafee, we must ask ourselves, ''Can we meet the challenge posed by Theodore Roosevelt and leave an environment for future generations that is as good or better than it was when we found it?'' Are we worthy inheritors of the legacy of John Chafee?

Senator Chafee leaves us with his model to follow as a member of this body which took Roosevelt's challenge to heart and led the Environment and Public Works Committee to take actions on the environment that have left us better off than when he arrived in the Senate.

Sadly, I argue that we, the Senate, are struggling with a backlog of neglect and are ill prepared to assure the well being of one of the most prominent examples of America's environmental heritage: our national parks.

In 1916, Congress created the National Park Service ''. . . to conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations.''

My friend and colleague, the Presiding Officer, and I have the privilege of living in two of our States which have been especially blessed by God and blessed by preceding generations willing to take the steps to protect the beauties of the Yellowstone, or of an Everglades. The challenge that we have is worthy of the standard that has been set by Theodore Roosevelt and the others who have made it possible for us to enjoy those wonders of nature.

Today, the ''unimpaired'' status of our national parks is at-risk.

On April 22, 1999, the National Parks and Conservation Association identified this year's ten-most endangered parks.

In his opening remarks, Mr. Tom Kiernan, president of the NPCA, stated that these parks were chosen not because they are the only parks with endangered resources, but because they demonstrate the resource damages that are occurring at all of our parks.

These parks demonstrate the breadth of the threats facing our park system.

For example, Chaco Culture National Historical Park in Chaco Canyon, New Mexico, contains the remains of thirteen major structures that represent the highest point of Pueblo pre-Columbian civilization.

What is the status of this great world treasure?

In the words of the NPCA, it is ''. . . falling victim to time and neglect.'' Weather damage, inadequate preservation, neglected maintenance, tourism impacts, and potential resource development on adjacent lands threaten the long-term life of these structures.

Another example: All of the parks in the Florida Everglades region were included on the list of the most endangered.

In this area, decades of manipulation of the water system led to loss of significant quantities of Florida's water supply to tide each day, a 90-percent decline in the wading bird population, invasion of non-native plants and animals, and shrinking wildlife habitat.

Mr. President, you will be particularly interested and saddened by what the National Park and Conservation Association calls Yellowstone National Park, the ''poster child for the neglect that has marred our national parks.''

We have all heard Senator THOMAS and others speak about the degradation of the sewage handling and treatment system at Yellowstone National Park—a situation that has caused spills into Yellowstone Lake and nearby meadows, sending more than 225,000 gallons of sewage into Yellowstone's waterways, threatening the water quality of this resource.

I recently had an opportunity to visit yet another example of neglect, Ellis Island National Monument in New York Harbor. The state of the historical resources in this important part of the history and heritage of America—the space through which millions of people first gained their exposure and appreciation and commitment to America—is unconscionable.

While there are a handful of buildings that have been restored to their previous level of majesty, over 30 buildings where immigrants came to the United States lie abandoned, in disrepair, and deteriorating.

Particularly troubling was damage to the hospital buildings, which, when restored, will be a valuable tool in recreating an important era in our nation's history.

The hospital on Ellis Island provided care for immigrants who were detained temporarily for medical reasons.

This marked one of our country's earliest efforts at providing for public health and disease control and prevention.

Broken windows and leaky roofs have allowed the elements to wreak havoc on these buildings and trees are sprouting from the floorboards of what was once an immigrant dormitory.

Lead paint flakes fall from the walls and rats scurry down historic hallways.

There are efforts being made to block further deterioration, but the existing damage is extensive.

Small scale actions to prevent further destruction are wholly inadequate in the face of the extensive damage to these buildings which are so important to our nation's history.

Mr. President, the sad circumstances of Chaco Canyon, of the Everglades, of Yellowstone, of Ellis Island, the sad circumstances of these few examples by no means mean that they are the extent of the challenge of our national parks.

In fact, estimates of the maintenance backlog at our national parks reach as high as $3.5 billion. The National Park Service has now developed a 5-year plan to meet this requirement based on its ability to execute funds and the priorities of the National Park System.

This year the National Park Service requested $194 million in order to commence the process of meeting this accumulated backlog of maintenance needs.

I am pleased to say, Mr. President, that I believe Members of Congress should take some pride in the fact that as a result of this year's appropriations process the House and Senate have modified the National Park Service request of $194 million and increased it to $224.5 million. This is a very commendable step forward.

I am proud of the actions of the appropriations committees. I know that there is likely to be further executive and legislative considerations of the budget of the National Park Service before we complete our action. But I hope that we will continue to maintain this level of commitment to meeting the backlog of urgent maintenance needs in our national parks.

