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House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
October 11, 2000.

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

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

PRAYER

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

Lord God of heaven and earth, both Judaic and Christian scriptures speak to us about end time. You teach us how to prepare for the approaching day of judgment and salvation.

Freed of anxiety and fear we are exhorted once again to place all our trust in You, O God.

You guide us through all difficulties to lead an ordered and sober life given to you in prayer.

Above all, we are committed to love this Nation and serve its people to the best of our abilities.

Help us to keep love and respect for one another at full strength, because You have told us,

In the end, love cancels innumerable sins, now and forever.

Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. EWING) come forward and lead the House in the Pledge of Allegiance.

Mr. EWING led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agreed to the following resolution:

S. RES. 369

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Bruce F. Vento, late a Representative from the State of Minnesota.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate adjourns or recesses today, it stand adjourned or recessed as a further mark of respect to the memory of the deceased Representative.

The message also announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 5362. An act to increase the amount of fees charged to employers who are petitioners for the employment of H–1B non-immigrant workers, and for other purposes.

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

S. 1687. An act to amend the Federal Trade Commission Act to authorize appropriations for the Federal Trade Commission.

S. 2413. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to clarify the procedures and conditions for the award of matching grants for the purchase of armor vests.

S. 2417. An act to amend the Federal Water Pollution Control Act to increase funding for State nonpoint source pollution control programs, and for other purposes.

S. 2528. An act to provide funds for the purchase of automatic external defibrillators and the training of individuals in advanced cardiac life support.

NOTICE

Effective January 1, 2001, the subscription price of the Congressional Record will be $393 per year or $197 for six months. Individual issues may be purchased for $4.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, *Public Printer*

Printed on recycled paper.

S. 2688. An act to amend the Native American Languages Act to provide for the support of Native American Language Survival Schools, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 1-minutes from each side.

HEY BIG SPENDER

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

Mr. GIBBONS. Mr. Speaker, last month the General Accounting Office study reported that a dozen of the largest Federal agencies squandered nearly $21 billion in 1999; $21 billion, Mr. Speaker.

If the Federal government was a corporation, the CEO would have been fired by now.

But instead, our colleagues on the other side of the aisle, some of the Democrats, continue to fight for bigger government and increased spending plans of the Clinton-Gore administration, an administration which has never reprimanded its own bureaucratic agencies for their sloppy bookkeeping.

It is obvious that the bookkeeping of our Federal agencies is in complete disarray. The Department of Education could not even complete its last audit. They ought to learn some basic third-grade math skills.

Mr. Speaker, this irresponsible and wasteful government spending must come to a stop. It is time that the Clinton-Gore administration stop the sloppy math and join this Republican-led Congress to devote 90 percent of the surplus for debt reductions to protect social security and Medicare.

That way, at least our budget surplus will not be squandered, too.

AMERICA MUST PRESSURE HAGUE CONVENTION SIGNATORIES TO COMPLY WITH CHILD ABDUCTION PROVISIONS

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

Mr. LAMPSON. Mr. Speaker, today my story is about Mitchell Goldstein and his daughter, Kelly, age 8. Kelly was abducted from Atlanta, Georgia, to Switzerland when she was 4 years old by her mother, Sandra Gyr Pfisterer, during a court-ordered visitation in 1996.

Since this time, Mr. Goldstein has been trying to have Kelly returned from Switzerland via the Hague Convention on the Civil Aspects of International Child Abduction. Despite numerous court orders from the Swiss court, including from the Supreme Court, officials in Switzerland have refused to enforce the court orders and Kelly remains abroad without any contact from her father.

Switzerland is our ally. Mr. Goldstein has full custody of Kelly. He has numerous court orders from Switzerland and the United States ordering Kelly's return home. Switzerland and the U.S. are parties to the Hague Convention, yet Kelly remains separated from her father.

Mr. Speaker, children like Kelly deserve to have a relationship with both their parents, and parents deserve a relationship with their children. The House should make sure that the most sacred of bonds, that between a parent and child, is preserved. We must pressure signatory countries to comply with the Hague Convention, especially in cases such as these, where their own courts have ordered a return.

SALUTING SOUTH FLORIDIANS WHO PARTICIPATED IN SYDNEY 2000 OLYMPICS

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

Ms. ROS-LEHTINEN. Mr. Speaker, it is with great pleasure that I congratulate all the individuals from South Florida who participated in the Sidney 2000 Olympics.

I am proud to know that there were athletes from our area representing the United States. These individuals honored our community and our country:

Juan Miguel Moreno in Tai Kwon Do;

Angel Perez in kayak;

Magnus Liljedahl in star sailing, he won the Gold Medal;

Alonzo Mourning and Tim Hardaway in basketball, also Gold Medalists;

Seilala Sua in discus;

Michele Davison, Jenny Keim, and David Pichler in diving;

Margie Goldstein-Engle in equestrian;

Lauren Meece and Lauren Moreno in judo;

Vince Spadea in tennis;

Mickisha Hurley and George Roumain in volleyball;

And Doug Meintkiewicz in baseball, a Gold Medalist.

There were other residents from South Florida who, although they did not represent the United States, did an outstanding job in representing other countries, and this demonstrated the cultural diversity and excellence that makes our area such a unique place and a wonderful area in which to live.

These athletes stand as examples of perfection, excellence, and diligence, and of what can be achieved through many years of hard work and dedication. I am proud to know that they are from South Florida, and I ask my congressional colleagues to join me in congratulating not only these Olympians, but all the athletes who showed the rest of the world the best that our country has to offer.

AN AMERICA WITHOUT GOD IS AN AMERICA THE FOUNDERS NEVER INTENDED

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

Mr. TRAFICANT. Mr. Speaker, the United States Army in Europe has denied Catholic soldiers the right to hold mass in the base chapel. A spokesman said, and I quote, ''The Army will not pay for the cost of a priest.'' He further said, ''If we allow the Catholics in, we must allow all religions in.''

Now, if that is not enough to shred the Bible, the Army does allow and permits witchcraft and pagan ceremonies at the base. The spokesman said, and I quote, ''The witchcraft groups pay for their own pagan ministers.''

Unbelievable. It is time to call in the dogs, throw the coffee grinds on the fire, the hunting is over. When the U.S. Army allows satan in one door and will not allow God in the other door, America is so screwed up we do not know where we are going.

Beam me up, here. I yield back the fact that an America without God is an America that the Founders never planned.

WHO DO YOU TRUST?

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

Mr. SMITH of Texas. Mr. Speaker, George Bush wants our children to learn more in school. He wants those who work to keep more of their hard-earned dollars, and he wants those who are retired to have a secure future.

George Bush trusts the people. His opponent wants more government. George Bush trusts parents with school choices. He trusts taxpayers to spend their dollars better than the government. He trusts retirees to invest their savings.

On the other hand, his opponent has a trust problem. Under the Clinton-Gore administration, numerous officials have been indicted or convicted, 83 witnesses refused to testify in court about campaign contribution violations, and another 21 fled the country.

To restore integrity to the White House, the American people deserve a president they can trust. George Bush wants a government worthy of so great a people, a government that is honest, nonpartisan, and scandal-free. Only one presidential candidate can lead America to that shining goal: George Bush.

THE REPUBLICANS' FIG LEAF PRESCRIPTION DRUG BILL

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

Mr. MCDERMOTT. Mr. Speaker, today is Republican fig leaf bill on the cost of

medications. The agriculture bill allows the reimportation of medications that have been shipped abroad to be brought back into the country, presumably to be sold at lower prices.

What the Republicans want the American people to believe is that the pharmaceutical companies will send medications out of the country that they charge $1 in this country for but only 30 cents in Canada, and they will allow them to come back in and be sold for 30 cents.

Mr. Speaker, this provision is a fraud. It allows the pharmaceutical companies to relabel the drugs so people will be confused about whether it is the same medication. It also allows them a 5-year sunset, and it also restricts the contracts when they sell them abroad. They will write a contract that says to the Canadians, ''We are selling this to you, and you agree that you will not reimport.''

This bill is filled with fraudulent information, but it is going to be the basis of 100 to 218 press releases today: ''The Republicans have dealt with the problem of the cost of medications.''

TEN THOUSAND CHICKENS

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

Mr. PITTS. Mr. Speaker, reputations are earned. They take a long time to acquire, as one develops and improves his abilities.

Like those in centuries past who told tall tales about Paul Bunyan or Pecos Bill, it takes a certain talent to stretch the truth.

Well, there is another tall tale reported in the papers this morning that was spun some 20 years ago. It is a tale told by a Washington politician who liked to fancy himself a farmer.

He told his friends that he was once a chicken farmer. He said, ''I have raised chickens myself, 10,000 at one time, 5,000 in each of two houses.'' The politician who told this tale was also the son of a politician so he grew up in Washington, not on a farm.

True, he would go back home to Tennessee once in a while to visit, but all those chickens, they were on another farm that he did not visit. He certainly did not raise 10,000 chickens.

This candidate has earned a place among the best spinners of yarns in America. He tells some of the best tall tales today. The tale of the 10,000 chickens is just one more tall tale from Tennessee. AL GORE spins a good yarn.

SENIORS WANT AN AFFORDABLE PRESCRIPTION DRUG PLAN THROUGH MEDICARE, NOT EMPTY RHETORIC

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

Ms. DELAURO. Mr. Speaker, our seniors face skyrocketing prices of prescription drugs. Many are forced to choose between purchasing their medication and buying groceries. For those skipping meals or missing rent payments, a prescription drug benefit is vital to returning dignity to their lives.

In July, this House passed an amendment to allow U.S. pharmacists to buy medications at the same low prices paid for in other countries, 20 to 50 percent less for the same drugs, and then we could pass those savings on to our seniors. It makes sense.

But last week in the dead of night the Republican leadership twisted this amendment into a deal full of loopholes so big that they could drive a truck through them.

The deal does nothing for seniors. It only protects the pharmaceutical industry profits. This compromise artificially restricts access to safe and affordable drugs abroad. It gives the drug industry a veto over all imports.

Our seniors deserve better. They deserve the same medications at the same prices that people are paying for overseas. It is time for the Republican leadership to stop using empty rhetoric. We should have a pharmaceutical plan that works. We ought to have a prescription drug benefit through Medicare.

If there must be reimportation, then in fact let us be able to reimport those drugs at a price our seniors can pay for.

WELCOME TO NEWBORN JACK CHRISTOPHER LINDGREN

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

Mr. CHABOT. Mr. Speaker, I want to take a moment this morning to welcome into this world Jack Christopher Lindgren, who was born just a couple of weeks ago, on September 21.

I want to congratulate his proud parents, Gary Lindgren, chief of staff in my office, and his lovely wife, Susan. I know they are delighted with their handsome baby boy.

There is some good news for little Jack. Thanks to a Republican Congress, his parents will enjoy a $500 tax credit for their new child. That will help buy diapers and baby food and some of the clothing that babies seem to grow out of in a couple of weeks.

But here is a dose of reality for young Jack. Because of the steadfast opposition of the Clinton-Gore administration, Jack's parents will be paying a penalty again this year to the Internal Revenue Service.

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Their offense? They chose to be married. When Congress tried to correct that inequity in the Tax Code this year, President Clinton said no. There is hope for all of those American families who work hard every day to pay their taxes and support their families. They will have a chance to reduce their tax burden by saying good-bye to the Clinton-Gore team.

Mr. Speaker, American working families deserve a break. Let us give it to them.

DRUG IMPORT PROVISIONS OF AGRICULTURE APPROPRIATIONS BILL

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

Mr. BROWN of Ohio. Mr. Speaker, sometimes I wonder whether the Republican leadership of this Congress reports to the public or to the prescription drug industry. The public sends a clear message that they are sick of unjustifiably high and blatantly discriminatory prescription drug prices.

Seniors are particularly vulnerable to overwhelming prescription drug expenses. Democrats offer a proposal featuring an optional Medicare drug benefit, drug prices discounted to reflect a collective bargaining power of 39 million Medicare beneficiaries, and a strategy for undercutting international price discrimination, the ability to reimport prescription drugs.

Republicans refuse to even consider price discounts for seniors, they emasculate the reimportation proposal, and then they sunset those weak provisions before they even have a chance to kick in.

A phony watered-down drug reimportation bill is marginally better than no bill at all, but I do not want a single American to be fooled into thinking that Republican leadership has been responsive to the prescription drug crisis. The only constituency they have been responsive to is the prescription drug industry.

DATABASE PROTECTION LEGISLATION

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

Mr. COBLE. Mr. Speaker, this will now be the third Congress in which legislation protecting databases has failed to become law. Over the past years, the opponents of such legislation have done all they can to prevent legislation from moving forward and maintain the status quo so they may pirate the work of others due to the current gap in protection. They first claimed there was no need for legislation. Then subsequently, they admitted there was, in fact, a need as long as they could get a carve-out for themselves.

How selfishly convenient. This issue will not go away. Now, more than ever, America's database producers need sufficient protection to ensure the continued investment in developing these information products. Their vulnerability remains as the pirates still sail without fear.

Rest assured, Mr. Speaker, I will do everything I can next session to finally

pass legislation which benefits database producers and, therefore, benefits American consumers. Finally, Mr. Speaker, I want to express thanks to the many people who worked tirelessly to promote this legislation.

VOTING MAKES A DIFFERENCE

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

Mr. EHLERS. Mr. Speaker, Monday evening I spoke to a college government class in my community, and a young woman commented during the question period. She asked, I just turned 18, I will be voting for the first time, can you tell me why I should vote? What difference does the government make in my life?

I gave her two quick examples, and I thought everyone listening to this might be interested in these examples. I said, first of all that, when I was elected in 1994, we had deficits of $300 billion per year. The Republicans took over. We now have a surplus of over $100 billion per year. That is a $400 billion per year difference, and that computes to $2,200 for every single taxpayer in this Nation. That does make a difference to you. You should vote this year.

The second example I gave is that the interest on the debt is going to cost her $185,000 during her lifetime, even if we do not add another cent to the debt. This is equivalent to the cost of a nice house in my district. It does make a difference who is in control; we have started to pay off the debt. It does make a difference, and people should vote accordingly. I am very proud of what we have accomplished, and how we have put money back in the hands of the people, including this young 18-year-old lady. I hope that she does vote, and I hope that she does vote for the good of this country.

URGING OSHA TO STOP CORRUPT ERGONOMICS RULE-MAKING

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

Mr. BALLENGER. Mr. Speaker, just when we thought the Clinton-Gore administration could not sink any lower, they always figure out another way. I recently learned that OSHA paid for 35 posthearing comments for the record on its proposed ergonomics rule. In effect, OSHA bureaucrats paid for what they wanted the public to hear and did not allow real public comments to stand. To make matters worse, OSHA paid for these comments with taxpayers dollars.

This disregard for the mandated public comment period tells a story of the Clinton-Gore-AFL-CIO Labor Department. Mr. Speaker, this outrage bears repeating. Instead of independent reaction from the public at large, OSHA filled the ergonomics public records with comments from its own paid witnesses. If you can believe it, the story gets worse.

When the public comment period was closed, OSHA allowed the ever-biased National Institute for Occupational Safety and Health, NIOSH, to submit over 3 years of scientific literature more than 6 weeks after the deadline. This, again, shows OSHA is hearing what it wants to hear, not what small businesses and the average American wants it to say. I strongly urge OSHA to stop this corrupt ergonomics rule-making and start over with a clean, fair, and objective rule-making process.

CONGRATULATING JACK ST. CLAIR KILBY

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is Nobel Peace Prize time again, and I rise today to congratulate another Dallas resident, Jack St. Clair Kilby.

Mr. Kilby was awarded the Nobel Prize in physics. While you might not know him personally, his invention revolutionized the world. Shortly after joining Texas Instruments way back in 1958, Mr. Kilby conceived and built the first electronic circuit, microcircuit.

Without question, his development revolutionized the electronics industry, gave us such things as the cell phone and satellite communications. His invention allowed us to explore space, fly to the Moon, and develop sophisticated medical tools.

Mr. Speaker, I extend my heartfelt thanks and appreciation and congratulations to Mr. Kilby for his Nobel Prize award. He helped make America great.

ONE MORE TALL TALE FROM TENNESSEE

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

Mr. SCARBOROUGH. Mr. Speaker, a few minutes ago, we heard from the gentleman from Pennsylvania (Mr. PITTS) telling us the tall tales of AL GORE, and the gentleman is right. There is a news article today about how AL GORE was a chicken farmer of over 10,000 chickens. This is a very versatile man.

He is also the inventor of the Internet, the man who brought us the dog pill story, the man who says he was the reason for ''Love Story''; that was the first one to investigate Love Canal; that he was there when the Strategic Petroleum Reserve was invented, which he was not.

He has fought against big oil, and yet his family owes its fortune to Occidental Petroleum. He fought against Big Tobacco. In fact, in 1992, he said that on his sister's death that he swore he would fight the scourge of Big Tobacco for the rest of his life. Well, 2 years later he was telling tobacco farmers that he was one of them.

This is a man who at one time is a chicken farmer, the next he is a tobacco farmer, the next he is an enemy of Big Oil, the next he is a big protector of Big Oil. He is a very versatile man. I wish he would make up his mind and tell the American people exactly who he is.

ASKING ADMINISTRATION TO AGREE TO DEBT REDUCTION PROPOSAL

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

Mr. HERGER. Mr. Speaker, 29 days ago, this Congress sent President Clinton and Vice President AL GORE a proposal to lock away 100 percent of the Social Security and Medicare surpluses and dedicate at least 90 percent of the total budget surplus for debt reduction.

Mr. Speaker, 29 days and still no word from the Clinton-Gore administration. There will be an estimated $268 billion surplus this fiscal year.

Our question is simple: Should it be used to pay off our national public debt and protect Social Security and Medicare, or should it be spent on more government spending? Republicans are for using the surplus to pay off the public national debt and protecting Social Security.

Mr. Speaker, I urge the President and the Vice President GORE to join us and put debt reduction and our seniors ahead of spending and agree to our 90–10 debt reduction proposal.

EULOGY TO THE HONORABLE OSCAR H. MAUZY

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

Mr. FROST. Mr. Speaker, yesterday was a sad day for Democrats across the country, not only did our former colleague, Bruce Vento, die; but one of the finest Democrats in the State of Texas, Oscar Mauzy, passed away yesterday. Oscar served in the State Senate for 2 decades representing a district in Dallas. He served on the Texas Supreme Court, and he stood for everything that was good and decent in politics.

He stood for civil rights at a time when it was not popular in Texas. He stood for the rights of the consumer, and he blazed a trail that made it possible for progressive Democrats to be elected in Dallas County. First Jim Mattox, then I joined Jim in Congress, John Bryant after that, and EDDIE BERNICE JOHNSON following that. Oscar Mauzy will be truly missed by the people of the State of Texas.

TODAY'S MILITARY SMALLER, LESS CAPABLE, OVERWORKED AND LESS READY THAN 8 YEARS AGO

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

Mr. HANSEN. Mr. Speaker, last week Vice President GORE mislead every American again. I am not talking about raising chickens. AL GORE claimed that our military is the strongest in history. Our military is the best in the world today, but it is simply not true that our military today is the strongest in history, not even by recent history.

One only has to look back to the 1980s to find a military force 40 percent larger, with a much more robust capacity that could easily have engaged two major threats on two separate fronts at once. Today, the Joint Chiefs tell us that fighting two fronts could only be accomplished with high risk and significant loss of life.

Looking back at World War II, the United States fielded an Army of over 8 million soldiers and airmen. The United States was fighting on three separate fronts in three separate geographical areas of the world, and we were winning all three.

It is laughable to consider today's force equal. If AL GORE believes today's military is the best in history, he obviously has not talked to thousands of soldiers, airman and Marines who are leaving in total frustration.

By any measure, today's military is smaller, less capable, overworked and less ready than it was 8 years ago. Anyone aspiring to be Commander in Chief should know that.

CONFERENCE REPORT ON H.R. 4205, FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 616 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 616

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4205) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense and for military construction, to prescribe military personnel strengths for fiscal year 2001, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. COOKSEY). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

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

Mr. Speaker, only yesterday the Committee on Rules met and granted a normal conference report rule for H.R. 4205, the Fiscal Year 2001 Department of Defense Authorization Act.

The rule waives all points of order against the conference report and against its consideration.

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In addition, the rule provides that the conference report shall be considered as read.

This should not be a controversial rule. It is the type of rule that we grant for every conference report that we consider in the House.

But more importantly, Mr. Speaker, this should not be a controversial bill. Once and for all, we are taking care of military retirees by giving them TRICARE for life and by improving their prescription drug benefit. Our military retirees were promised lifetime health care coverage when they enlisted, and so it is about time that we fulfilled our promise to them.

Also, at long last, we are taking care of our men and women in uniform. We are getting them off of food stamps and out of substandard housing.

Finally, we are providing for our Nation's general welfare by giving our military the tools they need to win on the battlefield.

I urge my colleagues to support this rule and to support the underlying bill. Now more than ever we must provide for our national security.

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

Mr. FROST. Mr. Speaker, I rise in support of this rule and in support of the conference report. Mr. Speaker, this conference report provides the authorization for the Department of Defense in fiscal year 2001 and, in doing so, it provides for the defense of the United States and for the defense of freedom and democracy around the world.

This conference report ensures that our military forces continue to be second to none, and it ensures that now and in the future our forces will be able to meet the demands of every mission they are assigned.

Mr. Speaker, this conference report addresses the real needs and the real priorities of our Nation's armed services and is, therefore, a conference agreement that every Member of this body should support. But at the same time, every Member should be aware that meeting these needs and priorities comes at a price. I happen to be one who believes the price of defending our Nation and ensuring peace around the world is one worth paying.

This conference report authorizes $310 billion in spending for the Department of Defense and its programs, addressing shortfalls in readiness, funding in modernization programs, and improving the quality of life for our military personnel and their families.

Mr. Speaker, no one can argue the fact that our military stands second to none in the world. No campaign rhetoric can truthfully say that our Armed Forces are not up to the job. But there is no denying the fact that improvement of readiness capabilities and continuing modernization are constant requirements to ensure that we do not fall into a condition that would find us shorthanded in an emergency.

All that requires money, money that must come from a Federal budget with hundreds of competing interests. We must remember that education for our children is also a national priority, that protecting Social Security and Medicare and providing a Medicare prescription drug benefit for senior citizens is a national priority, and that reducing the national debt should continue to be a national priority.

Americans understand this, and they know full well the folly of cutting taxes while increasing spending. I would remind my colleagues in this House that we have gone down that road before. I am committed to ensuring that our Armed Forces are the best trained, best equipped, and the most ready in all the world. But we cannot lose sight of the fact that those forces are protecting a Nation that has other pressing needs. Let us not shortchange our military, our children, or our senior citizens.

Mr. Speaker, this conference report contains many important provisions, but chief among them is one that keeps a promise made to the men and women who have chosen the military as a career and have served faithfully and well for 20 years or more.

When I am back home in my district in Texas, I often have the opportunity to meet with some of the many military retirees who live in the Dallas-Fort Worth area and, more often than not, they raise the issue of the lifetime health care they were promised when they chose to make the military a career.

Cuts in the military budget and base closings have decreased the number of facilities where military retirees can go to receive health care. Even if those facilities are available, they must often wait far too long to see a doctor.

At the beginning of this Congress, the gentleman from Mississippi (Mr. SHOWS) and the gentleman from Mississippi (Mr. TAYLOR), two Democratic Members, offered comprehensive plans to address these inequities in the military health care system for those men and women who have dedicated their careers to defending our country.

Mr. Speaker, while what is in this conference agreement falls short of the original proposals made by the gentleman from Mississippi (Mr. SHOWS) and the gentleman from Mississippi (Mr. TAYLOR), I am gratified that this conference report restores to military retirees benefits they were promised and in doing so begins to make good on

the commitment made to all of them as they embarked on their careers.

This conference report provides permanent lifetime TRICARE eligibility for Medicare-eligible military retirees and their families beginning in fiscal year 2002 and restores the prescription drug benefit by allowing those retirees who cannot access a military treatment facility to participate in the Department of Defense mail order and network retail pharmacy program.

While this benefit is not extended to retirees before they reach Medicare eligibility, the provisions in this conference report represent an important start and one that I say is long overdue.

I encourage the Committee on Armed Services to continue to work on this issue and to especially strive toward ensuring these benefits can be used by retirees who live in rural areas, to ensure that reimbursement rates are adequate, and to provide a benefit for military retirees before they reach the age 65.

We made a promise to those men and women who were willing to put their lives on the line for their country. Now, we have an obligation to live up to it. I am extremely gratified that this provision will become law, and I want to thank the chairman and ranking member for their willingness to see this through.

Mr. Speaker, retention of a trained and ready fighting force is one of the greatest difficulties facing the military today. Long deployments and better offers in the civilian world have taken a toll on the number of military men and women who are willing to stay in and continue to serve.

While retention is improving, this conference report makes significant improvements in the military standard of living which should further assist in reducing the number of service personnel who leave.

The conference report provides a 3.7 percent increase in basic pay, establishes a targeted subsistence payment for those personnel who struggle hardest to make ends meet and provide for their families, provides housing allowances which will assist junior military personnel to find suitable housing for themselves and their families, and provides active duty special pay and bonuses.

These are all important components in the ongoing efforts of the Congress and the administration to recruit and retain the men and women we need for our military forces.

This conference report also increases readiness accounts and importantly includes $222.8 million for spare parts for aircraft squadrons in an effort to stop the cannibalization of aircraft that has occurred in the past.

The conference report provides an increase in funding for live-fire training ammunition for the Army, Navy, and Marine Corps and significantly increases the funding for improvements for training facilities for the National Guard and reserves.

The conference report also funds the weapons programs that are so critical to our military, and I am especially gratified that the conference has included $305.5 million for F–16 modifications and improvements for the Air National Guard.

Looking forward to the future, the conference has provided $2.5 billion for procurement of 10 F–22 fighters, the next-generation Air Force fighter which will ensure our air superiority over any force we might encounter.

Also included is $1.4 billion in research and development funding for the F–22 program. The conference includes $1.2 billion for the acquisition of 16 MV–22 Osprey and $358.4 million for four CV-Osprey.

In addition, the conference includes $154.2 million to accelerate the radar development for the CV–22 Special Operations Variant.

These are all valuable investments in the fighting capabilities of our Armed Forces, and I am pleased that they are included in this agreement.

Mr. Speaker, I should note this conference does contain a significant new compensation plan for those Energy Department employees who are exposed to dangerous levels of radiation, beryllium, and other toxic substances while they work on the Nation's nuclear weapons program.

The agreement calls on the Congress to enact a compensation program by next July 31. I would hope that these workers can count on the Congress to act quickly in the 107th Congress to enact a legislative compensation program to assist them.

Mr. Speaker, this is a very good conference agreement. It was signed by all conferees, making it a truly bipartisan agreement. I encourage all Members to support this rule and to support the conference agreement which provides so much to every American.

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

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I thank the gentlewoman from North Carolina for yielding me this time.

Mr. Speaker, I rise in strong support of this rule and conference report. Since I came to Congress almost 6 years ago, the Congress has made rebuilding our military a top priority. Each year we have been able to make great strides towards this goal, and this bill is another critical example of our efforts.

This defense bill is a great credit to the outstanding leadership of the gentleman from South Carolina (Chairman SPENCE) and also the strong leadership of the gentleman from Missouri (Mr. SKELTON), our ranking member.

More importantly, it is a fitting tribute to those who serve our Nation in uniform and to those who have served.

This legislation takes concrete steps toward providing the proper resources to equip and train the military of today, as well as making the investments needed to support the military of tomorrow.

It provides the proper financial support for our military personnel by providing a 3.7 percent pay raise for those in uniform and by reforming the pay tables for those critical mid-career, noncommissioned and petty officers.

This legislation invests heavily in the important quality of life and health care accounts to ensure that we are not only able to recruit the best and brightest men and women in the military but also to keep them. That is extremely important to the defense of this Nation.

Finally, by expanding access to TRICARE and by providing a pharmacy benefit to our Medicare-eligible retirees, this Congress is ensuring that a promise made is a promise kept.

Despite these great accomplishments, we must also recognize that we still have much work to do. We must continue to address modernization and readiness accounts. We must eliminate the inequity caused by the prohibition against receiving retiree pay and disability pay. We must continue to invest in the most important aspect of our military, our people.

I thank the chairman and ranking member. I urge my colleagues to pass this important legislation for our men and women in uniform, past present and the future.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

Mr. Speaker, I rise in support of the rule and the conference report. I commend the gentleman from South Carolina (Chairman SPENCE) and the gentleman from Missouri (Mr. SKELTON), ranking member, for their hard work in putting together this legislation.

This conference report contains a prescription drug benefit for seniors on Medicare, but only those seniors on Medicare that are military retirees. Like the Democratic Medicare prescription drug plan, on which the majority refused to allow a vote, this bipartisan prescription drug benefit is guaranteed and administered by a Federal agency.

Unlike the Republican prescription drug plan, this bipartisan drug benefit does not throw military retirees to the whims of the private insurance companies that say they will not offer such insurance anyway.

Like my bill, H.R. 664, the Prescription Drug Fairness for Seniors Act, this bipartisan drug benefit gives seniors who are military retirees access to the best prices negotiated by the Federal Government: the Federal supply schedule price, the VA price, or an even lower price.

Now, some in this body call H.R. 664 a price control bill. It is not since it does not set prices. It allows the government to negotiate lower prices on

drugs. But if one believes H.R. 664 involves price controls, then surely this Department of Defense drug benefit involves price controls. Both bills use the same mechanism.

When this bill with the prescription drug benefit passed the House in May, 353 Members voted for it, including 208 Republicans. I ask those Members the following questions: If Congress can provide a government-run prescription drug benefit to one segment of the Medicare eligible population, military retirees, why cannot it offer the same kind of benefit to the rest of our Nation's seniors?

If Congress offers some seniors on Medicare discount drug prices negotiated by the Federal Government, why cannot it offer the rest of our seniors on Medicare the same discount prices?

The answer is we can. The reason we do not is the undue hold the pharmaceutical industry has over the majority of this Congress.

Military retirees need and deserve this bill's prescription drug benefit. I support it with enthusiasm. The tragedy is that Republicans will not do the same for all other seniors on Medicare.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentlewoman from North Carolina for yielding me this time.

Mr. Speaker, I would like to salute everybody that made this authorization bill work. It is a bill to be proud of.

The gentleman from South Carolina (Mr. SPENCE), the committee staff, members of the conference committee all came together and made a big difference on an issue that I have been hearing about, not only since I first got elected in 1994, but heard about from my grandfather who fought in World War II, who gave his entire life to the military, and yet, when he died, he was upset because his military and also his government did not keep the promises that they made to him about military health care.

Well, this bill makes a big difference and moves us in that direction where a promise made to our brave fighting men and women when they first enlisted is now being kept.

Again, everybody involved in this process should be saluted: certainly the gentleman from South Carolina (Mr. SPENCE); his tireless committee staff; members of the conference committee; the gentleman from Indiana (Chairman BUYER) on the House side that made a big difference. On the Senate side, of course, so many Senators helped out; but also people like the gentleman from Mississippi (Mr. PICKERING), who, along with me and some others, have been fighting and talking with the leadership about how important this is; the gentleman from Georgia (Mr. NORWOOD), who has been fighting on military health care for so long; the gentleman from North Carolina (Mr. JONES); and so many others who understand we need a health care fix for our military retirees, and this does it.

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It does several things. First of all, it is permanent. So it tells our military retirees that they can give up their supplemental health care insurance, that they are going to be taken care of. It also gives continuity to those who are going to enlist in this TRICARE plan by allowing them to stay with their physicians that they are with right now. How important that is.

I will tell my colleagues that when I first held TRICARE hearings across my district back in 1997, I heard so many military retirees and their families telling me that they cannot afford to get into any TRICARE plan because they do not know how long it is going to last. Because of the fight of the House conferees who said we must make this benefit permanent, we must set up a trust fund and keep it in mandatory spending, because of that, this program will not be doomed to failure. This program will work, and it will keep the promise that was broken to my grandfather and millions of military men and women and their families and dependents who counted on the promise being kept.

Today is a great day, and I am proud that I am going to have an opportunity to vote for this bill, a bill that I believe my grandfather would be proud of, were he still alive.

I am also proud of another provision in here regarding a school project started by Hunter Scott. He was an eighth grader in my district when he started this fight, and now the crew of the U.S.S. Indianapolis is going to be recognized for their bravery and their work in the closing days of World War II, and also it will be an honor to Captain McVay, too.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. SHOWS), who has helped lead the way on this issue of health benefits for our retirees.

Mr. SHOWS. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate his comments very much.

Mr. Speaker, I rise today to support the defense authorization conference report. This bill will help promote a first-class military. When we pass this bill today, a great victory will be won for our military retirees.

The problem is that the military retirees health care system fails to care for many of its people. This defense bill takes a giant step in correcting this injustice for our military retirees. They devoted their lives to defend this democracy. Many of them served in World War II, Korea, and Vietnam. And when they joined the service, they were promised lifetime health care, just like the gentleman from Florida (Mr. SCARBOROUGH) was talking about awhile ago, and they were hopefully getting it at military bases.

In the old days, this system worked pretty well. But changes in the law made it very difficult to get and base closures eliminated care for many retirees and their families. Civilian retirees can join the Federal Employees Health Benefit Plan, which offers lots of health care options. At 65, FEHBP supplements Medicare and provides a very nice health care package when they need it the most. But TRICARE, the military health plan, ends at age 65. Military retirees get Medicare but nothing else if they cannot afford supplemental insurance.

To correct this sad situation, and I want to mention my colleague on the other side of the aisle, the gentleman from Georgia (Mr. NORWOOD), and Senators TIM JOHNSON, JOHN MCCAIN, and our esteemed colleague, Paul Coverdell, introduced the Keep Our Promise to America's Military Retirees Act, H.R. 3573. The Keep Our Promise Act has united military retirees and families across the country. Their billboards, bumper stickers, e-mails, phone calls, and letters to newspapers and Congress have educated us to their plight. Their persistence has gained the Promise Act 306 cosponsors in the House and 36 in the Senate.

Mr. Speaker, we would not be here today debating this issue today without the grass roots support for the Shows-Norwood Keep Our Promise Act. The defense bill accomplishes part of what the Keep Our Promise Act would do by extending TRICARE to military retirees beyond age 65 as a supplement to Medicare. This is a great step in the right direction, but the defense bill does not do everything the Promise Act would do. The Promise Act would offer military retirees the option to participate in the FEHBP, because many retirees are not well served by TRICARE.

So while we congratulate ourselves on a job well done, we must remember that this defense bill only begins to make good on the commitment we made to our military retirees. We need to pass the rest of the Keep Our Promise Act. It is the right thing to do. And I promise my colleagues that military retirees across the country will keep fighting for the benefits they were promised, earned and richly deserve.

Mrs. MYRICK. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. HASTINGS).

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

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise in support of the rule and in strong support of the underlying legislation that will authorize spending for our Nation's military and spending for the Department of Energy's nuclear sites.

This legislation represents a great leap forward in our Nation's military, and I would like to especially congratulate the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) for their great effort over the past 6

years to ensure that our Nation's military is the best prepared in the world. It is only appropriate that this legislation before us today bears the name of our colleague, the gentleman from South Carolina (Mr. SPENCE).

Mr. Speaker, I would like to focus specifically on one provision that I am especially pleased was included in the final conference report. In the 1999 National Defense Authorization Act, the Congress created the Office of River Protection to manage the Nation's largest environmental cleanup project, which is in my district. The River Protection project is charged with the safe cleanup and vitrification of 54 million gallons of highly radioactive liquid waste that is stored in 177 underground storage tanks at the Hanford Nuclear Reservation in central Washington. Over one-third of these tanks have leaked over a million gallons to the ground, which could potentially endanger the Columbia River and the salmon populations within the Hanford Reach.

The Office of River Protection was established to provide a streamlined management structure that would manage the program primarily at the site to allow for quick decisions and to cut through the DOE bureaucracy that too often impedes cleanup projects. Specifically, the head of the Office of River Protection was charged with managing all aspects of the River Protection project and was to report directly to the Assistant Secretary of Energy for Environmental Management.

Unfortunately, DOE headquarters has not followed the intent of this 1999 legislation and continues to micromanage the Office of River Protection. This micromanagement has contributed to unprecedented frustration among the stakeholders, the State of Washington, other Federal agencies, Congress, and certainly the Tri-Cities communities that I represent.

This year's defense authorization bill contains an amendment I offered in conference to clarify the role of the head of the Office of River Protection. The amendment clearly states that the Assistant Secretary of Energy for Environmental Management shall delegate in writing responsibility for the Office of River Protection to the head of that office. Such delegation shall, at a minimum, include authorities from contracting, financial management, safety, and general program management equivalent to the authorities of other operations offices of the Department of Energy. This delegation must be completed and submitted to Congress within 30 days.

I want to make it very clear, Mr. Speaker, to the Department of Energy that Congress has taken this step because of our continuing concerns with the micromanagement of the office. It is time to put an end to this. I expect the Department to immediately provide the necessary authority to the head of the office for budgeting, contracting, and staffing.

Further, I believe the Department must transfer the regulatory unit, now under the management of the Richland Operation Office, to the head of the Office of River Protection, to comply with this legislation. Now is the time for the Department to recognize the unique mission that Congress has provided to the Office of River Protection and to assist, not hinder, the office to its completion of this vital project.

Mr. Speaker, this amendment would not have been possible without the support of the gentleman from South Carolina (Mr. SPENCE) and the gentleman from California (Mr. HUNTER) and others that were on the conference. I also want to thank specifically the staff, Pete Berry and Steve Thompson, for assisting my office in working through this legislation.

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

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FILNER).

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

We have heard several reasons for supporting this bill, including the pay raise for our armed forces and the health care for our retirees. I want to add one more reason to vote for this bill, and that is because of the provisions which enact an important agreement to save the drinking water for 25 million citizens in the Southwest United States.

These provisions would move the largest uranium mine tailings pile that has ever threatened a drinking water supply in the U.S. The dangerous radioactive waste currently sits only 750 feet away from the Colorado River near Moab, Utah, where it threatens the drinking water of one-seventh of the United States, including people who live in Las Vegas, Arizona, and the Southern California urban areas of Los Angeles and, of course, the city I represent, San Diego.

I want to thank my colleagues, the gentleman from California (Mr. GEORGE MILLER) and the gentleman from Utah (Mr. CANNON), for their leadership in moving this pile, which is as big as 118 football fields, rather than what was previously suggested, which was capping it in place. We have all fought for 3 years to prevent the Nuclear Regulatory Commission from doing just that, capping the pile, because that would ensure that the poisonous waste would continue to leach into the Colorado River for almost 300 years.

This bill gives jurisdiction to move the pile to the Department of Energy, which has the expertise and experience to relocate it to a secure, permanent, location, safely away from the Colorado River. I want to congratulate all those who have worked so hard to cement this agreement into law instead of allowing the capping of this huge pile of nuclear radioactive waste where it would nearly forever pollute the Southwest's drinking water. I urge the passage of this bill.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise in support of the Floyd D. Spence Authorization Act and encourage the adoption of this rule.

This legislation contains many provisions that are important to the defense of this great Nation and to our veterans. However, I want to speak briefly on title 36 of the bill, which establishes the Energy Employees Occupational Illness Compensation Program to provide timely, uniform, and adequate compensation to employees or their survivors for illnesses incurred during the performance of their duties for the Department of Energy's nuclear weapons program.

The legislation requires the President to submit to Congress by March 15 of next year a legislative proposal that identifies the types and amendments of compensation for individuals whose health was adversely affected by their work at DOE facilities, and the procedures for providing those benefits and compensation. If Congress does not act by July 31, 2001, to enact a compensation program, eligible employees exposed to beryllium, radiation, and those working in gaseous diffusion plants will be entitled to a lump sum payment of $150,000 and medical care for their disease.

I want to thank Senator FRED THOMPSON of Tennessee and Senator GEORGE VOINOVICH of Ohio for their leadership and dedicated efforts on behalf of these workers. Without their efforts, we would not have this legislation today nor any other compensation legislation.

Additionally, the bicameral bipartisan compromise that was reached on this program could not have been realized without the tireless efforts of the gentleman from South Carolina (Mr. SPENCE), the gentleman from Illinois (Mr. HYDE), the gentleman from Tennessee (Mr. WAMP), the gentleman from Texas (Mr. THORNBERRY), the gentleman from Kentucky (Mr. WHITFIELD), and their dedicated staffs, as well as Mr. Aleix Jarvis of my staff, who I want to thank for his efforts.

I represent the Savannah River site. The workers there and at DOE facilities across the Nation dedicated their lives to winning the Cold War. They did what their country asked of them. Unfortunately, the Government was not always aware or up front about what they were being exposed to and the dangers it presented to their health. Today we acknowledge our mistakes, and I think it is only right that we correct this wrong.