Although these actions demonstrate a willingness to work to meet the needs of the National Park Service, I believe we cannot adequately address the extent of needs, including the needs of natural resources within the Park System and the external threats to those natural resources with a piecemeal approach.

There is a limit to what we can do with the tools we have today. The Senate is working to fund 21st century needs for construction and natural resource preservation using a 19th century, year-to-year annual appropriations process. What the National Park Service needs is a sustained, reliable funding source that will allow it to develop intelligent plans based on a prioritization of needs with confidence that the funds will be available when they are necessary to complete those plans. This approach will allow common sense to prevail when projects are prioritized for funding.

Let me use the example which is closest to me. That is the effort about to be launched for restoration of the Florida Everglades. We are now over half a century into man's major manipulation of the Florida Everglades, a

manipulation which has had many positive effects in terms of protecting millions of people from the ravages of flooding but has also very fundamentally changed the character of the Florida Everglades. The Corps of Engineers has presented to the Congress its recommendation of how to remedy the scars that have been imposed on the Everglades. If authorized by this Congress, the Everglades restoration plan of the Corps of Engineers will be the most extensive restoration of an environmental system ever undertaken in our Nation's history and, in all probability, in the history of the world. It will be an effort at the beginning of the 21st century of the scale, boldness, and challenge that the Panama Canal was at the beginning of the 20th century.

This is also going to be a project which will challenge America financially. The estimate is that over the 20 years to complete this project, the total cost will be approximately $8 billion. The State of Florida will pay half; the Federal Government will pay half. The math indicates that for each year for the next 20 years, the average demand on Federal resources for this restoration project will be approximately $200 million.

I think it is critical before we begin this restoration we have the maximum assurance of the resources necessary to complete the restoration. I use the analogy of open-heart surgery. If one is going to open up a system and take a great knife and begin to cleave the changes that have occurred in the Everglades over the last 50 years so that at the conclusion of this operation we will have a healthier, more natural system, it is incumbent upon those who start the surgery to be assured they will have the resources to complete the operation. Failure to have those resources at any stage throughout this 20-year process will certainly result in the death of the patient.

We have taken some steps to attempt to assure a more reliable source of funds for the National Park Service. Your colleague, Senator THOMAS, led the way to reform with his landmark legislation on the National Park Service called Vision 2000. This legislation adopted for the first time both concessions reform and science-based decisionmaking on resource needs within the Park Service. We took a big step forward last year with the extension of the fee demonstration program. The fee demonstration program allows individual parks to charge entrance fees and to use a portion of the proceeds for maintenance backlog and natural resource projects. This action generated about $100 million annually for the Park System.

Now it is time to take the next step. Earlier this year with Senators REID and my colleague, Senator MACK, we introduced legislation entitled ''The National Park Preservation Act.'' This legislation would provide dedicated funding to the National Park Service to restore and conserve the natural resources within our Park System. This legislation seeks to address the long-term efforts required to truly restore and protect our natural, cultural, and historic resources within the National Park Service.

This legislation would allocate funds derived from the use of a nonrenewable resource, our offshore drilling in the outer continental shelf, to recover the American resource of oil and gas. We would then convert those funds derived from the Federal royalty on offshore oil and gas drilling for a program of restoration and preservation of our natural, cultural, and historic resources within the National Park Service. These funds provided by our bill would assure that each year the National Park Service would have the resources it needed to restore and prevent damages to its resources.

At the beginning of this century, at a time of relative tranquility, President Theodore Roosevelt managed to instill a nation with a tradition of conservation with this simple challenge: Can we leave this world a better place for future generations?

At the end of this century, we honor Senator John Chafee who leaves a legacy of a legal infrastructure that provides a foundation upon which we can continue to meet President Theodore Roosevelt's challenge. Let us keep the vision of these great leaders in mind as we embark together on our efforts to protect the National Park System into the new century.

In the words of President Theodore Roosevelt: Nothing short of defending the country during wartime compares in importance with the great central task of leaving this land even a better land for our descendents than it is for us.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Thursday, October 28, 1999.

Thereupon, the Senate, at 8:27 p.m., adjourned until Thursday, October 28, 1999, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 27, 1999:

DEPARTMENT OF STATE

JAMES D. BINDENAGEL, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING TENURE OF SERVICE AS SPECIAL ENVOY AND REPRESENTATIVE OF THE SECRETARY OF STATE FOR HOLOCAUST ISSUES.

MARTIN S. INDYK, OF THE DISTRICT OF COLUMBIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ISRAEL.