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This is a good bill. I think it is only fitting that this legislation that does so much for so many years by so many

bears the name of my friend and colleague, fellow South Carolinian (Chairman SPENCE) who has fought tirelessly for both the men and women in uniform and for those who once wore the uniform.

I encourage adoption of this rule and passage of the bill.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

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

Mr. Speaker, I rise in support of the rule, H. Res. 616, which will allow the House to consider H.R. 4205, the Floyd D. Spence National Defense Authorization Act for 2001.

I am pleased that the Committee on Rules crafted a rule that will waive all points of order against the conference report. A blanket waiver is efficient and would be consistent with the actions of this committee in the 106th Congress.

I also want to commend the members of the House and Senate Committee on Armed Services and applaud the conferees for their deliberation and consideration of important measures included in the legislation.

I am pleased that the conferees retained language from the Senate bill that establishes new and important resources for our Nation's firefighters. The provisions in my legislation, H.R. 1168, the FIRE Act, are included in the DOD authorization bill. The level of authorization may not be what we wanted it to be, but this is a beginning for our firefighters.

We have dedicated our efforts, Mr. Speaker, to the six heroes who died in Worchester, Massachusetts, the firefighters. The $100 million that is authorized for this year and the $300 million that is authorized for 2002 are significant attempts to help the 32,000 fire departments and the million firefighters throughout America.

Paid, combination, volunteer departments and emergency medical technicians will be eligible to apply for these grants.

When appropriated, fire departments can hire personnel, purchase new and modernized equipment, provide fire prevention education programs and wellness programs for our firefighters to modify outdated fire stations. It sends the dollars directly to the departments to the communities in need through competitive grants without going through the State red tape.

I want to thank all 284 cosponsors in this House, Mr. Speaker, for this important legislation and for their support and interest. I especially would like to thank the gentleman from Maryland (Mr. HOYER). This is a victory for our firefighters. I am honored to have been part of it. And again, I want to thank the committee, Mr. Speaker.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in strong support of this conference report and the rule that brings this bill to the floor. I want to thank my good friend the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the time.

There are many important functions of our Federal Government, Mr. Speaker, but probably no more important or more legitimate function than providing for our national defense. And I think it is very, very appropriate that this very strong pro-defense bill is named after our good friend, the gentleman from South Carolina (Chairman FLOYD SPENCE) who has been such a leader in this area for so many years.

But I particularly want to thank the conferees and everyone who has worked so hard on the provisions for the sick nuclear workers that the gentleman from South Carolina (Mr. GRAHAM) just detailed.

While Oak Ridge is in the district of my friend, the gentleman from Tennessee (Mr. WAMP), about half the people who work there live in my district. Over the years, several Oak Ridge nuclear workers suffering from beryllium disease and other health problems related to their work with radioactive material have come to me for assistance, and we have always tried to get them the help we could. But more needed to be done.

I especially want to congratulate my constituent Ann Orick who really led the fight to call attention to the plight and the problems of these sick workers. And I want to commend the gentleman from Tennessee (Mr. WAMP) and Senator THOMPSON who really led the battle in this Congress to see that appropriate action was taken. I was pleased to assist them in their heroic efforts.

Now, hopefully, these workers will receive compensation and, much more importantly, medical treatment for their illnesses. They served our country well and they deserve no less.

I want to urge adoption of this rule and adoption of this conference report.

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

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

Mr. Speaker, 3 years ago a bipartisan majority here in Congress passed the Defense budget that substantially increased funding for the Armed Forces, launching a rebuilding process that is gradually addressing the deficiencies in readiness and quality of life in military service that had developed over many years of post-Cold War downsizing.

Rebuilding has not been as fast as I would like and certainly not as fast as the men and women at the bases located in the part of Georgia that I have the privilege of representing would like. But, on a bipartisan basis, we are moving in the right direction.

For one thing, this bill authorizes a reorganization plan prepared by Army Secretary Caldera to shut down the School of the Americas at Fort Benning, Georgia, and to open a new program with a restructured curriculum and with a strong independent oversight that includes congressional representation on the school's board of visitors.

This program, which teaches professionalism and the principles of democracy to Latin American military and government personnel, is an important instrument of U.S. policy in our hemisphere; and I commend Congress for its farsighted action on this issue.

The bill also is commendable for stepping up the process of raising the quality of life for all Americans who are serving in our military and for those who faithfully served in the past. This includes the health care benefits for our veterans. And for active duty personnel, it includes a pay raise, new housing facilities and allowances, new reenlistment incentives, new child care centers, new educational assistance and establishment of a thrift savings plan, not to mention the funding for new equipment and weaponry that will greatly improve working conditions and our readiness.

Mr. Speaker, this bill keeps our country moving in the right direction, and I urge all of our colleagues to give it their full support by voting for this rule and voting for the bill.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank the gentlewoman (Mrs. MYRICK) for yielding me the time.

Mr. Speaker, I rise in strong support of the rule for the Fiscal Year 2001 Floyd D. Spence Defense Authorization Act.

Mr. Speaker, as a member of the conference, I am proud of the bipartisan bill the House and Senate agreed upon. Over the last 8 years, the Clinton-Gore administration has cut defense spending to historic lows. In fact, the Service Chiefs have testified that there is still a mismatch between resources and requirements. The services are migrating funds from modernization accounts to operations and support accounts to maintain current readiness.

This bill tries to lessen the current Clinton-Gore impact on long-term readiness by increasing procurement accounts by $2.6 billion and increasing research and development accounts by $1 billion.

The bill includes $688.6 million for the Joint Strike Fighter. Boeing recently flew their concept demonstrator at Edwards Air Force Base, and their competitor, Lockheed Martin, is scheduled to fly their version later this month.

We have included language in the bill which will require the Department of Defense to perform a cost study of final assembly and checkout alternatives for the Joint Strike Fighter program. Studies have been done that show that $2.2 billion can be saved by building the Joint Strike Fighter in California. The

Joint Strike Fighter may be the last manned fighter ever built and is expected to be the fighter of choice by all three services and our allies, as well. The Joint Strike Fighter is important to our defense and to our economy.

Also included is $115.3 million for research and development to modify the B–2 fleet. The B–2 Spirit of America is the Air Force's only all-weather, stealth, long-range bomber. The funds will be used to enhance the B–2 capabilities making it far more capable even than it was in Allied Force.

A Link 16 and Center instrument display will give connectivity for in-flight re-planning. New bomb racks to carry state-of-the-art weapons will increase its lethality, and maintainability upgrades will increase its survivability.

These are just a few examples of modernization efforts we have funded this year. Others have spoken of other things we have done to improve our readiness and enhance the quality of life for our troops. This is a good bill and a good rule, and I urge all my colleagues to support it.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. UDALL).

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, I support this rule. I also will support the conference report.

The conference report does include some things that I do not like. It omits some things also that I think should been included, especially the hate-crimes provisions that were in the Senate bill and that the House instructed the conferees to accept.

But I will support it because it includes vital legislation to set up a system of compensation and care for current and former nuclear weapons workers made sick by on-the-job exposure to radiation, beryllium, and other dangers.

This has been a priority for me. For over a year, I have been working with colleagues from both sides of the aisle to achieve its enactment, and I am very pleased that the House today will be voting on it.

This is a very important matter for our country. It is particularly important for many Coloradans because our State is home to the Rocky Flats site, which for decades was a key part of the nuclear weapons complex.

Now that that site's military mission has ended and we are working hard to have Rocky Flats cleaned up and closed, we need to work just as hard to take care of the people who worked there.

The people who worked at Rocky Flats and the other nuclear weapons sites were part of our country's defense just as much as those who wore the uniform of an armed service. They may not have been exposed to hostile fire, but they were exposed to radiation and beryllium and many other hazardous substances. And because of that, many have developed very serious illnesses while others will develop such illnesses in the future.

Unfortunately, they have not been eligible for veterans' benefits and they will be excluded from other programs because they technically worked for DOE contractors and for far too long the Government was not on their side.

To explain what I mean, let me summarize part of a recent statement by Dr. Lee Newman as it affects nuclear weapons workers. Dr. Newman says these workers were ''failed by the Federal Government in at least eight ways.''

The Federal Government failed to adequately warn them. The Government failed to adequately protect them. The Government failed to institute medical monitoring. The Government failed to support investigation of a beryllium disease epidemic affecting them. The Government failed to support compensation claims they filed. The Government failed to do enough to reduce exposure, provide education, and detect early disease. The Government failed to support adequate research on treatment. And the Government failed to study and act on other occupation illnesses, including ones now covered by the conference report now before us.

Now, the good news is that things have changed. Secretary Richardson and the administration have reversed a decades-old policy of opposing workers' claims. Now we in the Congress need to finish the job. Today, by approving the conference report, we can start to do just that.

I am not saying this is perfect legislation. In fact, I think it can be further refined to include wages that workers lost because of these illnesses. But we are nearing the end of this Congress and time is of the essence, so we should adopt this rule and pass the conference report in order to take this essential first step.

Mr. Speaker, we must pass this conference report today.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Speaker, I, like others, rise in strong support of this Fiscal Year 2001 Department of Defense conference report.

I support this bill because we must reverse the downward spiral in defense spending that we have seen for more than a decade. That spiral has seriously undermined our readiness, modernization, recruitment, and retention efforts.

It has been my honor to represent the men and women serving in the military at Ft. Campbell, Kentucky. This legislation is important to them because it provides those soldiers a 3.7 percent pay raise and provides up to $500 a month to assist soldiers and families who are forced to live on food stamps.

For our military retirees, this bill finally fulfills the promise made when they joined the service years ago. It guarantees a lifetime health care benefit for all retirees and their eligible family members. For Department of Energy contract and vendor employees, this bill establishes the first Federal program to compensate workers who have or will contract beryllium disease or certain cancers resulting from radiation exposure.

At a minimum, workers will be entitled to a $150,000 lump sum payment plus medical expenses. For the employees that I represent at that Paducah Gaseous Diffusion Plant who have been unknowingly exposed to contaminated uranium, plutonium, neptunium, and other hazardous substances while producing the materials needed to sustain our nuclear weapons arsenal throughout the Cold War, approval of this compensation package was a hard-fought and long-overdue victory.

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I want to thank the gentleman from South Carolina (Mr. SPENCE), the gentleman from California (Mr. HUNTER), and all of those on both sides of the aisle who worked on this important compensation package, the gentleman from Tennessee (Mr. WAMP), the gentleman from South Carolina (Mr. GRAHAM) on our side, the gentleman from Colorado (Mr. UDALL), the gentleman from Ohio (Mr. STRICKLAND), the gentleman from Pennsylvania (Mr. KANJORSKI) and others. This is an important piece of legislation. It corrects some long overdue inequities.

I urge all of my colleagues to support this Department of Defense conference report.

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

Ms. SANCHEZ. I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, as a member of the Committee on Armed Services, I rise in strong support of the National Defense Authorization Conference Report, H.R. 4205. I would like to thank the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON), subcommittee chairs, ranking members and all committee staff who have worked so hard to get this bill ready.

This year's bill makes great strides towards improving modernization, quality of life and military readiness. First, military health care is getting on the right track, but there is still a lot we need to do. Second, recruiting and retention are showing signs of improvement, but it will be a constant challenge during strong economies and changing demographics.

One area that I have been working on is to better inform our service members about the true value of the total compensation that they get in the military. If younger service members fully understand the value of all their benefits, then they may opt to stay in military service more often.

Third, I would like to commend the committee on their work in improving

the research and development accounts, specifically science and technology. R&D is the future of this Nation's defense. We should not shortchange our future to fund today. Research and development is critical because it maintains our technological edge and helps our service people with the growing and changing needs of our national security.

Finally, I would like to commend the committee for looking at California as a potential production site for the Joint Strike Fighter. Building the Joint Strike Fighter in California would save taxpayers billions of dollars through State-sponsored economic incentives and by using existing production facilities. If we are asking taxpayers to support the best manned, equipped, and trained fighting force in the world, actually in the history of the world, then we must ensure that it is as cost effective as possible for taxpayers.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I note with dismay but unfortunately not with surprise that the hate crimes bill which got a majority vote in both houses is absent from this bill.

Let me say we have seen this scenario before, Mr. Speaker. A majority vote, according to the rules, for a certain result and the people in power blatantly ignore the wishes of the majority. Now, that describes two recent situations: the Serbian presidential election and the conference committee on the defense bill. In the case of the Serbian election, when the Milosevic regime refused to pay attention to majority rule, the people found a way to remedy it. Here, a majority in both houses voted, a significant majority, for the hate crimes bill. Yet the people in power, emulating Milosevic, have decided to repudiate the results of the election. I hope a similar result will ensue.

Ms. PRYCE of Ohio. Mr. Speaker, I rise in strong support of both the rule and the conference report for the Floyd Spence National Defense Authorization for Fiscal Year 2001.

First let me congratulate Chairman SPENCE, Ranking Member IKE SKELTON, and all the conferees for their hard work and dedication to the men and women who serve in our armed forces.

I know that this was a difficult conference, with many hard issues to resolve, however the end product before us today has certainly been worth the wait.

Mr. Speaker, I am specially grateful to the conferees for including important provisions, which address the needs of thousands of workers, including workers in my home state of Ohio, who were exposed to dangerous levels of radiation, beryllium, and other toxic substances while working on our nation's nuclear weapons programs.

While these workers never served in our military, they nevertheless helped us to win the Cold War.

Sadly, many of these workers today are suffering from debilitating diseases directly related to plant conditions.

The compensation package, included in this conference report represents a major step in recognizing their service and will provide needed help and assistance to these individuals and their families, who are suffering from illness due to exposure.

Mr. Speaker, I would also like to commend the conferees for helping to keep our promise to our military retirees, their families, and their survivors by: Restoring military healthcare as a benefit for life; Providing comprehensive pharmacy benefits; Extending the Tricare Senior Prime Program; and, Reducing the healthcare "out of pocket" expenses for all our military retirees from $7,500 to just $3,000.

We can never fully repay the debt of gratitude we own the men and women who freely choose to serve in our armed forces.

However, these needed provisions maintain our commitment, improve their quality of life, and will truly make a difference in the lives of those who served and sacrificed for our nation with honor and distinction.

I urge all my colleagues to support this rule and this very important conference report.

Mr. FROST. Mr. Speaker, I urge adoption of the rule, adoption of the conference report, and I yield back the balance of my time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, pursuant to House Resolution 616, I call up the conference report on the bill (H.R. 4205) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The SPEAKER pro tempore (Mr. COOKSEY). Pursuant to House Resolution 616, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 6, 2000 at page H9053.)

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

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

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

Mr. SPENCE. Mr. Speaker, the fiscal year 2001 defense authorization bill has been a bipartisan effort from start to finish. In May, the bill was reported out of the Committee on Armed Services on a vote of 56–1. Later in May, the bill passed the House on a vote of 353–63. Now, I am pleased to report that all Armed Services Committee conferees in both the House and the Senate have chosen to sign this conference report in the latest reflection of the broad bipartisan support for this legislation.

This is not to mean that this has been an easy process. We faced having to reach agreement on over 800 legislative provisions, dealing with a broad range of topics, many having little or nothing to do with defense. However, with the strong cooperation of all Members on both sides of the aisle and a determination to once again complete our work prior to adjournment, we are able to present to the House a strong agreement that furthers the national security of this Nation.

Mr. Speaker, this legislation represents 6 years in a row that Congress has increased the level of defense spending requested by the President. Consistent with the budget resolution, this bill authorizes $4.5 billion above the budget request in order to address urgent shortfalls in key readiness problems, modernization and personnel accounts. The four military service chiefs, in testimony before the Armed Services Committees, have repeatedly itemized these shortfalls in great detail. While this bill will not eliminate these shortfalls, it will go a significant way toward addressing the most urgent of these requirements.

I have said many a time that we are facing a military crisis in this country. Notwithstanding the efforts of Congress, the readiness and combat effectiveness of our Armed Forces continue to decline. Irrespective of who wins the election in November, America faces a fundamental national security choice next year. Either we accept our role as the sole global superpower and step up and provide our military with the associated necessary resources, or we decline this difficult responsibility and start to walk away. I believe the choice should be clear, but continuing to attempt to fulfill our superpower responsibilities on the cheap is simply no longer an option. We are running our military into the ground, continuing to lose our most valuable national resource, our men and women in uniform, and falling further behind the urgent need to recapitalize the force.

With that admonition, Mr. Speaker, I want to briefly cover two aspects of the conference report that deserve particular attention. Others will highlight the other important provisions in the conference report.

First, this bill continues the work started by Congress last year in addressing the serious problem facing our military retiree programs. Last year, we successfully reformed the military retirement system and restored confidence in a program that had lost its appeal in attracting and retaining our best and brightest Americans into military service. This year, we continued this support by tackling an even thornier problem, the military health care system, and, in particular, access to adequate health care by the oldest

portion of our military retirees, those who currently lose access to military care when they become eligible for Medicare.

This conference report allows Congress to finally fulfill the pledge given to millions of military retirees that they would receive lifetime medical coverage in exchange for their selfless military service to the Nation. The conference agreement would establish a permanent program for all Medicare eligible military retirees and dependents to receive lifetime coverage under the TRICARE health care program. The bill would also provide a much-needed expansion of prescription drug coverage to ensure that all retirees have full access to this critical military benefit.

Finally, the conference agreement recognizes the need to continue to aggressively improve the TRICARE system program as it takes on an expanded beneficiary population.

Mr. Speaker, the second area I wanted to briefly cover involves the difficult question of how best to compensate Department of Energy and contractor employees suffering from the ill effects of exposure to radiation and other hazardous substances. This becomes one of the most difficult issues in conference and it raises a series of very complex and difficult policy questions. However, I am pleased to note that the conference agreement includes landmark legislation establishing a new energy employees occupational illness compensation program. This program establishes statutory eligibility for workers exposed to radiation, beryllium and silica in the course of carrying out their work in the United States nuclear weapons complex. I believe this is a just and fitting response by Congress to the tragic situation facing these courageous Americans who played an important but often unrecognized role in helping us win the Cold War.

Mr. Speaker, this conference report is a result of hundreds of compromises with the Senate. In this regard, the outcomes are not all what we would like them to be. However, it remains a sound and balanced proposal that deserves the full support of my colleagues. That is what conferences are all about, compromise. We are able to bring this legislation today before us as a result of the hard work and commitment to success by all conferees in both parties on both sides of the aisle, from both houses. In particular, the critical roles played by the Committee on Armed Services subcommittee and panel chairmen and ranking members deserve mention. We unfortunately lost our good friend and Readiness Subcommittee chairman Herb Bateman before we began the final work on our bill. But Herb's characteristic imprints are all over this bill and its many provisions to shore up sagging military readiness. I also want to thank my friend, the gentleman from Missouri (Mr. SKELTON), for another very productive effort in guiding this bill through the process in an open and bipartisan fashion. In our committee, bipartisanship is not merely talk. It is the only way to approach the very difficult national security issues we must address.

I also want to thank Chairman WARNER and his colleagues on the Senate Armed Services Committee for sharing our mutual commitment to complete the conference report in spite of overwhelming odds. It is this continued bipartisan and bicameral commitment that allows Congress to provide this critical legislation every year.

Finally, I want to single out the extraordinary efforts of my friend and colleague the gentlewoman from Jacksonville, FL (Mrs. FOWLER) who as a senior member of the committee and of the House leadership team has been an indispensable ally in helping us arrive at the best possible outcomes on so many issues.

Mr. Speaker, this legislation is important to our troops, to our military families, to our military retirees, and to the continued protection of our national security. It deserves a strong vote of confidence in this body. I would ask my colleagues to vote accordingly.

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

Mr. SKELTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in strong support of the conference report to accompany H.R. 4205, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001.

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It is appropriate that this bill has been named in honor of our distinguished chairman, the gentleman from South Carolina (Mr. SPENCE). I want to commend him for his leadership throughout the long and sometimes difficult deliberations on this legislation. We produced an excellent bill for national defense, and this conference report deserves the support of all the Members in the House.

This conference report builds upon the President's budget proposal for defense and makes important improvements in military quality of life, readiness, and modernization programs. Moreover, this bill will keep the promise of lifetime health care for all military retirees. We have been working to make this the year of military health care, and I am proud of those Members of our committee on both sides of the aisle who worked so diligently to improve health care for our military retirees, as well as for the active duty service members and their families.

I want to especially recognize the efforts of the gentleman from Indiana (Mr. BUYER) and the gentleman from Hawaii (Mr. ABERCROMBIE), the chairman and ranking member of our Subcommittee on Military Personnel, and the gentleman from Mississippi (Mr. TAYLOR), who has been a leader in this effort from the beginning.