EDWARD S. WALKER, JR., OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AN ASSISTANT SECRETARY OF STATE (NEAR EASTERN AFFAIRS), VICE MARTIN S. INDYK.

DEPARTMENT OF THE INTERIOR

THOMAS A. FRY III, OF TEXAS, TO BE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT, VICE PATRICK A. SHEA, RESIGNED.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 271:

To be commander

PETER K. OITTINEN, 0000
WILLIAM J. REICKS, 0000
JEFFREY C. GOOD, 0000
RICHARD L. ARNOLD, 0000
STEPHAN P. FINTON, 0000
ROBERT S. HOLZMAN, 0000
NORMAN S. SELLEY, 0000
AUDREY A. MCKINLEY, 0000
SCOTT BURLINGAME, 0000
CHARLES JAGER, 0000
PETER J. BERGERON, 0000
LISA T. HEFFELFINGER, 0000
CHRISTOPHER J. OLIN, 0000
RUSSELL L. HARRIS, 0000
JOSEPH R. JOHNSON, 0000
PHILIP E. ROSS, 0000
GARY C. RASICOT, 0000
WILLIAM L. HUCKE, 0000
MICHAEL D. TOSATTO, 0000
ANDREW P. WHITE, 0000
DONALD G. BRUZDZINSKI, 0000
RICHARD A. BUTTON, 0000
MICHAEL D. DRIEU, 0000
EDWARD W. PARSONS, 0000
THOMAS D. BEISTLE, 0000
RICHARD KERMOND, 0000
GAIL P. KULISCH, 0000
DAVID C. STALFORT, 0000
JAMES P. SOMMER, 0000
CRAIG B. LLOYD, 0000
ROSANNE TRABOCCHI, 0000
LYNN M. HENDERSON, 0000
GEORGE H. BURNS III, 0000
WILLIAM C. DEAL III, 0000
MARCUS E. WOODRING, 0000
ALGERNON J. KEITH, 0000
DREW W. PEARSON, 0000
HERBERT M. HAMILTON III, 0000
ELISABETH A. PEPPER, 0000
NORMAN S. SCHWEIZER, 0000
DOUGLAS E. KAUP, 0000
MICHAEL R. BURNS, 0000
BRADLEY W. BEAN, 0000
MICHAEL ZACK, 0000
PETER N. TROEDSSON, 0000
TIMOTHY M. O'LEARY, 0000
JAMES A. WIERZBICKI, 0000
EDUARDO PINO, 0000
SHARON D. DONALDBAYNES, 0000
JOSEPH T. BAKER, 0000
BRIAN J. PETER, 0000
DENISE L. MATTHEWS, 0000
PAUL E. DEVEAU, 0000
EDGAR B. WENDLANDT, 0000
PAUL F. THOMAS, 0000
CHARLES D. MICHEL, 0000
MICHAEL J. LODGE, 0000
JOHN A. FURMAN, 0000
DAVID S. KLIPP, 0000
PETER J. BROWN, 0000
FREDERICK J. SOMMER, 0000
ROBERT P. WAGNER, 0000
DOUGLAS J. HENKE, 0000
JOSEPH M. VOJVODICH, 0000
CHRIS P. REILLY, 0000
JAMES L. MCCAULEY, 0000
TODD A. SOKALZUK, 0000
CARL B. FRANK, 0000
PETER G. BASIL, 0000
DANIEL C. BURBANK, 0000
DAVID G. THROOP, 0000
JOHN F. PRINCE, 0000
BRADLEY D. NELSON, 0000
TIMOTHY J. QUIRAM, 0000
STEVEN J. ANDERSEN, 0000
JOHN M. KNOX, 0000
MICHELLE L. KANE, 0000
JOHN J. HICKEY, 0000
CHARLES W. MELLO, 0000
EDWARD N. ENG, 0000
WAYNE A. MUILENBURG, 0000
WILLIAM S. KREWSKY, 0000
VINCENT D. DELAURENTIS, 0000
MARK J. HUEBSCHMAN, 0000
ROBERT J. PAULISON, 0000
JERRY C. TOROK, 0000
JOHN P. SIFLING, 0000
KELLY A. SULLIVAN, 0000
KELLY L. HATFIELD, 0000
CHRISTOPHER A. MARTINO, 0000
GREGORY T. NELSON, 0000
JOSEPH M. RE, 0000
JEFFREY R. BRANDT, 0000
LINDA L. FAGAN, 0000
JEFFERY D. LOFTUS, 0000
JOSEPH P. SARGENT, JR., 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