For military retirees, the conference report provides permanent medical coverage under TRICARE for military retirees over age 65; expands and makes permanent TRICARE Senior Prime, also known as Medicare Subvention, provided Congress approves a new agreement; establishes a permanent pharmacy benefit with access to the national mail order program and retail pharmacies; and reduces catastrophic expenses from $7,500 to $3,000 for retired TRICARE beneficiaries.

Mr. Speaker, for active duty service members and their families, the conference report provides TRICARE Prime Remote to active duty family members; eliminates copayments for active duty family members in TRICARE Prime and TRICARE Prime Remote; phases in chiropractic care to active duty personnel; reimburses certain travel expenses for military families who must travel to a referred specialist; eliminates certain referral requirements for specialty care; and improves TRICARE claims processing and reduces costs.

In addition to these health care improvements, I am pleased that the conference report includes increases in funding for the procurement of weapons, ammunition and equipment, for research and development, and for operations and maintenance.

The conference report supports the important Army transformation initiative, recognizing the need for the Army to build a medium weight force that is capable of quickly deploying to a full spectrum of contingencies.

Mr. Speaker, I am pleased that this conference report includes authorization for the Energy Employees' Occupational Illness Compensation Program. This program will help compensate those thousands of workers who become ill from exposure to dangerous levels of radiation, beryllium, and other toxic substances while they worked in our Nation's nuclear weapons programs. These workers are the unsung heroes of our victory in the Cold War, and it is only appropriate that we acknowledge their sacrifice and compensate them for their illnesses.

Mr. Speaker, this conference report is the result of cooperation and compromise between the House and the Senate and between Members of both sides of the aisle. It deserves strong bipartisan support, and I urge all Members to vote for the approval of this conference report, which is named appropriately so for our chairman, the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HUNTER), the chairman of our Subcommittee on Military Procurement.

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

Mr. HUNTER. Mr. Speaker, I thank the chairman, the gentleman from

South Carolina (Mr. SPENCE), for yielding me this time.

Mr. Speaker, I want to congratulate the gentleman from South Carolina (Mr. SPENCE) also for his great leadership in maneuvering this bill through some pretty tough waters here in the last several weeks, and the gentleman from Missouri (Mr. SKELTON) for his leadership; and also for my ranking member, the gentleman from Virginia (Mr. SISISKY), who worked as my partner to help put together the procurement package that is manifest in this bill.

Mr. Speaker, let me just run over a few things that we did for the services. The Army General Shinseki needed a light armored force that could be quickly moved around the world to react to emergencies. We do not have that capability right now. We have heavy armor, and we have soft bodies in the airborne groups. We do not have that ability to move a light armor around; and he is working to develop that transformed Army, and we rewarded his initiative with some money to put these first several brigades of new Army units together.

He is moving out on that program. With respect to the Navy, we preserved the option to keep some 688 submarines that otherwise would be junked or retired because of refueling costs. We put in money to refuel them so we can get that attack submarine force up from the 56 or so boats that we have now up to around 65 or 70.

With respect to the Air Force, we reinstated the caps for the F–22; but we gave a little breathing room, a percent and a half of breathing room, for EMD so they can have a robust testing and manufacturing program for the F–22. We think that is important for the Air Force.

Now we still have major problems with procurement, and we are spending $30 billion too little annually to upgrade the force structure that we have now to keep modern equipment in the force structure that we have now.

The Joint Chiefs testified the other day, General Shinseki, that we are $3 billion short on critical ammunition supplies for the Army. The CNO testified that we have about a 50 percent shortage of Tomahawk missiles and the Air Force said we are 50 percent short of munitions. We have a lot of ground to make up. We are going to try to do that in the next year or so, but this was a good bipartisan bill and a good start.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SISISKY).

Mr. SISISKY. Mr. Speaker, my colleague and friend, the gentleman from California (Mr. HUNTER), did not tell the whole story; but this conference report includes over $63 billion for procurement. That is a lot of money, but I believe it gets America more than the number might indicate. In fact, I would call this America's first true post-Cold War defense budget.

The reduction in the size of our military forces begun in 1990 is largely complete. Troop numbers are stable, and this year's authorization uses the power of technology to equip those forces to do a more effective job and with less risk to our troops. It begins to outfit those troops to meet the missions they are likely to face today and tomorrow. We authorize and fully fund the Army's bold effort to become faster and more mobile without losing its punch. The Air Force will move into the 21st century with the immensely capable F–22 fighter; and the Navy gets new technology, ships and creative ways to buy them that will defend the taxpayers' wallets.

The procurement program in this bill does not provide all the answers, but it should eliminate a lot of questions about whether America's military is ready for today's challenges.

Finally, let me commend my friend and subcommittee chairman, the gentleman from California (Mr. HUNTER), for the cooperation he and the staff showed in putting our title together. I commend to the attention of other Members the fact that the staff of the Committee on Armed Services is bipartisan in intent and in effect. In large part, this is why this bill turned out so well for the country and for Members interested in national defense.

The bottom line is, we must never forget why we are here and what this bill is really for. This bill supports the great young military men and women who protect our freedom. It provides equipment and training, keeps commitments for health care and supports their families. I ask all my colleagues to support this conference report.

Mr. SPENCE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BARTON), for the purpose of a colloquy.

Mr. BARTON of Texas. Mr. Speaker, this will be very brief also. I want to clarify an aspect of section 3303 of the conference report which provides in part for the cleanup of uranium mill tailings from the former Atlas uranium mine.

The bill language directs the Secretary of Energy to prepare a remediation plan with the help of the National Academy of Sciences to determine the right way to remediate this site. Elsewhere in this provision is other bill language which appears to define remediation as being relocation of the tailings pile. I am concerned that someone might view this language as authorizing removal of the tailings pile regardless of the findings of the NAS or the remediation plan developed by the Secretary.

My understanding is that we are authorizing an objective threshold determination by the Secretary of Energy, with the advice of the National Academy of Sciences, on whether or not the Atlas pile needs to be moved, and that only if a determination to move the pile is made would the condition apply that the pile must be moved out of the Colorado floodplain to another location in the State of Utah.

Is this the understanding of the gentleman of how this provision will operate?

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

Mr. BARTON of Texas. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Speaker, I want to thank the gentleman from Texas (Mr. BARTON) for his inquiry.

Mr. Speaker, the gentleman is correct. We expect the Secretary will develop a remediation plan that fully considers the recommendation of the National Academy of Sciences in order to reach an objective determination by the Secretary on whether the pile should be relocated or simply treated in place.

Mr. BARTON of Texas. Mr. Speaker, I thank the distinguished chairman of the Committee on Armed Services for his response.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for yielding me this time.

Mr. Speaker, I want to say I adopt the remarks made by the ranking member and the chairman as well as my friend, the gentleman from Virginia (Mr. SISISKY), with respect to this bill. I am a strong supporter of its provisions as it deals with readiness and as it deals with quality of life for our members of the armed services.

I want to talk about really an extraneous provision on this bill which I am very pleased with. The National Commission on Fire Prevention and Control issued a report in 1973 called America Burning. For the Fire Service, this was a turning point in its 350-year history. This is another turning point. The fire package attached to this conference report is a scaled-back version of legislation offered by my good friend, the gentleman from New Jersey (Mr. PASCRELL). The gentleman from New Jersey (Mr. PASCRELL) has championed his fire act tirelessly for the past 2 years. Some told the gentleman from New Jersey (Mr. PASCRELL) that it would not happen.

I note that on the floor today, as well, is my good friend, the gentleman from Pennsylvania (Mr. WELDON), who cochairs the Fire Service Caucus with me. He and I are still working on getting an additional $100 million in emergency funds available for our fire fighters.

To the credit of the gentleman from New Jersey (Mr. PASCRELL), he never lost faith. He pushed and working together with all of us in the Fire Service Caucus, and I note the gentleman from New Jersey (Mr. ANDREWS) is also on the floor with me. We have one of the finest pieces of legislation for fire fighters this Congress has ever passed, and I thank the chairman. I thank the ranking member, the gentleman from Missouri (Mr. SKELTON), and Senator

WARNER as well, for their leadership and help on this, and congratulate the gentleman from Pennsylvania (Mr. WELDON) for his work on this as well.

To his credit, he never lost faith. He pushed, cajoled, and lobbied tirelessly to move his legislation forward. As a cochair of the Fire Caucus I would like to thank him, the Fire Service organizations and literally thousands of fire fighters from across the Nation for all their hard work.

I would also like to thank my fellow cochairs ROB ANDREWS, CURT WELDON, and SHERRY BOEHLERT for all their leadership on this issue.

Mr. Speaker, as I said before this is a watershed moment for the Fire Service and I urge all my colleagues to support the conference report.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. WELDON), the chairman of our Subcommittee on Military Research and Development.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, first of all, I want to thank our distinguished chairman, the gentleman from South Carolina (Mr. SPENCE), for this conference report. No one has done more in this Congress over the past 6 years and beyond on behalf of America's national security than the gentleman from South Carolina (Mr. SPENCE). He has been a tireless advocate for our military, and it is appropriate that we name this bill in his honor. It has been my pleasure and honor to serve with him and under him.

Equally, I am proud to serve with the gentleman from Missouri (Mr. SKELTON), a real gentleman and someone who is always doing what is best for our service personnel. I want to pay special attention to those Members who will not be coming back with us. We lost Herb Bateman this year, one of our real giants in the Congress. We all miss him because of his leadership on defense issues.

I want to add our thanks to the gentlewoman from Florida (Mrs. FOWLER) and the gentleman from Ohio (Mr. KASICH) for their service on the committee, but I want to especially single out my good friend, the gentleman from Virginia (Mr. PICKETT). He has been my ranking member on the subcommittee for 6 years. I am proud of the fact that we have never had a split vote on any issue in 6 years. Now, that speaks to how we can work together with almost 30 members of the committee on issues that are important to America's security.

I thank the gentleman from Virginia (Mr. PICKETT) for being an outstanding American. I appreciate his work.

In terms of the overall bill and R&D, we made the best of a bad situation. In my opinion, this bill is not adequate to meet the defense needs when we couple the decreasing defense spending with massively increasing use of our troops and a total disregard for proliferation. Therefore, our rogue state enemies have technologies that we did not expect them to have for 15 or 20 years because arms control agreements have not been enforced. In the R&D area, the administration cut R&D spending by 25 percent over the last 8 years. We have gradually tried to reverse that. This year's bill adds a billion dollars under the R&D account lines.

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We focus on the three newest threats that we see emerging in the 21st century:

One, the threat of missile proliferation. We increase funding for both theater missile defense and national missile defense;

Two, the threat from the use of weapons of mass destruction, and we increase funding significantly in that area;

Finally, the threat from information warfare or cyberterrorism. We increase funding in that area. We created a special core of young people to deal with the issue of information dominance and cyberterrorism.

We also deal with the issue of establishing a Federal-wide national data fusion center.

Several Members have talked about an add-on to the bill. Contrary to what has been said, it was an entirely new initiative for our domestic defenders. It has not just one part, but seven key parts.

First of all, it takes technology from the military and establishes a deliberate mechanism with the fire service groups to transfer that technology to our domestic defenders.

Number two, it elevates our fire and EMS community to get first access to surplus equipment that the military no longer has a need of.

Number three, it includes the bill authored by the gentleman from Texas (Mr. BRADY), our good friend, which I cosponsored with him, to deal with a $10 million authorization for Hepatitis C demonstration projects in both our cities and within the military emergency response community.

Number four, it has the military look at the whole access of frequency spectrum, and to deal with that.

It also includes a provision for funding.

These are all new initiatives. It is the domestic defender package. I am proud that this Congress for the first time in 40 years did something besides talk about the fire service in America.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ORTIZ).

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

Mr. ORTIZ. Mr. Speaker, I rise in strong support of H.R. 4205, the Chairman Floyd Spence National Defense Authorization Act for fiscal year 2001.

I would like to thank my good friend, the gentleman from Missouri (Mr. SKELTON), the ranking member, for a good, good job, and of course the other Members and the staff.

I would be remiss if I did not acknowledge the significant contributions of our recently deceased subcommittee chairman and colleague, Herb Bateman. He contributed immeasurably to the committee, the Congress, and the Nation. Few have been willing to take the extra steps and extraordinary measures he took while serving this great Nation. We will sorely miss him.

We will also miss the active participation and support of my good friend, the gentleman from Virginia (Mr. PICKETT), the gentlewoman from Florida (Mrs. FOWLER), and the gentleman from Missouri (Mr. TALENT), who have chosen not to return to this body next session. We wish them well.

Mr. Speaker, on balance, I believe the readiness portion of the bill is a significant and prudent step in the right direction. It is not all that I would like to see, but we could definitely not satisfy all the different requests that we had.

This year, just over $1 billion have been added to the readiness accounts. Members will find increases for those activities that contribute directly to increased readiness. Funding has been included for flying hours for the Air Force and Naval Reserve units, depot maintenance for active and reserve components, real property maintenance, the Marine Corps' corrosion control program, army range modernization, impact aid funding, cold weather equipment for personnel, and other items too numerous to mention here.

Many of the programs we were able to fund in the bill address the Services's unfunded requirements.

There are also a number of policies that will have a direct impact on readiness. For example, we tasked the Department to provide the Congress information on requirements to reduce the backlog in maintenance.

I ask my friends and colleagues to support this nonpartisan bill. It is a good bill. We request their vote.

Mr. SPENCE. Mr. Speaker, I am pleased to yield 3½ minutes to the gentleman from Indiana (Mr. BUYER), chairman of the Subcommittee on Military Personnel.

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

I do not believe I could take 3 minutes to describe all of the work that has been done in the personnel section of this bill, so I want to take a moment and pay some tribute and thanks.

I want to thank in particular the chairman, the gentleman from South Carolina (Mr. SPENCE), and the gentleman from Missouri (Mr. SKELTON), because when the Buyer proposal to extend health care for life to the military retirees came up, they said yes. They backed it up.

Then they went to the leadership, and the gentleman from Illinois (Mr. HASTERT), the Speaker of the House, said yes, and put the pressure then on the Senate; not that the Senate did not

particularly want to go in that direction. They have their own problems in the Senate. But in fact, the conference committee came together, and we are keeping faith with America's veterans.

Let us talk about motive for a moment. I am going to make an appeal to the country. Why should we be doing this? I think it is very simple. The motivation behind my efforts is this: When I think of the World War II and the Korean War veterans, who are now over 65, they fought for freedom.

They were truly crusaders. They fought for no bounty of their own. They protected the borders and the interests of our Nation, as they also sought freedom for people around the world. Yet, when they came home and then they retired, and now they are over 65, they are not free. How ironic that those who fought for freedom are not free.

People say, ''What do you mean, Steve, they are not free?'' They do not have freedom of movement. They retired next to a medical treatment facility. Then we go through a base closure, and then all of a sudden they lose that retirement benefit.

This bill gives freedom, freedom to those who fought for it. They now do not have to live next to a military medical treatment facility. They can live anywhere they choose around the country. If they want to go now to be with their children so they can spend out the years with their grandchildren, they can do it.

We also included in here a pharmacy benefit that is an earned benefit. What we sought to do is to give that over 65 military retiree the greatest arena of choice. So now they can go to the medical treatment facility for their drugs if they like, they can utilize the mail order pharmacy. We have a retail network. Then if they do not like the formulary, the list of those drugs, they can even go to an out-of-retail network.

I am going to throw a caveat out here on all the good things we have done on health care. I am going to speak directly now to the seniors who are about to use this program. There are no co-pays and there are no deductibles. If the utilization rates get out of whack, we are going to come back here and impose co-pays and deductibles. They have been extended by this Congress as an earned yet generous benefit. Do not abuse it.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. PICKETT), who has chosen to leave this body, but leaves a tremendous record of service to our Nation.

Mr. PICKETT. Mr. Speaker, I thank the gentleman for yielding time to me. I appreciate the kind remarks from the gentleman from Missouri (Mr. SKELTON). I also want to thank the gentleman from South Carolina (Chairman SPENCE) for his leadership on the Committee on Armed Services, and particularly I want to thank the gentleman from Pennsylvania (Mr. WELDON), chairman of the Subcommittee on Military Research and Development, for being such a pleasure to work with on this subcommittee.

The conferees are to be commended for this conference report, and in particular, for the military research and development program. The level of authorization for R&D provided over and above the administration's request, some $1 billion more, provides an impressive total of $38.8 billion for research, development, tests, and evaluation. The report strikes an excellent balance between mature R&D programs and investment for additional leap-ahead technologies.

Major programs, such as the F–22 Raptor, Comanche, and Army Transformation Plan, will continue as programmed. In addition, the report deals responsibly with the Joint Strike Fighter program, given recent program slippage, and also robustly funds anti-submarine warfare initiatives.

The outcome for the DD–21 program should give the Department ample room to make successful adjustments in this program. Investments for leap-ahead technologies included in this conference report represent an even greater commitment to confront the evolving asymmetrical threats of the future.

The conferees agreed to provide additional assistance for combatting terrorism, for overhead reconnaissance capabilities, and for enhancing the security measures for information systems.

Other provisions also provided additional investments for an assortment of promising battle management systems, next-generation night vision capabilities, radars, lasers, and sensors.

This is a conference report that strikes a constructive balance between short-term and long-term investments. I urge its adoption.

Mr. SPENCE. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Jacksonville, Florida (Mrs. FOWLER).

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I rise to express my strong support for the conference report on the fiscal year 2001 defense authorization bill. This will be my last time to come to the well to support a defense authorization bill. This is the eighth one in my eighth year, and this is one of the best we have had.

I want to thank the generous and kind remarks that were made by my chairman and some of the members of the Committee.

I first want to pay tribute, again, to a really dear departed colleague, Herb Bateman, who worked so hard on the readiness portion of this bill. Herb's contributions to this legislation were critical, and this bill may be the best evidence ever of his unyielding commitment to our Nation's military readiness and our men and women in uniform.

Mr. Speaker, make no mistake about it, we do have a readiness crisis in our military today. Last year, during a visit to Naval Air Station Jacksonville, I learned that only four of 21 P–3 aircraft based there could even get off the ground due to spare parts shortages and other maintenance shortfalls.

I checked back on the status of the wing just last month, a year later, to see how many of those aircraft now were rated mission capable. The number had risen. Now seven out of the 21 could fly, but of those seven, only two were fully mission capable.

Meanwhile, this administration's own Defense Science Board Task Force on Quality of Life has found that the majority of our military and family housing is unsuitable. The current Navy building replacement rate is roughly 175 years. In the Air Force alone today, we have a real property maintenance backlog of some $4.3 billion. Our most recent readiness reports indicate that over half of the Army's combat training centers scored the lowest possible rating, a C–4.

I want to just quote a General commanding one of those elite training schools: ''This mode of operation cannot be sustained another year without incurring unacceptable safety risks and severe training quality degradation.''

These are not the exceptions, these are the rule. They should remain troubling to every Member of this body. This outstanding bill goes to correct some of these troubling readiness issues.

Among other things, this bill would authorize a $1 billion increase in funding for critical readiness accounts, including an additional $335 million for Depot Maintenance; $223 million for spare parts; and $428 million for real property maintenance. These budget adjustments reflect badly needed increases to deal with serious readiness problems facing our military today.

Aside from authorizing key programs, this bill contains many important policy measures aimed at improving our ability to track military readiness. Moreover, the bill includes a modified version of H.R. 3616, the Impact Aid Reauthorization Act of 2000, including provisions to speed payments to heavily impacted school districts, authorize the Secretary of Education to provide grants to school districts unable to raise funds through local bond efforts to renovate and repair schools, and other key steps.

This outstanding bill strongly merits the House's support. It contains landmark legislation to provide health care and pharmacy benefits to our military retirees, addresses the health care needs of our nation's nuclear workers, and achieves significant savings through multiyear procurement authorities. It is a fitting tribute to the man for whom it is named, Armed Services Committee chairman FLOYD D. SPENCE, who has labored tirelessly for months to produce the excellent bill before us today. I also would take a moment to express my deepest appreciation to the committee staff for their hard work. I urge adoption of this outstanding legislation.

Mr. Speaker, this bill merits the House support.

I want to thank the chairman, who has worked tirelessly to bring this bill to the floor and for whom it is named, the gentleman from South Carolina (Mr. SPENCE). He has spent many hours on this.

I thank the ranking member, the gentleman from Missouri (Mr. SKELTON), for all his hard work.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR), who did so very much to further the health care issue along that is reflected in this legislation.

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to remind the previous speaker and every speaker, every person who serves in this body, that Article 1, Section 8 of the Constitution says it is Congress' job to provide for the national defense. It goes on to say in Article 1, Section 9 of the Constitution that no money may be drawn from the Treasury except by consequence of an appropriation by Congress.

If there are too few ships, if there are too few planes, if the people are underpaid, living in poor housing, it is because Congress has failed its job. It is that simple.

Mr. Speaker, the day the Republican majority took over Congress, there were 392 ships. At this date, it is 318. In the last 6 years the Democrats ran the House, there were 56 ships put in the budget. In the past 6 years, the Republican Congress has put in 33.

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We have done some great things on health care. We have done some great things on other things, but there is a heck of a lot of work to be done. Tonight there will be a presidential debate. Both candidates will unfortunately spend all their time talking about tax breaks of a nonexistent surplus.

Mr. Speaker, I would remind them that until we get kids out of 30-year-old helicopters, till we get those young Americans who are serving our country out of 30-year-old airplanes, until we get to a point where we are going to have more than a 200-ship Navy, because at the present procurement rates, that is where we are going to be at no time at all, then there is no money for tax breaks, because the highest priority for this Nation, the highest priority for this Congress should and must always be to provide for the common defense.

Mr. Speaker, I am going to vote for this bill because it does a lot of good things, but before one of my colleagues comes to this floor and says we have plenty of money for tax breaks, let me remind them of all the work that still remains to be done.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. DREIER), the chairman of our Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I rise in strong support of this legislation, which is very aptly named for the distinguished gentleman from South Carolina (Mr. SPENCE), chairman of the Committee on Armed Services, and I want to congratulate the gentleman for the hard work he has put into this.

This is, as has just been pointed out by statements that have been made here, a measure that enjoys bipartisan support. We are extremely proud over the past several years we have been able to take on this issue of rebuilding our national defense. It has been a very high priority. It was stated here very clearly by the gentleman from Illinois (Speaker HASTERT) at the beginning of the 106th Congress that as we looked at the four issues with which we were going to deal, improving public education, providing tax relief to working families, saving Social Security and Medicare, clearly, as has been pointed out, rebuilding our Nation's capability has been a top priority. That is exactly what this legislation and the conference report which we are considering will be doing.

Mr. Speaker, I would like to especially express my appreciation for a very important provision in this measure which deals with the issue of exportation of the export of computers. I believe that we have come to a very important compromise on this, which does reduce the time level, but at the same time, underscores our commitment to our national defense. I appreciate my colleagues for doing that, and I thank the gentleman from Missouri (Mr. SKELTON) for joining with me in that effort.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE), who is in the forefront of the military retiree effort, the ranking member of the Subcommittee on Military Personnel.

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

Mr. ABERCROMBIE. Mr. Speaker, I rise in support of the conference report for the Floyd D. Spence National Defense Authorization Act. I say to the gentleman from South Carolina (Mr. SPENCE), I like the sound of that title. I urge my colleagues to support this important measure.

I want to recognize the gentleman from South Carolina (Chairman SPENCE) for his leadership and stewardship of the past several years. While he will step down as chairman next year, I know that he will continue to contribute to the committee's efforts to improve the quality of life for our service members and their families and provide for a strong national defense.

I would also like to acknowledge the gentleman from Missouri (Mr. SKELTON), the ranking member, for his guidance and leadership. Both individuals have placed the security of our country above partisan struggle and have continued the committee's tradition of bipartisanship and cooperation.

As the ranking member of the Subcommittee on Military Personnel, I am proud to say that the conference agreement before us includes quite a list of accomplishments in the personnel arena. We are sending a strong signal to the men and women in uniform that we have listened to their concerns about their need to provide for a quality of life for themselves and their families, and we have taken the steps to address those concerns.

I also am particularly pleased that a number of health care provisions that I proposed have been adopted. I want to recognize the efforts of the Subcommittee on Military Personnel chairman, the gentleman from Indiana (Mr. BUYER), for his dedication and commitment to improving the lives of our service members.

Working together, and I want to emphasize that point, Mr. Speaker, working together, we have made major strides in providing for our service members, retirees, and their families.

Finally, I would like to thank the full committee staff and, in particular, the Subcommittee on Military Personnel staff, including Debra Wada, Nancy Warner, John Chapla, Mike Higgins and Ed Eyatt. It is a terrific team, Mr. Speaker, one that this body can be proud of; and it exemplifies the kind of staff work that the entire community of people throughout the United States can be proud of. The scope of their assistance is immeasurable.

Let me conclude, Mr. Speaker, by referring to one of the most important aspects of the bill, which is the promise that we keep our Medicare-eligible military retirees to restore access to lifetime military health care. The gentleman from Indiana (Mr. BUYER) has gone into this in some detail.

The conference agreement allows the Medicare-eligible retirees who are currently forced out of the system when they turn 65 to continue their coverage under TRICARE. Mr. Speaker, I realize I am at the end of my remarks, but I would like to emphasize as I close that the bipartisanship that we have enjoyed I hope will continue regardless of what happens in November, and I for one am pledged to it.

Mr. SPENCE. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I feel it is necessary to remind our colleagues that it was the administration that cut the defense budget and this Congress has added back $60 billion over the past 5 years, and we still need to do more.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. THORNBERRY), who is the chairman of our DOE panel.

Mr. THORNBERRY. Mr. Speaker, I rise in support of this conference report, but I also rise in appreciation of the work of the gentleman from South Carolina (Chairman SPENCE) as he has guided this committee over the last 6

years. I think it is fitting to honor him in the title of this bill, which helps make our country stronger and safer, because that is exactly what he has done as well.

Mr. Speaker, as we have heard, this bill takes a big step forward towards keeping our commitment to military retirees. I think it is the most significant progress we have made towards keeping that commitment. The bill also does right by those who have served our country in the nuclear weapons complex, and I would like to particularly thank two of my constituents, Mr. Pete Lopez, who came to Washington from Amarillo, Texas, to help testify about that proposal, and also Frank George, who has helped guide us to make sure that we did something that really helped.

This bill also includes some refinements of the National Nuclear Security Administration, which this Congress passed last year. And I particularly would like to thank the gentlewoman from California (Mrs. TAUSCHER) and the other members of the panel who have worked over the past year to try to make sure that the law was followed and that the country's best interests were also advanced.

The panel will have a report released this week which gives full detail of our recommendations for the future; but in this bill, we prohibit dual hatting of employees by the Department of Energy and the NNSA exactly as Congress voted earlier this year.

Mr. Speaker, we also included that the NNSA administrator will be removed from political pressure and he has a specific term of years to help make sure that he can do what is right, regardless of who wins the election. We require specific budget and planning to help put some stability into the nuclear weapons complex, including in that crucial area of infrastructure.

Mr. Speaker, just within the past week or two, there has been a report released that shows our infrastructure in the nuclear weapons complex is deteriorating. This will help make sure that we do not take money out of this pile to put over here and allow our infrastructure to continue to deteriorate.

There is a lot of work left to make sure our nuclear deterrent is strong and effective, but this bill takes a step forward. I recommend it to my colleagues.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), who is a member of our committee, the Committee on Armed Services, and also ranking member of the Committee on the Budget.

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

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for yielding the time to me.

Mr. Speaker, I rise to support the conference report on H.R. 4205, and I commend my colleague from South Carolina (Chairman SPENCE) for his weeks of labor on this bill and on 29 other bills, I believe, over the 30 years that the gentleman has been here.

This bill bears his name in recognition of his years of patriotic, diligent, effective service as chairman of the Committee on Armed Services; and it is a bill worthy of his name.

Mr. Speaker, I am pleased in particular with the provisions of this bill that deal with retiree health care. I want to commend on our side, the gentleman from Missouri (Mr. SKELTON), the gentleman from Hawaii (Mr. ABERCROMBIE), and the gentleman from Mississippi (Mr. TAYLOR) for taking up this issue, pushing it, persevering and also the conferees for bringing it to fruition with a generous package of improvements to the health care we offer to our military retirees.

Mr. Speaker, I am concerned, I am concerned that these provisions by shifting so much spending from discretionary to mandatory will not leave the Pentagon with any cost-containment incentives. I think that will bear our watching and oversight in the future. But on balance, we owe it to our military retirees to continue medical coverage after the age 65.

It is an outrage that we have terminated it, and I strongly support these provisions to right that wrong.

Mr. Speaker, I rise to support the conference report on H.R. 4205. I commend my colleague from South Carolina, Chairman SPENCE, for his work on the bill. Indeed, it bears his name in recognition of his years of diligent service as Chairman of the Armed Services Committee, and it is a bill worthy of his name.

I am pleased in particular with the bill's provisions on military retiree health care. I want to commend Representatives SKELTON, ABERCROMBIE, and TAYLOR for pushing this issue early on, and the conferees for working out a generous package of improvements to the health care offered our military retirees, particularly Medicare-eligible retirees.

With passage of this bill, retirees 65 and older will no longer have to abandon doctors they have grown to know, and or be forced into HMOs or under-served Tricare networks. Instead, for the cost of their Medicare Part B premium, retirees can stay with their own doctor, and Tricare will serve as a Medigap policy, paying their co-payments and deductibles for costs Medicare does not cover.

I am concerned that these provisions do not provide the Pentagon with any cost containment incentives. But on balance, we owe it to our military retirees to continue medical coverage after they reach age 65, and I support these provisions.

While I support the provisions for military retirees and the bill overall, as Ranking Member of the Budget Committee, I must point out that this bill exceeds the budget resolution. I do not blame the Armed Services Committee for this departure. To the contrary, this bill illustrates the dangers of adopting budget resolutions that are not realistic. Just as the appropriations targets will be exceeded this year by tens of billions of dollars, this bill alone will exceed the budget resolution's mandatory allocations by $20 billion over five years. In the future, if we want our budget process to have meaning, we must be more realistic, as we were in the Democratic budget resolution I brought to the floor last March when we provided an increase of $16.3 billion for retiree health care.

The conference report also contains language recommending that the President advance Admiral Husband Kimmel and General Walter Short posthumously to their highest wartime ranks of four-star admiral and three-general. Kimmel and Short were the Hawaiian commanders scapegoated for the success of the attack on Pearl Harbor on December 7, 1941. Official investigations have exonerated them from dereliction of duty charges. Nevertheless, Kimmel and Short were singled out for exclusion from the benefits of the Officer Personnel Act of 1947, which allowed World War II flag-level and general officers the privilege of retiring at the highest rank attained during the war. This sole exclusion only perpetuates the myth of their responsibility for the disaster at Pearl Harbor.

I have worked for this issue for years. The Senate actually approved this provision last year, but it did not make the conference report. I am grateful now that we have reached a just conclusion. I want to thank Chairman SPENCE for his support, and also thanks to those in the other body who helped ensure passage of this amendment, especially Senators KENNEDY and ROTH.

In addition, the conference report includes reauthorization of an important ''Buy American'' provision for equipment components the Defense Logistic Agency has determined to be mission-critical: ball bearings. This standing provision of the law stood to expire this year, and I appreciate the support of Procurement Subcommittee Chairman HUNTER on this reauthorization.

These are just a few examples of the important provisions of the conference report. This conference report moves us in the right direction in regard to military personnel, readiness, modernization, and military construction. I urge my colleagues to approve it.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Guam (Mr. UNDERWOOD).

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

Mr. UNDERWOOD. Mr. Speaker, I rise in strong support of the conference report on H.R. 4205, and I would like to especially thank the gentleman from South Carolina (Mr. SPENCE), the chairman, and the gentleman from Missouri (Mr. SKELTON), the ranking member, for their leadership in providing our hard-working men and women in uniform the tools and resources necessary to protect our national security and in providing for an intelligent, bipartisan plan for our armed forces which meets our security needs.

This agreement provides $309 billion, $4.5 billion more than requested. It provides for a 3.7 percent pay increase for military personnel in 2001 equal to the administration's request; and most significantly, it provides for lifetime health care for military retirees and their eligible family members and restores much-needed pharmacy access

to all Medicare-eligible military retirees.

These new medical benefits are an entitlement finally delivering a promise made to our military retirees and frees them, as mentioned by the leadership of the Subcommittee on Military Personnel, both the gentleman from Indiana (Mr. BUYER) and the gentleman from Hawaii (Mr. ABERCROMBIE). Finally, it frees them to move around anywhere in the country so that they can be with their families as they plan.

It also adds over $1 billion to various readiness accounts. This measure also endorses essentially the agreement between President Clinton, the Secretary of Defense, and the Puerto Rican Government regarding Vieques, including $40 million in economic assistance, an additional $50 million if the residents vote to resume live fire training in a required referendum.

Importantly, for my people, for Guam, this provision establishes a memorial on the Federal lands near the Fena Caves in order to honor those Guamanian civilians massacred by the occupying military forces of Japan in July 1944, and it also makes a commitment to include the territories in missile defense plans, so that strategically valuable places like Guam will not be left defenseless.

Overall, H.R. 4205 is a step in the right direction for our military forces. It meets our challenges in a post-Cold War world. I encourage all Members to support this important measure.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California (Mrs. TAUSCHER), a member of our Committee on Armed Services.

Mrs. TAUSCHER. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for yielding the time to me.

Mr. Speaker, I rise in strong support of H.R. 4205, the National Defense Authorization Act for Fiscal Year 2001. And I also want to thank the gentleman from South Carolina (Chairman SPENCE) and the gentleman from Missouri (Mr. SKELTON), the ranking member, for their leadership.

I would like to offer my best wishes to all the retiring colleagues from this committee, especially the gentlewoman from Florida (Mrs. FOWLER) and the gentleman from Virginia (Mr. PICKETT), my friend.

I want to specifically address the provisions of the act relating to the Department of Energy's National Nuclear Security Administration.

Mr. Speaker, the establishment of the Committee on Armed Services' NNSA oversight panel is a clear message of Congress' intent to more aggressively exercise its oversight responsibility in an area that is crucial to our national security.

This resurgence of meaningful interest in the DOE defense nuclear activities will have a lasting impact on an activity that has been entangled in bureaucratic kudzu since its inception.

Starting with the establishment of a 3-year term of office for the NNSA's first administrator, General Gordon, the provisions of this bill represent an important step towards building an agency that runs efficiently and that effectively protects our Nation's nuclear secrets. Within the resources available, this bill redresses issues relating to funding shortfalls in the production facilities and the laboratories.

Mr. Speaker, I am pleased that the bill includes a significant increase over the budget requests for the National Ignition Facility at Lawrence Livermore. In fact, it also provides some limited relief for the significant infrastructure improvement backlog.

Unfortunately, this bill does not provide relief for all the challenges the administration faces. I look forward to the study and enactment of specific legislation that will ease the difficulties of recruiting and retaining the world-class scientific minds that the laboratories need and this Nation deserves.

Mr. Speaker, I also want to note for the full House that the panel's accomplishments would not have been possible without the strong leadership of the panel chairman, the gentleman from Texas (Mr. THORNBERRY), and the cooperation and support of our colleagues on the panel.

Mr. Speaker, I urge my colleagues to strongly support H.R. 4205.

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Mr. SPENCE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Augusta, Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I thank the gentleman from South Carolina (Chairman SPENCE) for a job well done over the last 6 years. I thank him for fighting every day to keep our military from deteriorating and particularly thank him for this bipartisan conference report. I thank the gentleman from Missouri (Mr. SKELTON). It is enlightening to us all to see this bipartisan conference report. That may be why it is good.

There are many good reasons to vote for this particular conference report, but let me just isolate one. I do not think it is any surprise to any Member of this Congress that there has been a great deterioration in the health care benefits of our retirees.

I thank the gentleman from South Carolina (Chairman SPENCE), the gentleman from Indiana (Mr. BUYER), the gentlewoman from Florida (Mrs. FOWLER), and the gentleman from California (Mr. HUNTER) finally for helping us right some wrongs.

Today they have given us the opportunity to change direction and take the first step in fulfilling our promises we made to our Nation's retirees.

George Washington, addressing the Continental Army before a battle during the Revolution, perhaps sums up best what we owe those who serve. ''The fate of unborn millions will now depend upon God, on the courage and the conduct of the Army,'' so says George Washington.

When I think about these words and return to these words after seeing the volatile events of the 20th century, I realize they could not be more appropriate. Around the world, the courageous sacrifices of the American soldiers have lit the flame of liberty where once there was darkness and preserved this same flame within our borders so that generations to come will be able to walk free under its light. These are truly remarkable achievements for which we are today showing we are grateful.

Our retirees bravely answered the call to duty when our country needed them, and we should and we must be there for them when they need us. I urge us all to vote for this conference report, bipartisan as it is.

However, I must speak quickly to the gentleman from Mississippi (Mr. TAYLOR). It is no secret to anyone that, under the leadership over the last 6 years of the Republicans and of the gentleman from South Carolina (Mr. SPENCE), we have tried to stop the deterioration of the military. The problem has been a Presidential budget and the fact that we could not override with a veto.

Mr. SKELTON. Mr. Speaker, I yield 30 seconds to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, for the gentleman from Georgia (Mr. NORWOOD), the good doctor, I would remind him that, again, article 1, section 8 calls upon the Congress to defend the Nation. Article 1, section 9 says that no money may be drawn from the Treasury except by appropriation by law. If there is not enough money in the defense budget, it is Congress' job.

The President may not have asked for enough, and I will agree with that, but the bottom line is this Congress has passed over $900 billion worth of tax breaks the President did not ask for. We do lots of things the President did not ask for. The bills the President vetoed on defense were over social issues, never underspending.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. Mr. Speaker, I rise in support of the legislation, and I commend and thank the gentleman from South Carolina (Mr. SPENCE) for legislation that bears his name and the gentleman from Missouri (Mr. SKELTON). It is an honor to serve with each of these gentlemen and the other subcommittee chairs and ranking members as well.

I am particularly gratified that this bill which reflects the finest bipartisan tradition of this House graciously includes three items in which I have expressed an interest and devoted energy.

The first is legislation I authored with respect to preventing

cyberterrorists. I believe that one of the most lethal threats to this country's security is one of the most silent. It is the work of those with laptops instead of missiles who would threaten our air traffic control system, our banking system, our other critical infrastructure.

Because of the bipartisan cooperation, we were able to include legislation that I wrote that creates for the first time a loan guaranteed program that will help those in the private sector that maintain that critical infrastructure to upgrade it so that we are less vulnerable to attack.

Second, the legislation very graciously includes legislation I worked on to create a center for the conversion of domestic and civilian networking and telecommunications technology for the use of the military. That center will be located in my district in Camden, New Jersey, and I believe it will benefit our country for generations to come as a result of the leaps forward that will occur.

Finally, I am pleased to join with the gentleman from Pennsylvania (Mr. WELDON), our long-time mentor on this subject; the gentleman from Maryland (Mr. HOYER); the gentleman from New Jersey (Mr. PASCRELL); and others in achieving a first step toward a sufficient level of funding for America's first responders in the fire and emergency services community. The work that we have done on this bill is very gratifying, and I am pleased to see it also has gone forward in a bipartisan way.

I want to especially thank Terry Gillum in my office for his work on this legislation. I urge its adoption.

Mr. SPENCE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Florida (Mr. BILIRAKIS).

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

Mr. BILIRAKIS. Mr. Speaker, the conference report contains a provision on an issue that I have been working on for over 15 years, the concurrent receipt of military retired pay and VA disability compensation.

A law enacted in 1891 requires a disabled career military veteran to waive the amount of his retired pay equal to his VA disability compensation. Military retirees are the only group, only group of Federal retirees who must waive retirement pay in order to receive VA disability compensation.

My legislation, H.R. 303, which has 321 cosponsors, would eliminate the offset entirely. The Senate provision drafted by Senator HARRY REID would do the same.

Some Members are concerned that complete elimination is too expensive. But in my opinion, Mr. Speaker, no amount of money can equal the sacrifice our military men and women have made in service to their country.

Last year's authorization act included a provision to authorize a monthly allowance to military retirees with severe service-connected disabilities rated by the Department of Veterans Affairs at 70 percent or greater. Only individuals retired for longevity qualify for monthly benefit.

This conference report expands the eligibility for these special payments to those individuals retired for disability by their service. This is not enough, but it is some progress.

I want to thank my colleagues, the gentleman from South Carolina (Chairman SPENCE), the gentleman from Indiana (Mr. BUYER), especially the gentleman from Indiana (Mr. BUYER), the gentleman from Missouri (Mr. SKELTON), the gentleman from Hawaii (Mr. ABERCROMBIE), and the gentleman from California (Mr. HUNTER) for their assistance in including this provision in the conference report. We must all work together towards complete elimination of the offset in the next Congress.

The original law, Mr. Speaker, is 109 years old and discriminates against service members who decide to make the military their careers. We must encourage personnel to remain on active duty. The old offset statute discourages them from doing so, and it is time to change it.

I urge my colleagues to support the conference report for H.R. 4205.