CELIA L. ADOLPHI, 0000
JAMES W. COMSTOCK, 0000
ROBERT M. KIMMITT, 0000
PAUL E. LIMA, 0000
THOMAS J. MATTHEWS, 0000
JON R. ROOT, 0000
Joseph L. Thompson III, 0000
John R. Tindall, Jr, 0000
GARY C. WATTNEM, 0000

To be brigadier general

ALAN D. BELL, 0000
Kristine K. Campbell, 0000
Wayne M. Erck, 0000
Stephen T. Gonczy, 0000
Robert L. Heine, 0000
Paul H. Hill, 0000
Rodney M. Kobayashi, 0000
Thomas P. Maney, 0000
Ronald S. Mangum, 0000
Randall L. Mason, 0000
Paul E. Mock, 0000
Collis N. Phillips, 0000
Michael W. Symanski, 0000
Theodore D. Szakmary, 0000
David A. VanKleeck, 0000
George H. Walker, Jr, 0000
WILLIAM K. WEDGE, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AND ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be colonel

JOSEPH A. ABBOTT, 0000
PAUL R. ACKERLEY, 0000
DAVID M. ALDRICH, 0000
STEVEN G. ALLEN, 0000
JOHN D. ALLERS, 0000
MICHAEL D. ALTOM, 0000
MARK E. ANDERSEN, 0000
ANDY L. ANDERSON, 0000
HENRY L. ANDREWS, JR., 0000
SALVATORE A. ANGELELLA, 0000
JOHN F. ANTHONY, JR., 0000
TONI A. ARNOLD, 0000
MICHAEL J. ARTESE, 0000
MARCELYN NMI ATWOOD, 0000
STEVEN BAYLOR, 0000
PETER J. BALDETTI, 0000
REGINALD A. BANKS, 0000
KENNETH E. BANKSTON, 0000
DOUGLAS N. BARLOW, 0000
LEE M. BARNBY, 0000
SAMUEL J. BARR, 0000
RONALD E. BAUGHMAN, 0000
RANDALL BAXTER, 0000
RICHARD A. BEAN, 0000
RICHARD D. BEERY, 0000
JAMES A. BEHRING, 0000
THOMAS D. BELL, 0000
CRAIG V. BENDORF, 0000
JOHN W. BENGTSON, 0000
DOUGLAS A. BENJAMIN, 0000
LEONARD F. BENSON, 0000
THOMAS F. BERARDINELLI, 0000
PAUL M. BESSON, 0000