The SPEAKER pro tempore (Mr. COOKSEY). The gentleman from South Carolina (Mr. SPENCE) has 2½ minutes remaining. The gentleman from Missouri (Mr. SKELTON) has 6½ minutes remaining.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. SMITH).

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

Mr. SMITH of Michigan. Mr. Speaker, as chairman of the Science subcommittee that oversees the fire administration, I rise in support of this legislation, particularly because of the important provisions included that will assist our Nation's first defenders, our firefighters and emergency service personnel. It incorporates provisions of a bill I introduced earlier this year called the Hero Act, H.R. 4146.

Look, this Nation is well served by the 1.2 million men and women who work as fire and emergency service personnel in over 32,000 fire departments. Local firefighters, 80 percent who are volunteers, put their lives on the line every day for their communities and area residents. This legislation marks a new beginning. Our firefighting volunteers contribute billions of dollars worth of time and they need our help now.

It is important that local, State, and the Federal Government step up to the line and give more support and help to our firefighters.

They play a crucial role protecting and preserving our lives and our property . . . a dangerous role—an average of nearly 100 firefighters a year lose their lives in the line of duty. 80 percent of those who serve do so as volunteers.

And so I'm pleased that this legislation demonstrates our commitment to our first responders by establishing a competitive grant program at the Federal Emergency Management Agency to assist volunteer and paid fire departments across this country purchase equipment, improve training, hire firefighters, fund emergency medical services, and establish fire prevention and safety programs.

In this bill, we're also increasing the authorization for the USDA's Volunteer Fire Assistance Program and establishing a grant program to help fund burn research and burn recovery. These are two very important steps and are two elements of my bipartisan Helping Emergency Responders Operate, or HERO, legislation I introduced earlier this year.

Mr. Speaker, we see our firefighters and EMS personnel responding to emergencies every day, more than 18 million calls a year. From car accidents, to brush fires, to large scale disasters, emergency responders are first on scene, first to react, first to provide the assistance we've come to take for granted. I'm pleased to support this legislation that brings some much needed assistance to those who literally put their lives on the line for us each day.

Today's passage of several fire-related measures is a milestone victory for local firefighters. These projects constitute the largest and most comprehensive package of legislation to aid the fire service in the history of the country.

Local firefighters, 80% of whom are volunteers, put their lives on the line every day for area residents. Increasingly, fire departments are having trouble making ends meet—with many departments forced to raise money through chicken dinners and other fundraising efforts.

This legislation marks a new—and well-earned—commitment from the federal government to our nation's firefighters. Never before has the federal government taken steps even approaching this magnitude to aid the fire service. It is about time that America's heroes receive the assistance they so desperately need.

Headlining the package is an unprecedented $460 million authorization which would create a grant program to send much needed funds directly to local fire departments. This language, dubbed the Domestic Defenders Initiative, is attached to the Defense Authorization bill, scheduled to be voted on today. Besides the new grant program, the bill also includes authorized funding for the Volunteer Fire Assistance Program, burn research programs, a study of Hepatitis C occurrences in firefighters, and a study of Department of Defense spectrum potentially available for sharing with local fire and EMS agencies. Additionally, there is language that improves the opportunities for fire departments to obtain excess Department of Defense property. Finally, a task force is created to identify defense technologies that can be put to civilian use by local emergency response.

The House of Representatives is also committed to approving a $100 million appropriation for fire departments in one of the upcoming appropriations bills, most likely VA/HUD. While the authorization mentioned above would still be subject to future appropriations, this $100 million legislation would constitute immediate relief for needy fire departments. It is a similar package to that passed by the

House on the Emergency Supplemental Appropriations bill in March.

Finally, the House and Senate both recently passed the conference report to the Interior Appropriations bill. This legislation includes $2.9 billion in funding for wildfire related activities. This year has undoubtedly been one of the worst wildfire seasons in recent years, and this funding is critical to helping local fire companies respond.

In addition, legislation has recently been introduced in Congress that would make volunteer firefighters eligible for funding under the AmeriCorps program. Congressman CURT WELDON (R–PA), the sponsor of the bill, has spoken with Harris Wofford, president of the Corporation for National Service, who has indicated his support for the legislation and his intention to work to include volunteer fire companies in AmeriCorps.

Individually, these initiatives represent steps forward for America's fire service. Together, they demonstrate that the Republican leadership in Congress is committed to reversing the years of neglect endured by America's first responders for so long.

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

Mr. Speaker, I have no additional requests for time. However, let me take this opportunity to, again, compliment the gentleman from South Carolina (Chairman SPENCE). This legislation is properly named for him. Thanks to all of those on the committee, those who have worked so hard in the bipartisan manner that we have.

I just have to say, Mr. Speaker, that we have a marvelous staff. The long hours, the weekends, the days that they put in have helped glue together this outstanding piece of legislation. I take this opportunity to thank them.

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

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

Mr. Speaker, let me say in closing that I appreciate the work of everyone on both sides of the aisle, especially the gentleman from Missouri (Mr. SKELTON), we have talked about earlier, and also the staff. People do not realize how important the staffs are. They do the work while we are doing other things. They are involved in details, working these things out for us. There is no way one can tell how much work they do in this respect.

Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Speaker, I rise in support of the Department of Defense authorization bill. Let me first commend the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON), the ranking member. They are examples of what Members of Congress should be.

This legislation is an example of what legislation should be. It goes a long ways in helping restore the promise made to our retirees to provide permanent health care benefits for our military retirees with no deductibles, no copays. We are moving to keep the promise.

We are taking a very important step of providing a prescription drug benefit for all Medicare-eligible military retirees. We are increasing the pay by 3.7 percent. We are trying to target economic assistance to those young enlisted men and women, our soldiers and sailors who, many times, are still on food stamps. We are trying to help keep that from happening. It is a travesty that some of our men and women serving have to be on food stamps.

But we are also doing important things in our firefighter legislation that will save lives and save properties in our rural communities, our small towns and our cities; the expansion of the G.V. Sonny Montgomery G.I. bill for educational opportunities; in my State expanding the authorization for the T–45s, the new trainer jets that will be at the Merridian Naval Air Station; the expansion of the National Guard Challenge Program to help troubled youth; the expansion of the Counterdrug Initiative, which is an important part of my State's contribution.

This is good legislation. It is a good step. We are doing the right thing. I want to commend the committee for their good work.

Ms. BALDWIN. Mr. Speaker, I rise today to oppose the FY 2001 National Defense Authorization Act, and wish to clarify the rationale for my position. I feel it is very important to make my position clear; because, while I oppose this legislation, there are a number of important provisions within the larger bill that I strongly support. In its totality though, I could not support a bill that emphasizes procurement disproportionately over the long-term needs of our servicemen, women, and military retirees. While I understand why many support this bill, because it includes several provisions that are the result of hard-fought efforts to improve the living standards of our military personnel; I cannot support the indisputable fact that this bill continues a trend of prioritizing weapons systems and keeping this nation's defense policy on an unwise course.

I strongly support Military Retiree Health care benefits, which would grant lifetime health care for retirees and their families. At a time in our country when 44 million people are uninsured, it is our responsibility to assure that the men and women who have served our country are guaranteed health care benefits. I also support pharmacy access to all Medicare-eligible military retirees that was included in this legislation. Additionally, I am an ardent supporter of a pay raise for our service members who work extremely hard and demonstrate their dedication to our nation through their work in deployments throughout the world.

Unfortunately, the FY2001 National Defense Authorization Act includes excessive spending on military hardware and has led me to oppose the overall bill. This measure includes $4.8 billion for ballistic missile defense programs. The continuation and expansion of this program not only threatens our treaty obligations with other nations, it has the potential of sinking billions of more dollars into untested and unreliable technology. Neither this legislative body, nor the nation, has had the type of extensive debate demanded by such a major shift in defense policy. How can we continue to go down a path that will lead to a radical shift in our defense posture without a clear debate?

Moreover, this bill continues a disturbing trend of spending huge sums of money on defense programs, while ignoring the needs of families in the U.S. This measure, totaling $309.9 billion, represents about one-half of total discretionary spending. At a time when no one is presenting a significant military threat against our shores, is this the time to invest in massive new weapons systems? This bill includes $2.5 billion for the F–22 fighter; $689 million for the Joint Strike Fighter; and $2.9 billion for the next generation F–18 E/F. I ask my colleagues, is this justified given the current or future climate in international affairs?

Mr. Speaker, I am delighted that the House is recognizing the important service of the men and women in uniform, as well as veterans, and providing them the benefits they need and deserve. I am heartened that we have finally shifted at least some of our attention to the people who serve our country. It is my hope that in future years, we will continue to recognize the value of the service men and women, while also recognizing that we should not pour unlimited amounts of money into military hardware that we do not need.

Mr. MARKEY. Mr. Speaker, I would like to express some concerns about the Conference Report on the FY2001 National Defense Authorization Act, H.R. 4205.

This bill would do many positive things for our nation's veterans and defense workers. It would provide a 3.7% pay increase for military personnel. It would provide lifetime health care for military retirees and their eligible family members beginning in FY2002. It also authorizes a compensation plan for personnel made ill by exposure to toxic or radioactive materials when working on nuclear weapons programs. I fully support these efforts to help the men and women who have served our nation.

There is, however, one provision in this Defense Authorization Act that I find extremely troubling. The bill requires the Secretary of Defense in conjunction with the Secretary of Energy to conduct a study relating to the destruction of hardened and deeply buried targets possibly using a low-yield nuclear weapon. This report could be the first step in a program to develop a new nuclear weapon, likely requiring a new round of nuclear weapon testing.

I am troubled by the inclusion of this provision for two reasons: (1) current law prohibits the research and development of such devices and (2) this report could be the precursor to renewed testing of nuclear weapons, undermining the United States efforts to halt the spread of nuclear weapons. I am not alone in my concerns about this provision. Twenty-seven Representatives and myself signed a letter to House Armed Services Ranking Member Skelton saying that he should not consider a nuclear option because it has far greater implications that would undermine our national security.

The precedent on this issue is clear: the National Defense Authorization Act for FY1994 (Section 3136 of Public Law 103–160) prohibits the Secretary of Energy from conducting research on and development for the production of new low-yield warheads. The new report language represents the first step toward

ending that ban on research and development and could ultimately lead to efforts to renew nuclear testing. As a hint of the events to come, the new provision would authorize ''limited research and development that may be necessary to perform those assessments.''

Furthermore, this language undermines United States' international nuclear arms control and nonproliferation efforts. The United States is seeking to end nuclear weapons programs in the Democratic People's Republic of North Korea, Iran and Iraq, and to restrain Indian and Pakistan from further testing and development of nuclear weapons. Restricting the ability to test new weapons is an important tool in preventing these nations from actually completing work on a new weapon. Enforcing this moratorium requires considerable international cooperation and pressure spearheaded by the United States government.

This provision on low-yield nuclear weapons sends a troubling signal that not only is the United States unwilling to ratify the Comprehensive Test Ban Treaty, but the U.S. may consider a resumption in testing. This will give the green light to nations with fledgling nuclear weapons programs to begin openly testing. The implications for our national security are far more threatening from this action than from the failure to develop such a low-yield nuclear weapon.

If existing weapons do not provide the United States with the ability to deal with hardened targets, conventional, not nuclear munitions should be considered. To put it simply: the Secretary of Energy—and the nuclear weapons research at his disposal—should not take part in this process. Unfortunately, this conference report does not eliminate that involvement, but rather requires the Secretary to participate in this study. Such an important decision should be made openly and not in the guise of a reporting requirement that also happens to authorize limited research necessary to conduct the required assessment. This is nothing more than a nonproliferation wolf in report's clothing.

I urge Members to consider carefully the implications of such a proposal. Because of this provision and the authorization for continued testing of a failed National Missile Defense program, I must oppose this conference report.

Ms. SCHAKOWSKY. Mr. Speaker, the Defense Authorization Conference report contains provisions that I along with a majority of my colleagues and the American people strongly support. Those provisions would greatly benefit our nation's military personnel and veterans. I strongly support measures in the bill that will provide lifetime healthcare for military retirees and their families and restore pharmacy benefits to Medicare-eligible military retirees. I am also pleased that our fighting men and women will receive a well-deserved pay raise of 3.7%. In addition, providing our active service personnel with additional economic assistance and lowering their out-of-pocket housing expenses are critical measures that were included in this bill.

Unfortunately, the conference report includes billions of dollars for costly weapons systems that will not improve our security or military readiness. In addition, it includes billions of dollars for a national missile defense program that has never been proven effective, and I believe would lead to Cold War II. These funds would be better spent to heighten our commitment to our military personnel and veterans and to better meet their needs, among other things. Extra funding for our veterans would guarantee that valuable resources would be available to enhance their quality of life and fulfill our obligation to our service men and women. It is the least we can do.

For those reasons, I did not support this year's Department of Defense Authorization Conference Report. However, I will continue to support our military personnel and veterans and a strong national defense based on sound policy.

Mr. CROWLEY. Mr. Speaker, I rise in support of the National Defense Authorization Act, but I do so with mixed emotions.

This legislation contains a number of very important programs that deserve the full support of this Chamber.

I am pleased that this package contains a new—and long overdue—entitlement of lifetime health care coverage to our nation's military retirees. For decades our recruits to the Armed Forces have been promised this benefit, only to have our Federal Government not live up to its promise.

The brave men and women who have dedicated their lives to the defense of our nation, who represent our first line of defense, who stared communism down and introduced hundreds of millions of people of the world to a concept we often take for granted in the United States—democracy—deserve this important benefit.

It is also my hope that this Congress will now use this new health care entitlement program as a basis to provide a prescription drug program for all Americans.

This Congress has continually refused to provide a drug benefit to millions of other Americans who work just as hard as our military personnel. Our retired policemen, laborers, secretaries and seamstresses should also have the guarantee of a prescription drug benefit under Medicare.

This Conference Report provides a much needed 3.7% increase in pay to our nation's Armed Services. This increase will help boost the standard of living for our military personnel and their families.

Similarly, to address the concerns of the people of Puerto Rico, I am pleased that this legislation encapsulates the basic agreement worked out between the Navy, the People of Puerto Rico and the President.

I have worked diligently over the past year to see a fair and just solution to the live fire testing at Vieques in Puerto Rico. President Clinton, Governor Rossello and the U.S. Navy have worked together in good faith to resolve this situation.

I am pleased that the Congress is not trying to stop this progress.

On the global front, this legislation also lifts any restrictions on the United States when protecting our nation's vital interests internationally and protecting against genocide in places like Kosovo.

Our Constitution defines the roles of both the Commander-in-Chief and the Congress with respect to our nation's military involvement. It is not the role of Congress, in an effort to embarrass this President and weaken our nation's resolve in facing down dictators, to try to change this Constitutionally defined role in this legislation.

Our military is the strongest and best trained in the world, and this legislation will continue to build on our past successes and ensure even greater successes in the future.

But I must also register my strong disillusionment at the actions of the Republican Conferees on this legislation.

Although strong, bi-partisan majorities in both the Senate and House acted to attach language to this bill to expand the definition of hate crimes, this Republican Leadership again showed their true colors and stripped it from the bill.

This Congress had the opportunity to make it easier for Federal law enforcement officials to investigate and prosecute cases of racial and religious violence, and would permit Federal prosecution of violence motivated by prejudice against the victim's sexual orientation, gender, or disability.

But again the Republicans ignored the will of Congress and the will of the American people and again kowtowed to the most extreme elements in American politics—people like Jerry Falwell and Pat Robertson.

A few weeks ago, 41 Republicans marched to the floor and voted to include Hate Crimes language in this bill. Then they all heralded this vote in press releases to their local media outlets, hailing their celebration of diversity and tolerance.

Now comes the true test of tolerance and political moderation. Will these same members again demonstrate their self-touted moderation and stand up to their Republican Leadership and demand a vote on the Hate Crimes bill.

We must continue to pressure the Republican Congressional Leadership to understand that bigotry is not acceptable.

Mr. HOLT. Mr. Speaker, I rise in support today of the Fiscal Year 2001 Defense Authorization bill.

I am proud to support this legislation because of the long awaited health benefits for military retirees that in includes.

Mr. Speaker, I have heard from many military retirees in my district of Central New Jersey who were promised lifetime military health benefits when they entered the service. For many years, this promise has not been kept. Military retirees were only allowed to keep their military health care until they turned age 65, after which time the only coverage they had was Medicare.

Now, Mr. Speaker, Medicare is a great program. It has helped to keep millions of beneficiaries out of poverty. But we know, Mr. Speaker, that many seniors have additional coverage during retirement through coverage provided by their employers. For military retirees, who sacrificed their lives and careers for military service, their employer is the federal government.

Like many other Members of this chamber, I believe we owe our military retirees the lifetime health coverage they were promised, and access to the best and broadest health care coverage available.

This year's defense authorization is an important first step towards keeping that promise and providing that coverage.

For this reason, I am proud to support this legislation, and I urge my colleagues to do the same.

By taking this action today, Mr. Speaker, we are letting all our military personnel—past, present, and future—know that their government will keep its promise and provide the health care protection they and their families need—for life.

Ms. DEGETTE. Mr. Speaker, I rise in opposition to this conference report. I support several important provisions of the bill, including a Department of Energy (DOE) defense worker compensation program and a pay raise and expanded health care choices for our men and women in uniform. However, the legislation is so laden with special interest pork projects that I fear it will undermine our ability to be fiscally responsible and pay down our national debt while, at the same time, adequately funding the Nation's highest priorities.

Where are our priorities in this Congress? The 106th Congress is drawing rapidly to a close, yet our Nation's schools are crumbling and overcrowded, there are 11 million uninsured children in America, and our seniors lack comprehensive prescription drug benefits. We are not addressing these today, nor are we authorizing $310 billion—or anywhere close to that amount—to address these critical issues facing every American family. Instead, Congress will pass a Defense Authorization Conference Report that includes $4.5 billion more funding than the administration requested and $21.1 billion more than last year's funding level. Over half of the additional $4.5 billion tacked on in this conference report—$2.6 billion—goes toward procurement. I would venture to guess that many of the Members who supported this bill today will be surprised as the special interest projects are revealed in coming days. Unfortunately, I fear this conference report is a reflection of the skewed priorities of the leadership in this House. We have failed to address the real issues facing the American people.

There are good provisions in this conference report. I strongly support the establishment of a program that finally recognizes the vital contributions of Department of Energy contract workers who risked their personal health to help protect our Nation. For too many years, the government has denied that these workers were suffering from catastrophic and chronic illnesses that resulted from their work at defense facilities such as Rocky Flats. Earlier this year, Secretary of Energy Bill Richardson announced the Department's intention to belatedly remedy this problem and seek to implement a compensation program to aid sick workers. Also, a number of my colleagues and I have supported legislation required to authorize a compensation program. I am a proud cosponsor of Representative ED WHITFIELD's (R-KY) bipartisan legislation H.R. 4398. I regret that Congress failed to fully consider and pass H.R. 4398, which I believe would have been the proper approach to address this important issue. I regret that Congress has failed to act and to bring this important legislation before us for proper consideration and action.

I am pleased that this conference report includes a 3.7 percent pay raise for military personnel. I believe our military forces deserve fair compensation for the job they do and for the risks they take on behalf of our country. This is why I am a cosponsor of legislation that would provide for a 4.8 percent pay increase to members of the Armed Forces and open the Federal Employees Health Benefits Program to active-duty personnel. It is vital that when our armed forces are called to duty they can be assured that their families are secure and able to pay the bills back home.

As a cosponsor of the Hate Crimes Prevention Act of 1999, I was very pleased that this legislation was included in the Senate version of this H.R. 4205. I would like to note that the House also passed a motion to instruct the conferees to include this provision as part of the final conference agreement. However, the leadership blatantly ignored the will of the House and stripped the Hate Crimes language out of the bill. It is well past time for legislation that makes hate crimes against gays and lesbians, women, and people with disabilities a Federal crime. Every hate crime that occurs in this country is an attack on American values, and it is a disgrace that this language was stripped out of the bill.

I hope that, in the final days of the 106th Congress, we can address some of the critical issues facing our Nation today, rather than continuing on the current path which has resulted in a rudderless, haphazard attempt to legislate for a few special interests.

Mr. PAUL. Mr. Speaker, I rise in opposition to H.R. 4205, the Defense Authorization Act for Fiscal Year 2001 Conference Report. While Federal constitutional authority clearly exists to provide for the national defense, global militarism was never contemplated by the founders. Misnamed like most everything else in Washington, the ''Defense'' Authorization Act thus funds U.N.-directed peacekeeping in Kosovo and Bosnia to the tune of $3.1 billion dollars, $443 million in aid to the former Soviet Union, $172 million for NATO infrastructure (the formerly defensive alliance which recently initiated force against Kosovo), and $869 million for drug interdiction efforts by the U.S. military in an attempt to take our failed 1920's prohibition experiment worldwide.