CHRISTINE E. BEUERLEIN, 0000
JEFFERY T. BEYER, 0000
ROGER A. BICK, 0000
WANDA E. BISBAL, 0000
GREGORY A. BISCONE, 0000
SHIRLEY H. BLACK, 0000
DONALD I. BLACKWELDER, 0000
KATHI C. BLEVINS, 0000
ROBERT BLEVINS, 0000
WESTANNA H. BOBBITT, 0000
JOSEPH J. BONIN, 0000
HOWARD A. BOWER, 0000
OLEN E. BOWMAN, 0000
CAMERON S. BOWSER, 0000
JEFFREY D. BRAKE, 0000
ALLEN G. BRANCO, JR., 0000
ROBERT W. BRANDON, 0000
ROBERT W. BROEKING, 0000
TIMOTHY J. BROTHERTON, 0000
CURTIS L. BROWN, JR., 0000
GLENN M. BROWN, 0000
JEFFREY C. BROWN, 0000
JOSEPH LEE BROWN, 0000
GREGORY L. BRUNDIDGE, 0000
JOHN C. BURGESS, JR., 0000
ANNE L. BURMAN, 0000
ROBERT J. BUTLER, JR., 0000
ROBERT F. BYRD, 0000
NONIE C. CABANA, 0000
MICHAEL W. CALLAN, 0000
MARY A. CALLAWAY, 0000
JAMES E. CAMP, 0000
DONALD H. CAMPBELL, 0000
WENDY S. CAMPO, 0000
JOHN E. CAMPS, 0000
JAMES C. CANTRELL III, 0000
MICHAEL A. CAPPELANO, 0000
P. MASON CARPENTER, 0000
KENNETH R. CARSON, 0000
WILLIAM L. CARTER, 0000
STEVEN A. CHABOLLA, 0000
WILLIAM A. CHAMBERS, 0000
EARL S. CHASE, 0000
MARYANN H. CHISHOLM, 0000
LOUIS E. CHRISTENSEN, 0000
STEPHEN M. CLARK, 0000
THERESA R. CLARK, 0000
GARY H. COLE, 0000
LEROY M. COLEMAN, 0000
LANSEN P. CONLEY, 0000
CURTIS L. COOK, 0000
MICHAEL R. COOK, 0000
STEPHEN R. COOPER, 0000
STEVE C. COPPINGER, 0000
KEVIN J. CORCORAN, 0000
REBECCA L. CORDER, 0000
IVAN A. CORRETJER, 0000
ANDREW H. COX, 0000
CHARLES G. CRAWFORD, 0000
JERRY L. CRISSMAN, 0000
THOMAS CRONIN, 0000
THOMAS L. CULLEN, 0000
JOAN M. CUNNINGHAM, 0000
PATRICK R. DALY, 0000
ROBERT J. DAMICO, 0000
RICHARD C. DAVIDAGE, 0000
RUSSELL J. DELUCA, 0000
JOSEPH F. DENT, 0000
LANSING E. DICKINSON, 0000
THERESA C. DIRESTA, 0000
*KATHLEEN DOBBS, 0000
MARK J. DONAHUE, 0000
CHRISTOPHER R. DOOLEY, 0000
DANIEL L. DUNAWAY, 0000
BRUCE A. DUNCAN, 0000
KEVIN W. DUNLEAVY, 0000
JOHN A. DYER, 0000
JOHN C. DYMOND, 0000
ROBERT E. EAST, 0000
ALAN C. EKREM, 0000
MICHAEL S. ENNIS, 0000
SANDRA J. EVANS, 0000
DAVID E. EVERHART, 0000
PETER R. FABER, 0000
IVETTE FALTOHECK, 0000
ESKER J. FARRIS III, 0000
JOHN M. FAULKNER, 0000
ROBERT A. FEDERICO, 0000
TERRENCE A. FEEHAN, 0000
NATHAN S. FELDMAN, 0000
LESTER C. FERGUSON, 0000
ERIC E. FIEL, 0000
DAVID B. FILIPPI, 0000
DANIEL B. FINCHER, 0000
MICHAEL J. FINNEGAN, 0000
MARVIN N. FISHER, 0000
PHILIP B. FITZJARRELL, 0000
RODNEY S. FITZPATRICK, 0000
WILLIAM D. FOOTE, 0000
JAMES A. FORREST, 0000
THOMAS L. FOSSEN, 0000
MARK P. FOSTER, 0000
CRAIG A. FRANKLIN, 0000
DOUGLAS W. FREEMAN, 0000
MICHAEL J. FULLER, 0000
HENRY B. GAITHER, JR., 0000
DAVID M. GALLAGHER, 0000
FRANK GALLEGOS, 0000
MARK E. GARRARD, 0000
LAWRENCE D. GARRISON, JR., 0000
JUNE T. GAVRON, 0000
RICHARD E. GEARING, 0000
FREDERICK R. GEBHART, JR., 0000
DONALD A. GEMEINHARDT, 0000
JOHN M. GIBBONS, 0000
MICHAEL H. GILBERT, 0000
WILL WARNER GILDNER, JR., 0000
DAVID S. GILLETTE, 0000
TOMMY L. GILMORE, 0000
WALTER D. GIVHAN, 0000
CHRISTOPHER L. GLAZE, 0000
SALLY A. GLOVER, 0000
ANTHONY GOINS, 0000
DAVID L. GOLDFEIN, 0000
MARK L. GOSLIN, 0000
STEPHEN K. GOURLEY, 0000
CHRISTOPHER C. GRADY, 0000
PETER W. GRAY, 0000
WILLIAM E. GRAY III, 0000
CHARLES R. GREENWAY, 0000
BRENDA JEAN GREGORY, 0000
JACK I. GREGORY, JR., 0000
JOHN P. GRIMES, JR., 0000
ALAN S. GROSS, 0000
WILLIAM A. GROVES, 0000
THOMAS A. GROZNIK, 0000
RUSSELL R. GRUNCH, 0000
LARRY K. GRUNDHAUSER, 0000
SCOTT L. GRUNWALD, 0000
W. MICHAEL GUILLOT, 0000
KURT D. HACKMEIER, 0000
ERNIE H. HAENDSCHKE, 0000
ROBERT C. HALBERT, 0000
JAMES H. HALL, 0000
THOMAS M. HAMILTON, 0000
GLENN T. HANBEY, 0000
THOMAS S. HANCOCK, 0000
DAVID A. HANDLE, 0000
LEE ANN J. HARFORD, 0000
THOMAS E. HARMAN, JR., 0000
DONALD L. HARPER, 0000
MICHAEL E. HARRIS, 0000
CAROL LINDA HATTRUP, 0000
JOHN L. HAYES, 0000
DOUGLAS C. HAYNER, 0000
PETER J. HEINZ, 0000
STEPHEN R. HILDENBRANDT, 0000
JOHN A. HILL, 0000
WANDA G. HILL, 0000
STEVEN S. HINES, 0000
TOMMY D. HIXON, 0000
STEVEN E. HOARN, 0000
BRIAN P. HOEY, 0000
ROBERT M. HOGAN, 0000
LYNN M. HOLLERBACH, 0000
BRIAN J. HOPKINS, 0000
SCOTT J. HOROWITZ, 0000
ROY E. HORTON III, 0000
CHARLES L. HOWE, 0000
ROMAN N. HRYCAJ, 0000
WILLIAM S. HUGGINS, 0000
THOMAS E. HULL, 0000
BARNEY G. HULSEY, 0000
RICK D. HUSBAND, 0000
JAMES W. HYATT, 0000
JOHN L. INSPRUCKER III, 0000
JACK M. IVY, JR., 0000
LAWRENCE M. JACKSON II, 0000
STEPHEN M. JAMES, 0000
DEBRA J. JATTAR, 0000
DENNIS P. JEANES, 0000
JOHN D. JOGERST, 0000
HARVEY D. JOHNSON, 0000
JEFFREY S. JOHNSON, 0000
KENNETH RAY JOHNSON, 0000
LAFAE JOHNSON, 0000
LARRY JOHNSON, 0000
LOUIS M. JOHNSON, JR., 0000
DANIEL K. JONES, 0000
DAVID T. JONES, 0000
NOEL T. JONES, 0000
DAVID G. JOWERS, 0000
DONALD JUREWICZ, 0000
GEORGE KAILIWAI III, 0000
MICHAEL S. KALNA, 0000
PATRICK C. KEATING, 0000
EDMOND B. KEITH, 0000
CALVIN L. KELLAM, 0000
WAYNE H. KELLENBENCE, 0000
THOMAS G. KELLER, 0000
STEVEN P. KELLEY, 0000
JOHN E. KELLOGG, 0000
DAVID A. KELLY, 0000
PETER M. KICZA, JR., 0000
KATHLEEN D. KIEVER, 0000
CRAIG L. KIMBERLIN, 0000
BRIAN C. KING, 0000
LAWRENCE S. KINGSLEY, 0000
TERRY J. KINNEY, 0000
MARK E. KIPPHUT, 0000
ALLEN KIRKMAN, JR., 0000
DANIEL R. KIRKPATRICK, 0000
FRANK J. KISNER, 0000
LINDA C. KISNER, 0000
BARRY D. KISTLER, 0000
KENNETH P. KNAPP, 0000
JAMES S. KNOX, JR., 0000
MARYANNE KOLESAR, 0000
THOMAS J. KOPF, 0000
ROBERT D. KOPP, 0000
MICHAEL C. KOSTER, 0000
DOUGLAS E. KREULEN, 0000
MICHAEL J. KRIMMER, 0000
BARBARA J. KUENNECKE, 0000
WILLIAM R. KUNZWEILER, 0000
FRANCIS J. LAMIR, 0000
ROCCO J. LAMURO, 0000
JOSEPH A. LANNI, 0000
JOHN K. LARNED, 0000
JULIAN A. LASSITER, JR., 0000
MICHAEL B. LEAHY, 0000
DAVID B. LEE, 0000
JAMES G. LEE, 0000
MICHAEL D. LEE, 0000
DOUGLAS R. LENGENFELDER, 0000
DANIEL P. LENTZ, 0000
LINDA L. LEONG, 0000
JEFFREY L. LEPTRONE, 0000
JAMES K. LEVAN, 0000