Certainly a bill authorizing use of resources for the national defense which also properly compensates those military personnel necessary to maintain it would be not only constitutional but most appropriate. Contrarily, a bill which continues our elitist and failed policy of policing the world all the while creating additional enemies of the United States is neither constitutional, justifiable, supportable, nor prudent. By avoiding such a police-the-world approach, which destroys troop morale by isolating them from their families and spreading them dangerously thin, considerably less money could be authorized with seriously improved security results.

Meanwhile, H.R. 3769, my bill to prohibit the destruction during fiscal year 2001 of missile silos in the United States, fails to even receive so much as a hearing. While I understand that to comply with questionable, but ratified, disarmament treaties, certain missiles may need to be deactivated, it seems ill-advised to spend money to also destroy the missile silos which may be strategically vital to our national defense at some date in the not-so-distant future.

I encourage my colleagues to rethink the United States' 20th century role of global policeman and restore instead, a policy of true national defense which will better protect their constituents, keep their constituent's children safer and out of endless global conflicts, and reassume for taxpayers some semblance of fiscal sanity.

Mr. BLUMENAUER. Mr. Speaker, the priorities represented in this bill are misplaced. It spends $310 billion, over half of our discretionary budget. This is $4.5 billion more than the President requested and $21 billion above the amount appropriated for fiscal year 2000.

We are spending too much in this bill on too many unproven technologies, duplicative systems, and, in some cases, congressional add-ons that our military leaders don't want. We are spending enough on things like environmental remediation of past actions. For example, the estimated pricetag for clean-up of the unexploded ordnance that contaminates millions of acres of land and internal waterways is over $100 billion. The funding in this bill for environmental restoration is a mere $1.3 billion, less than half a percent of the total.

We don't need three brand-new advanced fighter jets. We will have military air superiority over all potential adversaries for years to come with our current planes. We will spend over $300 billion over the next 10 to 20 years on the Air Force's F–22, the Navy's F–18 E/F, and the Joint Strike Fighter. We are doing this rather than made the hard decisions we need to in order to make proving for our national defense more cost-effective.

It is also troubling that the hate crimes provision was not included in this bill. The Senate added it to its defense authorization and we in the House voted in a bipartisan fashion in favor of a motion to instruct conferees to include it in the conference report. This does not reflect the will of the Congress.

For years we made commitments to military retirees that they and their families were entitled to lifetime health care. I am pleased that we have made good on that promise in this bill by providing lifetime health care for military retirees and their eligible family members, as well as pharmacy access to all Medicare-eligible military retires. But this could have been accomplished within the context of a better bill.

Because of the many failures of the bill, I was forced to vote against it. America has the best-trained, best equipped and best-prepared military forces in the world. Our forces are ready to defend America's interests wherever they are threatened. That will continue only if we're careful about the investments we make.

We need to seek peace from all the threats of the new century. This bill spends too much on the wrong things and not enough on cleaning up from out past activities and preparing to transition to fight tomorrow's wars. This is the key not only to security abroad, but to livability at home—to make our men and women in uniform and all our families safe, healthy and economically secure.

Mr. PORTMAN. Mr. Speaker, I rise in support of H.R. 4205, the FY 01 Defense Authorization bill. Of particular interest to my constituents in southwest Ohio—particularly those in western Hamilton County—is the provision based on legislation that I have cosponsored that establishes a new Energy Employees Occupational Illness Compensation Program.

This program will assist workers exposed to radiation, beryllium and other toxic substances in the course of carrying out their work in the U.S. nuclear weapons complex. Many of these workers have become sick from illnesses that can be traced to that exposure. The former Fernald Feed Materials Production Center, which is located in my district, was part of our nuclear weapons production complex for nearly 40 years from 1951 to 1988. Too often, these workers were not even aware of the hazards they faced in their jobs—hazards that have frequently had serious health effects.

What we are considering today will provide covered workers and their survivors at Fernald and around the Nation with the compensation they deserve that guarantees a specific minimum benefit and medical expenses. I urge

my colleagues to support this important and long overdue program.

Mr. WEYGAND. Mr. Speaker, I will be unable to vote on rollcall vote 522 today. Were I present, I would vote ''yea'' on the Defense Authorization Conference Report because it provides much needed resources to our active duty personnel.

This bill does many positive things, and I commend the chairman and ranking member for their leadership. As my voting record indicates, I strongly support the efforts being made to improve the quality of life for our active duty military and retirees. I have also supported efforts to continue to provide our men and women in the armed services with the resources they need to continue to defend our interests with the most technologically advanced weapons available.

Providing a 3.7 percent pay raise, expanding the housing allowance, allowing active duty personnel to participate in the Thrift Savings Plan (TSP), providing increased subsistence funding, and several additional bonuses and benefits, will help in our efforts to recruit and retain the most capable military in the world.

Additionally, this bill provides several important provisions for our military retirees. Expanding TRICARE to Medicare eligible retirees, expanding the TRICARE Senior Pharmacy Program, and expanding the TRICARE subvention pilot will go a long way in providing relief to our veterans and military retirees.

However, I am greatly concerned about the inadequate provisions regarding the issue of ''concurrent receipt.'' I am one of 321 cosponsors of H.R. 313 which calls for the complete repeal of this unfair provision. Many veterans in my state are affected by this unjust law and it ought to be repealed. I understand the constraints that the Congress is operating under. However, I urge this Congress to do the right thing and pass H.R. 313 as stand alone bill and give our veterans what is owed to them.

Mr. BASS. Mr. Speaker, I rise today to express my support for all that this important legislation achieves. It represents a far-reaching effort to honor some of the promises made to retired servicemen and women, it begins to provide our active and reserve personnel with world-class compensation and training, and it continues to keep our commitment to providing the equipment and materiel necessary to protect the interests of this country. For all these reasons and more, this legislation ought to pass with the support of members on both sides of the aisle.

But Mr. Speaker, I do want to mention how disappointed I am that the conferees could not negotiate a settlement on the so-called concurrent receipt issue, under which military retirees have their monthly retirement pay reduced by the amount of any disability payment they may have the misfortune to have earned.

Military retirement pay is earned for length of service, while a veteran's disability payment compensation ought to be regarded as a payment to a veteran in response to injuries or diseases that happened or were aggravated while on active duty. These are not the same thing and should not be offset against each other.

Moreover, a service member who incurs an injury and then goes on to work for a private company is not precluded from receiving that company's full pension benefit and the full disability payment. In essence, the message we send is that servicemen and women are far better off going to work for someone other than the United States if they receive an injury while performing their duty. It seems to me that these people, the very people who have demonstrated their willingness to place themselves in danger, ought to be encouraged to continue with the military—if their disability allows—not discouraged.

Mr. Speaker, as I said earlier, I support this legislation because it does address several critical aspects of veterans health care and because I believe the provisions addressing other critical defense needs are too important to reject. Fittingly, I want to note that the very veterans, support organizations, and associations that are most penalized by the failure to address the dual compensation issue all support this legislation because of the security it will provide for the current men and women who provide our shield. Hopefully, that support—more than my own—will impress my colleagues and will be remembered when the next Congress takes up the dual compensation issue.

Ms. PELOSI. Mr. Speaker, I support the Defense Authorization bill because it includes many important provisions including measures to improve health care for our nation's military retirees. However, I rise today to criticize the Republican leadership for their removal of hate crimes provisions from the conference report. Majorities in both the House and the Senate voted to include this language which would have added needed protections against hate crimes based on sexual orientation, gender, or disability to federal law.

Tragic murders that grab the nation's attention such as the dragging death of James Byrd in Texas and the brutal beating death of Matthew Shepard in Wyoming are, unfortunately, not isolated incidents. According to statistics kept by the National Coalition of Anti-Violence programs, 29 Americans were murdered in 1999 because they were gay or lesbian and there were more than 1,960 reports of anti-gay or lesbian incidents in the United States, including 704 assaults. And according to the Federal Bureau of Investigation, in 1996 there were over 8,700 reported incidents of hate crimes based on race, religion, national origin, or sexual orientation. Crimes based on hate are an assault on all of us, and we must enact stronger measures to prevent and punish these offenses.

Opponents of this measure have argued that this is an issue that should be left to the states. However, Congress has passed over 3,000 criminal statutes addressing harmful behaviors that affect the nation's interests, including organized crime, terrorism, and civil rights violations. Thirty-five of these laws have been passed since the Republicans took control of Congress in 1995.

Others have argued that there is no need for federal Hate Crimes legislation because assault and murder are already crimes. However, the brutality of these crimes speaks to the reality that when a person is targeted for violence because of their sexual orientation, race, or other group membership, the assailant intends to send a message to all members of that community. That message is you are not welcome.

This effort to create an atmosphere of fear and intimidation is a different type of crime, and it demands a different kind of response. All Americans have a right to feel safe in their community.

The hate crimes provisions that were stripped from this conference report by the Republican leadership would have countered this message of intimidation with a strong statement that our society does not condone and will not tolerate hate-based violence.

In addition to a bipartisan group of 192 House cosponsors, these provisions are supported by 175 civil rights, religious, civil and law enforcement organizations, including the National Sheriff's Association, the Federal Law Enforcement Officers Association, the Hispanic National Law Enforcement Association, the National Center for Women and Policing, and the National Organization of Black Law Enforcement Executives.

Passage of this bill would not have ended all violence against those communities who are targets of hate violence. But it would have allowed the federal government to respond and take action by investigating and punishing the perpetrators of crimes motivated by hate. The Republican leadership has missed an important opportunity. I urge them to reconsider their opposition to these protections and pass the Local Law Enforcement Enhancement Act of 2000 before the end of the session.

Mr. WATTS of Oklahoma. Mr. Speaker, I come here today in support of the Floyd D. Spence National Defense Authorization Act for FY 2001. This legislation is named for a great American who is second to none in supporting our soldiers, sailors, Marines and airmen. Under FLOYD SPENCE's leadership this is the fifth year out of the last six in which Congress has added to the Administration's budget request. FLOYD SPENCE—as far as I am concerned—is Mr. National Security. I look forward to serving with him for many more years.

The defense bill before us seeks to address many problems. Serious training deficiencies and equipment modernization shortfalls, made worse by longer and more frequent deployments away from home, have placed increasing strains on our armed forces. Also, the increasing use of America's military on missions where vital U.S. national security interests are not at stake has reduced readiness, affected recruiting and retention, and lowered morale. This bill will not completely fix these problems, but it will help.

Included in this bill is a 3.7% pay raise for our military personnel. The bill increases the military procurement accounts by $2.6 billion, and the research and development accounts by $1 billion. In critical readiness accounts, the Congress has increased authorization funding for the sixth consecutive year. There are increases in funding for National Missile Defense research and for improving the training and readiness of the National Guard and the Reserves. Also, this legislation includes—something particularly important to me—authorization funding for the Crusader program at over $355 million.

And last, but certainly not least—there is TRICARE health insurance for military retirees over 65, including a drug benefit. This revised TRICARE program will take effect beginning in FY 2002 and is open to military retirees and their eligible family members. Under the plan, beneficiaries could keep their current Medicare provider, and use TRICARE as their Medicare supplement to pay any costs not covered by Medicare. Beneficiaries would pay no co-payments or deductibles. The plan also includes no enrollment fees or premiums for all Medicare-eligible beneficiaries. This Congress continues to work to meet the promise that was

made for health care as an earned benefit for 20 or more years of honorable military service.

The bottom line is—this defense authorization bill will fund the Department of Defense at approximately $310 billion—$4.5 billion more than requested by the Administration. Again, I want to thank Chairman SPENCE for his leadership of the House Armed Services Committee, and the kindness and courtesy he has shown not only to me, but everyone associated with this committee including members, staff and those appearing before his committee.

Mr. DEFAZIO. Mr. Speaker, I am extremely pleased that the Department of Defense (DOD) authorization act we have before us today makes a number of long awaited, critical improvements to the health care system for our nation's military retirees.

These individuals selflessly sacrificed and served our country in order to protect the freedoms we all enjoy. This legislation marks an important step toward providing military retirees with the health care they earned and were promised.

However, I am voting against the bill because, as good as the health care provisions are, they don't go far enough. In addition, I am concerned about the astronomical level of overall spending authorized by the bill a decade after we won the Cold War.

Let me briefly return to the health care provisions I support. I am pleased the conference report extends TRICARE to Medicare eligible retirees with no co-pays or deductibles. There will also be no enrollment fees or premiums for Medicare eligible beneficiaries. This is one of the provisions in an important bill I cosponsored, the Keep Our Promise to Military Retirees Act.

The conference report also expands the mail order pharmacy benefit to all beneficiaries, including those over 64 years of age. This too is similar to legislation I cosponsored, the Retired Military Pharmacy Benefits Act. Expanding the mail order pharmacy program will allow retirees in Oregon, who don't live close to a military base, easier access to necessary prescription drugs.

I was also pleased the conference report included a number of other quality of life improvements such as a 3.7 percent pay raise, an accelerated reduction in out-of-pocket housing costs, and targeted supplemental food allowances for the most needy personnel.

However, the conference report left out two improvements I have advocated. First, the conference report dropped a provision that was included in the Senate version of the bill to repeal the VA disability compensation offset. I am cosponsor of legislation, H.R. 303, to repeal this offset and contacted members of the conference committee encouraging them to retain the Senate provision. Veterans deserve to keep all of the benefits they earned. I was disappointed this provision was not included in the final version of the bill.

I was also disappointed that the key component of the Keep Our Promise to Military Retirees Act, opening up the Federal Employees Health Benefit Plan (FEHBP) to military retirees, was not included in the conference report. I have heard from many residents of Oregon who are having difficulty finding providers who accept TRICARE due to low reimbursements rates and burdensome regulations. That may be why TRICARE is sometimes derided by retirees in my district as ''try to get care.'' Therefore, expanding TRICARE as this bill does, may not benefit a number of Oregonians. A more complete option would be offering our military retirees the same health care that Members of Congress and our staffs have access to, the FEHBP. The FEHBP works well in Oregon and would ensure military retirees have the health care security they've earned and deserve. I will continue to fight to make this option available.

I am concerned with the overall level of spending authorized by this bill. The bill authorizes $309.9 billion for fiscal year 2001, or more than half of all federal discretionary spending. This is $4.5 billion more than the President requested and $21.1 billion more than last year. We are still funding the Pentagon at 90 percent of Cold War levels a decade after we won.

U.S. military spending must also be viewed in the context of what our allies and adversaries spend. The U.S. is spending more than all our adversaries or potential adversaries combined and more than we spend at the end of such Cold War presidents as Eisenhower, Nixon, Ford, and Carter.

Further, as former Secretary of Defense under President Reagan, Larry Korb, points out, ''The U.S. share of the world's military spending today stands at about 35 percent, substantially higher than during the Cold War. In 1985, at the height of the Reagan build-up, the U.S. and the Soviet Union spent equal amounts on defense. Today, Russia spends only one-sixth of what the U.S. spends on defense. If one adds in the spending of U.S. allies, the picture becomes even more favorable to the United States.'' In fact, the U.S. and its allies account for 65 percent of the world's military expenditures.

Russia today spends 85 percent less on its military than the Soviet Union. The combined expenditures of our potential adversaries, as identified by U.S. intelligence agencies, is $13.8 billion, or about four percent of the U.S. budget.

In just two days, the Pentagon spends more money than the Iraqi military does in an entire year. In just 16 days, the Pentagon spends more money combined than Iraq, Iran, North Korea, Libya, Syria, Sudan, and Cuba. In 108 days, the Pentagon spends more than all of these countries plus Russia and China.

The U.S. military must remain the highest trained, best skilled, and most technology sophisticated military in the world. However, this can be done with a smaller budget. To do so requires better management, not more money.

The Pentagon budget needs to be reevaluated in light of our current national security threats. Cold War weapons systems that serve no national security purpose but merely serve to justify increased budgets should be eliminated. Defense experts of all political stripes both inside and outside government have suggested eliminating or reforming a number of programs like the F–22, the Crusader Artillery system, the Comanche helicopter, and others in order to reduce costs and have a more efficient and deadly military force.

Also, as Senator MCCAIN has repeatedly pointed out, the defense authorization and appropriations bills often include billions of dollars in pork projects that are unrelated to national security requirements. This bill is no exception. In this bill, Congress provided the Pentagon billions in unrequested funding such as $150 million for two F–15 aircraft, $125 million for 12 additional Blackhawk helicopters, $51 million for two additional F–16s, and $90 million in additional funding for the DDG–51 Destroyer program.

Finally, rather than showering the Pentagon with tens of billions of additional dollars for weapons systems of dubious value and quality, it would be useful to make a serious commitment to eliminating the tens of billions of dollars of waste at the Pentagon. As Representative KASICH, Republican Chairman of the House Budget Committee, noted in a February 2000 report titled Reviving the Reform Agenda, the General Accounting Office annually uncovers billions of dollars going to waste at the Pentagon. It weakens our national defense to have this waste and hurts the morale of our men and women in uniform since it steals funds that could otherwise be spent to boost their quality of life.

Mr. Larry Korb, who, as I mentioned was an Assistant Secretary of Defense under President Reagan, has developed an alternative defense budget that would be sufficient to meet our national security needs while not strangling and starving the rest of the federal budget. His proposal makes prudent reductions in spending by targeting unneeded weapons, unnecessary deployments, and a downsizing of our forces in recognition of our victory in the Cold War. Mr. Korb's proposal is a serious one that deserves intelligent discussion and consideration in Congress.

Again, I congratulate the conferees for the improvements they made on access to health care for military retirees, but I cannot support a bill with the unjustifiable level of spending on weapons systems of questionable value and quality.

The Pentagon budget should be based on a realistic assessment of our national security needs, not the wishes of powerful defense contractors or Pentagon brass. I bet the Secretary of Education and the Secretary of Health and Human Services have a funding ''wish list'' too. But, Congress scrutinizes their every request and forces them to prioritize. The Pentagon should be no different.

Mr. DAVIS of Virginia. Mr. Speaker, I rise today in support of H.R. 4205 and I would like to thank my good friends, Chairman FLOYD SPENCE and Senate Chairman JOHN WARNER. Section 813 of this bill includes legislation that I introduced, H.R. 3582, the Federal Flexibility Act of 2000. H.R. 3582 passed the House on May 2 of this year and my good friend, Senator WARNER attached to the Defense Authorization bill in the Senate. H.R. 3582, now Section 813, will provide northern Virginia with important relief for its continued information technology worker shortage and continue the important procurement reforms this Congress began in 1995.

H.R. 3582, the Federal Flexibility Act of 2000, will address an ongoing problem in federal IT contracts. Section 813 of this bill is necessary because federal contracting officers frequently write into IT contracts minimum personnel requirements that hamper the ability of contractors to find qualified personnel to perform the contract. Oftentimes this means government contractors can not hire personnel who they believe could successfully perform the work but instead search for qualified resumes. This is a burden on the IT industry and contributes to the chronic worker shortage faced by the technology industry because the Federal Government is the largest purchaser

of IT products in the world—spending about $32 billion on goods and services each year.

The Fed-Flex Act requires Federal agencies to justify the minimum personnel requirements frequently written into government contracts. Federal agencies have been experiencing ''credential creep'' in the way they write contracts. The problem has become so significant that the Virginia Secretary of Technology, Don Upson, found in a report issued by his office this past September that these minimum personnel requirements are the second largest contributor to the IT worker shortage in my home state. This report, titled ''A Study of Virginia's Information Technology Workforce,'' strongly recommended that both the government and private sector companies objectively evaluate alternative forms of training, and focus on investments in training rather than degrees or resumes. The nationwide shortage of IT workers is estimated at 364,000, and it is estimated at over 24,000 for the Northern Virginia region alone.

What these minimum personnel requirements mean for the government is that Bill Gates or Michael Dell cannot contract with the federal government. Since neither one of them holds a college degree, many federal agencies would not allow them to perform IT work for the government. When federal agencies write credential creep into contracts, they hinder the ability of federal contractors to hire qualified personnel who get the job done, and increase the total cost of the contract to the government.

In this era of serious labor shortages in nearly every sector of our economy, this practice drives up prices and limits the flexibility of offers. The government will get better results if it issues performance-based statements of work and leaves it up to the offeror to propose how they will satisfy the requirement. The government should hold the winning offeror accountable for the quality of the cake, not dictate the ingredients that go into the recipe.