RUSSELL V. LEWEY, 0000
SAMUEL A. LIBURDI, 0000
JAMES M. LIEPMAN, JR., 0000
KERRIE G. LINDBERG, 0000
GWEN M. LINDE, 0000
BLAKE F. LINDNER, 0000
STEPHEN S. LISI, 0000
CRAIG Z. LOWERY, 0000
GREGORY E. LOWRIMORE, 0000
DONNA J. LUCCHESE, 0000
CHARLES D. LUTES, 0000
CHARLES W. LYON, 0000
JAMES E. MACKIN, 0000
STEVEN A. MAC LAIRD, 0000
OTIS G. MANNON, 0000
JOHN D. MANZI, 0000
ROBERT T. MARLIN, 0000
JOANNE W. MARTIN, 0000
LEEROY A. MARTIN, 0000
SUSAN K. MASHIKO, 0000
THOMAS J. MASIELLO, 0000
ROBERT J. MATTES, 0000
ANTHONY M. MAUER, 0000
BRIAN K. MAZERSKI, 0000
STEVEN A. MC CAIN, 0000
JAMES R. MC CLENDON, 0000
KEITH J. MC DONALD, 0000
KYMBERLE G. MC ELWEE, 0000
GORDON B. MC KAY, 0000
STEPHEN E. MC KEAG, 0000
JOHN A. MEDLIN, 0000
GARY M. MELCHOR, 0000
KENNETH D. MERCHANT, 0000
ALMA J. MILLER, 0000
DWIGHT J. MILLER, 0000
JOHN B. MILLER, 0000
WILLIAM S. MILLER, 0000
DAVID L. MINTZ, 0000
EMMETT J. MITCHELL, 0000
RONALD T. MITTENZWEI, 0000
RICHARD L. MODELL, 0000
MICHAEL R. MOELLER, 0000
GRACE A. MOORE, 0000
TIMOTHY B. MOORE, 0000
GREGORY L. MORGAN, 0000
MARK A. MORRIS, 0000
DAVID R. MORTE, 0000
ALPHRONZO MOSELEY, 0000
JOHN R. MOULTON II, 0000
PATRICK D. MULLEN, 0000
JUDYANN L. MUNLEY, 0000
MICHAEL D. MURPHY, 0000
CHARLES H. MURRAY, 0000
MICHAEL J. MUZINICH, 0000
ROC A. MYERS, 0000
DALE A. NAGY, 0000
LOUIS J. NEELEY, 0000
RONALD R. NEWSOM, 0000
DAVID C. NICHOLS, 0000
ARTHUR J. NILSEN, 0000
RANDALL L. NOCERA, 0000
MICHAEL P. NORRIS, 0000
THOMAS R. O BOYLE, 0000
IAN P. O CONNELL, 0000
CHRISTOPHER E. O HARA, 0000
KIMBERLY D. OLSON, 0000
KENNETH D. ORBAN, 0000
WILLIAM E. ORR, JR., 0000
KAREN E. OSBORN, 0000
BENJAMIN F. OSLER, 0000
JERRY W. PADGETT, 0000
DONALD M. PALANDECH, 0000
WILLIAM G. PALMBY, 0000
THOMAS R. PALMER, 0000
CURTIS J. PAPKE, 0000
TERESA A. PARKER, 0000
MICHAEL F. PASQUIN, 0000
EDWARD G. PATRICK, 0000
MARTIN G. PEAVYHOUSE, 0000
DAVID T. PETERS, 0000
HORACE D. PHILLIPS, 0000
ROBERT F. PIACINE, 0000
LAWRENCE E. PITTS, 0000
KATHLEEN E. PIVARSKY, 0000
JAMES L. PLAYFORD, 0000
RODNEY C. POHLMANN, 0000
WILLIAM G. POLOWITZER III, 0000
HARRY D. POLUMBO, JR., 0000
GREGORY M. POSTULKA, 0000
BRIAN E. POWERS, 0000
STEVEN R. PREBECK, 0000
KENNETH G. PRICE, 0000
TERRY G. PRICER, 0000
THOMAS A. PRIOR, 0000
ROBIN RAND, 0000
RICHARD A. RANKIN, 0000
RICHARD L. REASER, JR., 0000
WILLIAM C. REDMOND, 0000
WILLIAM B. REMBER, 0000
JEFFREY N. RENEHAN, 0000
MICHAEL L. RHODES, 0000
MARK H. RICHARDSON III, 0000
CLYDE E. RIDDLE, 0000
JAMES RIGGINS, 0000
JOSEPH R. RINE, JR., 0000
ALBERT A. RINGGENBERG, 0000
ROGER E. ROBB, 0000
JAMES L. RODGERS, 0000
JOSE R. RODRIGUEZ, 0000
JOHN P. ROGERS, JR., 0000
ANTHONY F. ROMANO, 0000
STEVEN E. ROSS, 0000
SUSAN C. ROSS, 0000
JAMES E. ROWLAND, 0000
CHRISTOPHER W. ROY, 0000
PHILIP M. RUHLMAN, 0000
DAVID L. RUSSELL, 0000
TIMOTHY P. RYAN, 0000
PETER J. RYNER, 0000
DAVID W. SCEARSE, 0000
ROWAYNE A. SCHATZ, JR., 0000
WAYNE A. SCHIEFER, 0000
THOMAS J.C. SCHRADER, 0000
HELEN K. SCHREUR, 0000
LANCE J. SCHULTZ, 0000
GREGORY A. SCHULZE, 0000
STEVEN J. SCHUMACHER, 0000
SAMUEL C. SEAGER, JR., 0000
JOSEPH K. SEAWELL, 0000
CRAIG M. SEEBER, 0000
SCOTT V. SELLS, 0000
CHARLES S. SHAW, 0000
PATRICK J. SHEETS, 0000
FRANCIS E. SHELLEY, JR., 0000
LYN D. SHERLOCK, 0000
JOHN J. SHIVNEN, 0000
JERRY I. SIEGEL, 0000
LARRY G. SILLS, 0000
ROBERT F. SIMMONS, 0000
DARRELL L. SIMS, 0000
KIMBERLY A. SINISCALCHI, 0000
J. TAYLOR SINK, 0000
LISA S. SKOPAL, 0000
AUSTON E. SMITH, 0000
CRAIG A. SMITH, 0000
DAVID G. SMITH, 0000
KENNETH R. SMITH, 0000
RICHARD E. SMITH, 0000
MARVIN T. SMOOT, JR., 0000
DAVID E. SNODGRASS, 0000
GARY W. SNYDER, 0000
JEFFREY M. SNYDER, 0000
ROBIN A. SNYDER, 0000
JOSEPH SOKOL, JR., 0000
MARY A. SOLANO, 0000
PAUL W. SOMERS, 0000
THOMAS L. SORRELL, 0000
DAVID A. SOWINSKI, 0000
JOSEPH W. SPALVIERO, 0000
STEVEN J. SPANO, 0000
DAVID A. SPATARO, 0000
ERNEST E. SPECK, JR., 0000
STEPHEN M. SPENCE, 0000
MICHAEL W. SPENCER, 0000
RITA A. SPRINGER, 0000
DAVID E. SPROWLS, 0000
RAINER P. STACHOWITZ, 0000
JEFFREY E. STAMBAUGH, 0000
MARK E. STEBLIN, 0000
DANNY STEELE, 0000
MARK D. STEPHEN, 0000
BRET STEVENS, 0000
MOSES STEWART, JR., 0000
CHARLES W. STILES, 0000
PAUL M. STIPE, 0000
DANIEL L. STOKES, 0000
BRYANT B. STREETT, 0000
JAMES P. STURCH, 0000
JONATHAN P. SUNRAY, 0000
SHELBY L. SYCKES, 0000
CLARENCE E. TAYLOR, JR, 0000
GLENN E. TAYLOR, 0000
KAREN A. TAYLOR, 0000
NELSON W. TAYLOR IV, 0000
LAURIE R. TERNES, 0000
TOMMY T. THOMAS, 0000
DAVID J. THOMPSON, 0000
JACKIE R. TILLERY, 0000
RANDY J. TIMMONS, 0000
GEORGE A. TIRABASSI, JR., 0000
ROBERT W. TIREVOLD, 0000
DAVID A. TOM, 0000
GREGORY J. TOUHILL, 0000
GAYLEN L. TOVREA, 0000
CHARLES G.C. TREADWAY, 0000
KENNETH G. TRUESDALE, 0000
ALEXANDER TRUJILLO, 0000
MARION D. TUNSTALL, 0000
SUSAN J. VOVERIS, 0000
BRIAN M. WAECHTER, 0000
KEITH J. WAGNER, 0000
GUY M. WALSH, 0000
LEROY L. WALTERS, 0000
JOHN E. WARD, JR., 0000
GRACE Q. WASHBURN, 0000
KENNETH R. WAVERING, 0000
DANNY W. WEBB, 0000
JEFFERY B. WEBB, 0000
RICHARD D. WEBSTER, 0000
DONALD C. WECKHORST, 0000
RANDALL S. WEIDENHEIMER, 0000
PHILIP D. WEINBERG, 0000
STEPHEN J. WERNER, 0000
LEE M. WETZELL, 0000
JAMES F. WHIDDEN II, 0000
ARVIL E. WHITE III, 0000
CRAIG C. WHITEHEAD, 0000
KENNETH E. WIECHERT, 0000
KEITH M. WILKINSON, 0000
KEVIN E. WILLIAMS, 0000
ROBERT D. WINIECKI, 0000
JAMES R. WISE, 0000
RICHARD B. WITT, 0000
JOHN M. WOHLEBER II, 0000
GAIL E. WOJTOWICZ, 0000
KRISTAN J.T. WOLF, 0000
GARY R. WOLTERING, 0000
JEFFREY A. WORTHING, 0000
NEIL R. WYSE, 0000
THOMAS D. YANNI, 0000
LANCE S. YOUNG, 0000
MICHAEL A. ZENK, 0000
ROBERT H. ZIELINSKI, 0000
ANTHONY E. ZOMPETTI, 0000
THOMAS J. ZUZACK, 0000

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JOEL R. RHOADES, 0000