Another recent workforce study released by the Information Technology Association of America (ITAA) found that US companies anticipate a demand for 1.6 million IT workers in the next year. According to that study, about 50% of applicants for those jobs will not have the skills required to perform the jobs meaning that up to 850,000 of those slots could go unfilled. The private sector knows it must adapt to address this shortage and invest in training that will allow them to get the job done—let's make sure the federal government is not the stumbling block. The Fed Flex Act requires agencies to realize that key skills are what matters most to mission accomplishment within agencies not how those skills are acquired.

Recently, there has been ongoing debate about solving the labor shortage in the United States and lifting the cap on H1–B visas. I am a strong supporter of lifting the visa cap and an original cosponsor of my colleague, Representative DREIER's H.R. 3982, the HI–TECH Act, which raises the cap to 200,000 for H1–Bs. But we all know this is a short-term solution. We need to recognize the new types of training employees receive and encourage American businesses to hire employees who have received less traditional methods of training. We also need to encourage our federal government to be a leader in solving the worker shortage and not remain behind the curve as is so often the case.

The Fed-Flex bill I authored recognizes the investment that firms make in their employees today. Many IT firms spend a significant amount of time and dollars training their employees to be up to speed on the latest products and services. The Fed-Flex Act would require agencies to justify the use of such minimum mandatory personnel requirements before imposing such requirements in a particular solicitation for IT services. Where the contracting officer determines that the agency's need cannot be met without such requirements, the legislation would not preclude such requirements. Moreover, the legislation would not preclude agencies from evaluating the advantages that may be associated with a particular employee's experience or education, including participation in an in-house training and certification program. This bill continues the many successes of recent procurement reforms and redirects government to focus on products, not process.

Earlier this year, a study released by the American Association of Community Colleges indicated that twenty percent of Community College attendees are pursuing degrees to work on technology issues. With the worker shortage we face across the nation, it is of great concern to me that the federal government could prevent these highly-motivated young people from pursuing a technology career. Credential creep is a federal government-wide problem. We have fallen behind in recruiting IT workers for the federal workforce and training federal workers to take part in the information technology revolution. Yet, the government often demands college degrees for entry level positions that might be filled by individuals who have received another form of job training. I believe that Fed-Flex bill is important to address an immediate need within the government but I am also committed to working closely with my friends in the federal workforce community to look at their credential creep problems.

Mr. Speaker, I would also like to point out the many organizations that have supported the inclusion of FED–FLEX in section 813 of H.R. 4205. It is supported by ITAA, AEA, the Contract Services Association, the Professional Services Council, and CapNet. I would like to quote from a letter sent over by Harris Miller, the President of ITAA, ''The Federal Contractor Flexibility Act is a homerun for practical, efficient, and effective government contracting.'' I would also like to submit a copy of the ITAA letter for the RECORD.

Section 813 of this bill will ensure that contracts are performance-based rather than process-driven. In my conversations with local Chambers of Commerce in northern Virginia, and national procurement organizations, I have heard many instances where these personnel requirements have hampered companies' ability to work with government. I have also been presented with evidence that these minimum personnel requirements have been used at various government agencies to favor incumbent contractors rather than promote open competition. I have even heard of an instance where the contract employees who unpack computers at some agencies are required to hold a college degree.

Mr. Speaker, I have also received contract examples from the Departments of Defense and Treasury, and the General Services Administration that include minimum personnel requirements. The Defense Department includes these cumbersome requirements for entry-level IT positions that include such basic tasks as data-entry, and they do not give contractors any opportunity to apply for a waiver. The Treasury contract includes these requirements but then says a company may apply for a waiver after contract award although the waiver requires a significant amount of paperwork to get approved. The GSA requirement is on an IDIQ contract that would effect several companies that the same time and drive-up costs of all of the competing kids.

Mr. Speaker, again I urge my colleagues to support this important legislation. The inclusion of H.R. 3582 in this conference report will provide important relief to Virginia and government contractors across the nation. It will also provide a tremendous cost-savings to the government.

Mr. Speaker, in addition, the conference report for H.R. 4205 authorizes $309.9 billion for the nation's defense activities for FY2001, $4.6 billion more than the President's request. The conference report provides significant improvements to the quality of life of military personnel, retirees, and their families, military readiness, and modernization programs. In particular, the conference report provides a much needed 3.7% military pay raise and other important bonuses, as well as retention and quality-of-life programs for our soldiers, sailors, airmen, and Marines. In addition, the conference report establishes a targeted subsistence payment, up to $500 per month, to assist the most economically challenged personnel. I believe this report includes provisions that are critical to maintaining and sustaining our military readiness by focusing on the most important feature of our military; the men and women in uniform.

More importantly, the conference report includes substantial improvements in TRICARE benefits for all beneficiaries of the military health care system. The conference report authorizes a restructuring of the military health care program and provides permanent lifetime TRICARE eligibility to Medicare-eligible military retirees and their family members beginning in FY2002. The report also provides a comprehensive pharmacy benefit to Medicare-eligible beneficiaries, reduces the maximum annual out-of-pocket expenses for all retirees form $7,500 to $3,000, eliminates co-payments and deductibles for active duty families and their beneficiaries, and eliminates TRICARE enrollment fees or premiums for Medicare-eligible beneficiaries. Additionally, the report authorizes an expansion of the Department of Defense's (DOD mail order and network retail pharmacy programs, the ''TRICARE Senior Pharmacy Program'' to allow all beneficiaries to participate, including those over the age of 64, without enrollment fees. Military retirees over the age of 64 will be able to choose out-of-network pharmacies, and pay a deductible of $150 per year.

In addition to these important provisions, the conference report also authorizes the development of the United States Marine Corps Heritage Center at Marine Corps Base in Quantico, Virginia. This report permits the Department of the Navy to accept, without compensation, a land transfer from the Park Authority of Prince William County. The Marine Corps Heritage Center will be developed by a joint venture between the Department of the Navy and the Marine Corps Heritage Foundation. It is my strong belief that the Heritage Center represents the kind of partnership between federal and local government and the private sector which should be encouraged more often.

The Marine Corps Heritage Center will be situated on 135 acres in Locus Shade Park, presently a county-owned site adjacent to the Marine Corps Base in Quantico, Virginia. The 460,000-square-foot Heritage Center will be used for historical displays for public viewing, curation and storage of artifacts, research facilities, classrooms, offices, and associated activities consistent with the Marine Corps University. In addition, the main building will include a museum, visitor center, gift shop, restaurant, exhibits, and possibly a movie theater. Funding for the Heritage Center will be provided almost entirely by private sources.

I believe the Heritage Center will provide visitors with valuable information and insight about the Marine Corps and its long tradition of service to America. Given Virginia's rich history and the Marine Corps' legacy, it is only fitting that Virginia will be host to the U.S. Marine Corps Heritage Center.

I urge all of my colleagues to support the conference report to H.R. 4205, as this important legislation will fulfill America's vital military needs for FY2001. In addition, I would also like to commend the conferees and their staffs, whose hard work and diligence brought this conference report to the floor.

Mr. HILLEARY. Mr. Speaker, I rise in support of this conference report. I want to commend the efforts of Chairman Spence for accomplishing many important goals in this bill that should have been done long ago.

Since last spring, I have been visited several times by workers who got sick working at Oak Ridge. Mack and Ann Orick, Harry Williams, Jan Michelle and Janine Voner are representative of thousands of people who worked on our nation's nuclear weapons programs at facilities like Oak Ridge. They have played a central role in defending the United States over the past fifty-plus years. They have rightly been called ''Cold War heroes.''

Like the Oricks, Harry Williams, Jan Michelle and Janine Voner, many of these heroes have paid a tragic price for their role in defending their country. Thousands have been afflicted with debilitating and sometimes deadly diseases due to exposure to hazardous waste and radiation.

These sick workers, and the families left behind by workers who contracted terminal illnesses, should be compensated for their sacrifice. In fact, compensation is long overdue.

I was pleased to be appointed to this conference committee to find a way to compensate sick workers. The agreement that was worked-out is a reasonable start, but is only that—a start.

The plan that finally emerged is based on legislation written by Senator FRED THOMPSON that passed the Senate. It requires the President to send Congress by March 15, 2001 a specific proposal detailing the level of compensation and benefits that should be paid. If Congress does not act on the proposal by July 31, 2000, a default benefit level of $150,000 plus medical benefits will take effect.

Those who worked for the Department of Energy (DOE) and civilian companies with which it contracted suffering from chronic beryllium disease, chronic silicosis or a radiogenic cancer which could be linked to their service at the DOE site will qualify for compensation.

I believe this solution is a sound first step and probably the best we can get at this time. However, we may be able to do better in the next session of Congress. These workers, heroes of the Cold War, deserve to be compensated. They provided an invaluable service to their country, unaware that their bodies were being exposed to agents that would have a devastating impact on their lives.

With the leadership of Senator FRED THOMPSON, and along with my colleagues in the House like Representatives ZACH WAMP, LINDSEY GRAHAM and ED WHITFIELD, progress is finally being made on the tremendous debt that is owed to people who worked in our nuclear weapons industry.

Further, this bill also moves us forward in keeping our promise to provide permanent lifetime health care to America's military retirees and their eligible family members.

The program will take effect beginning in fiscal year 2002 and is open to military retirees and their eligible family members. Under the plan, beneficiaries could keep their current Medicare provider and use TRICARE as their Medicare supplement paying any costs not covered by Medicare. Beneficiaries would pay no co-pays or deductibles.

The plan also includes no enrollment fees or premiums for all Medicare eligible beneficiaries. The agreement also reduces the maximum out of pocket expenses for all military retirees by sixty percent, from $7,500 to $3,000.

In addition to the permanent TRICARE for Life initiative, the conference committee also approved and strengthened several military health care proposals adopted by the House and Senate earlier this year.

Other benefit improvements include expansion of DOD's mail order and retail pharmacy programs to allow participation by all beneficiaries and one year extension of the demonstration program ''TRICARE Senior Prime,'' which is also known as Medicare subvention.

Mr. Speaker, this conference will protect our national security and take care of those that ensured our protection. I encourage all my colleagues to support this conference report.

Mr. MALONEY of Connecticut. Mr. Speaker, I am proud to support H.R. 4205, the Defense Authorization bill for 2001. This bill includes many important provisions that advance this Nation's national security interests. The measure properly addresses our Armed Forces' modernization efforts, safeguards the military's combat readiness and does right by our men and women in uniform and their families.

The measure authorizes $309.9 billion for defense programs, nearly equal to the amount provided in the House and Senate versions of the bill. This is $4.5 billion above the Administration's request and $21.1 billion above the amount appropriated for FY 2000. Specifically, the bill authorizes $63.2 billion for weapons procurement, $38.9 billion for research and development, $111.0 billion for operations and maintenance, $8.8 billion for military construction and family housing, and $13.1 billion for defense-related activities of the Department of Energy.

This bill will also allow us to keep the promise of lifetime health care to America's veterans and their families. As an original cosponsor of the health care provisions of the Defense Authorization Conference Report, and as a member of the Defense Conference Committee, I am particularly pleased with this legislation. Specifically, the bill provides permanent lifetime TRICARE eligibility to Medicare-eligible military retirees and their family members; restores pharmacy access for all Medicare-eligible military retirees; and authorizes the Department of Defense to begin a Thrift Savings Plan. Moreover, the bill provides a 3.7 percent pay increase to continue to close the gap between civilian and military pay. Indeed, this legislation is a victory for the 1.4 million Medicare-eligible military retirees and their families. They will not receive what they earned and deserve: lifetime medical care, as promised to them when they enlisted in the U.S. Armed Services. It has been the intent of many of us to make this year the Year of Military Health Care, and through this legislation, we have done just that.

In addition, the bill establishes a compensation plan for personnel made ill by exposure to toxic or radioactive materials while working on U.S. government nuclear weapons programs, including those who developed chronic silicosis and uranium mine workers who are currently covered under a less generous compensation program. This is a critical effort that I support. The bill also requires the Defense Department to report on the progress being made toward developing and implementing a comprehensive strategy in the Balkans, and to detail the commitments and contributions of European nations and the United Nations to peacekeeping operations in Kosovo. This is a proper approach. Finally, the bill endorses the thrust of the agreement reached between the U.S. Navy and the Commonwealth of Puerto Rico earlier this year to address the Navy's live-fire training on Vieques Island. I believe that agreement is the best way of addressing both the Navy's readiness requirements as well as the interests of the Puerto Rican population.

Lastly, I am very pleased that this bill provides fire departments nationwide the resources necessary to hire and train more firefighters, purchase and update equipment, and sponsor fire safety education programs. I am particularly proud of this legislation because it was incorporated from the Firefighter Investment and Response Enhancement (F.I.R.E.) Act, which I sponsored last year. This legislation for which I worked hard to include in the Defense Authorization Conference Report as a House Armed Services Committee conferee strengthens public safety through enhanced emergency services by authorizing $400 million over two years in grants to local fire departments. With one out of every three firefighters and over 24,000 civilians injured each year, and with about 100 firefighters and over 4,000 civilians killed annually in fire related emergencies, this legislation will pay significant public safety dividends for both firefighters and the families they serve.

Under provisions of the legislation to assist firefighters, grant funds will be used to hire and train new recruits and to buy new equipment. The legislation will help career departments hire additional personnel to meet coverage needs, while saving local taxpayers the added financial burden. Both career and volunteer departments will be able to acquire badly needed, but expensive, equipment such as thermal imaging cameras. Such cameras can locate people trapped in a smoke filled building who might otherwise be killed. Many departments and companies have not purchased such equipment because of the unit and training costs.

Firefighter grant funds will pay up to 90% of all project costs for local volunteer fire departments that serve 50,000 people or less and up

to 70% of the costs for local career fire departments as well as volunteer departments that serve more than 50,000. Matching funds can be provided by either state or local governments. At least 5% of the funds will be set aside for grants to local programs dedicated to prevention and public safety education. Fires cost the nation an estimated $100 billion annually. Only $32 million in federal resources are available for fire prevention and training, compared to $11 billion on law enforcement. We have clearly seen the positive benefits of putting more money into law enforcement with the crime rates falling in most every category and in most all communities. We will now do the same for fire prevention and fire safety by providing the necessary resources to help our local fire departments battle their share of the nearly 100,000 fires in the United States annually.

Mr. REYES. Mr. Speaker, I rise in support of the conference report to the Floyd D. Spence National Defense Authorization. This conference report is important because it focuses on providing our soldiers, sailors, airmen and Marines the equipment and other resources necessary to accomplish the vital mission of protecting this Nation's vital interests.

There has been considerable debate during this election year about the status of our military's readiness. This discussion often focuses on a range of topics including pay, facilities, new equipment, size of the force and procurement. Well, I'm proud to stand before you and tell you that this report does more than debate, pontificate or raise additional discussion items. This report funds and places resources where the service chiefs feel they are needed. And, in a number of cases, provides additional funding to address the service chief's unfunded requirements for their procurement, readiness and modernization efforts.

It is also important to acknowledge that this conference report also addresses a number of quality of life issues for our military personnel. There are a number of important initiatives included in this report. Some may see these initiatives as an increase in benefits. However, things like increased minimum housing allowances for young families, and a 3.7% pay raise and a comprehensive set of improvements to the military health care system are not perks or increased benefits. They are simply the least we can do for those service members and their families who sacrifice every day.

Beyond all of the campaign rhetoric and posturing, this report demonstrates Congress' commitment, our commitment to our Nation's military and the men and women who serve in that military. I urge all of my colleagues to support this conference report.

Mrs. TAUSCHER. Mr. Speaker, I rise today to make clear my opposition to a provision originally in the Senate's version of the Defense Authorization bill. This provision authorizes a study on a new type of weapon, one that many have started to call ''mini-nukes.''

The purpose of this study is for the government to consider a new weapon capable of destroying underground bunkers. Proponents of the provision say that the bunkers in question are used by States of Concern to protect their leaders in times of crisis, or to store stockpiles of biological or chemical weapons. They also say the weapons are an improvement over prior systems since the release they cause of chemical or biological agents into the environment is negligible. Therefore, proponents argue, we must have these weapons.

The problem is that we don't need new nuclear weapons; the Defense Department has not even identified a requirement for this type of weapon. What is more, I know from top-secret discussions with the Pentagon that we have other, non-nuclear ways of destroying and disabling the underground bunkers.

Studying a new weapon only takes us one step closer to manufacturing it. And this is one weapon we do not need to manufacture. One of the major concerns I have with this study is that it focuses on making a ''usable'' nuclear weapon, or one that does not harm civilians. But that is ridiculous—no nuclear weapon can side-step mass destruction and the harming of civilians. By today's nuclear standards, the bomb we used on Hiroshima was tiny. But look at the destruction those bombs caused—even though the city has been rebuilt, the area still has a disproportionate number of children with mental deficiencies.

Finally, as a supporter of the Comprehensive Test Ban Treaty, I want to point out that provisions like this one only take us closer to the resumption of tests. Those who ''study'' any new weapon not already in our stockpile will naturally want to test that particular weapon.

The fact is, this provision is a bad one. It we are truly interested in nuclear nonproliferation and in downsizing our own nuclear stockpile, the last thing we should be doing is laying the plans for a new weapon.

Mr. HEFLEY. Mr. Speaker, I rise in strong support of the conference report to accompany H.R. 4205, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001.

As Chairman of the Subcommittee on Military Installations and Facilities, I am please to inform the House that this conference report authorizes $8.8 billion for the military construction and military family housing programs of the Department of Defense, an increase to the President's request of $787 million. These funds will be used to meet critical shortfalls affecting the qualify of life of military personnel and their families and to improve facilities supporting the training and readiness of the armed forces. This conference agreement is consistent with the bipartisan agreement reached earlier this year on the military construction appropriations bill.

This conference agreement also provides for an extension of the military housing privatization initiative that is beginning to show some significant successes. Properly implemented, this program will go a long way toward resolving the housing crisis confronting military families.

Beyond military construction, Mr. Speaker, this is landmark, legislation. I have long been concerned about the quality and availability of health care for both retirees and active duty personnel. The health care reforms provided in this bill will meet the promises made to earlier generations of servicemen and women and will guarantee that those promises will be kept to those in uniform now and those volunteers who will come after them.

I urge all members to join me in support of this important bill.

Mr. GOODLING. Mr. Speaker, I rise in support of the conference report on H.R. 4205, the Floyd D. Spence National Defense Authorization Act for fiscal year 2001.

Several of the provisions included in this agreement are under the jurisdiction of the Committee on Education and the Workforce and I am pleased that we were able to come to an agreement.

First, I am pleased that the Department of Defense authorization bill includes a provision that further amends the Women, Infants and Children's (WIC) program for military personnel stationed overseas. In last year's Department of Defense bill, the conference committee adopted provisions of a bill I introduced, H.R. 1779, requiring the Secretary of Defense to fund and operate a nutritional assistance program for families of military personnel overseas. That law also included a provision that required the housing allowance received by military personnel to be taken into consideration when calculating eligibility for the overseas WIC program.

Consistent with my original bill, H.R. 1779, this year's conference agreement eliminates that requirement and allows more overseas military personnel to benefit from the program.

Second, I would especially like to thank the conferees for agreeing to include the Impact Aid program as a part of the conference agreement. Impact Aid is one of our Elementary and Secondary Education Act programs. It provides important financial assistance to schools impacted by a federal presence such as military installations and Indian lands. Earlier this year the House passed H.R. 3616, which continued the authorization of the Impact Aid program. However, no further action has taken place and given the lateness of this session it is most important that we get these changes enacted into law this year. We have worked with House and Senate members in coming up with compromise language and I am pleased that the conferees have agreed to include this language in the conference agreement.

Some of the specific provisions included in the Impact Aid part of the conference report would: change the formula for heavily impacted school districts to speed up the distribution of funds; protect against any large decreases in payments for children due to Department of Defense housing and transfer privitization efforts; address the needs of school districts impacted by housing units built under the ''Build to Lease'' program; continue to provide schools with a higher level of payments for children who move off base for a period of time when their homes are being rebuilt; and modify the current construction program in order to provide for a competitive grant program for school districts highly impacted by a military presence.

Mr. Speaker, the Impact Aid program has been a valuable source of assistance to heavily impacted schools and school districts over the years. Without this program, many school districts would be without the full complement of resources they need for providing a high quality education to their students. I greatly appreciate the willingness of House and Senate conferees to include this important legislation in the Department of Defense conference report.

A third issue of interest to the Committee on Education and the Workforce deals with military recruiters on high school campuses. In some parts of our nation, military recruiters are denied access to recruit on secondary school campuses, even though the same schools give access to prospective employers

and colleges and universities. The conferees have included language that will give recruiters the same access that prospective employers and higher education institutions enjoy.

The conferees have also included protections for those that do not wish to allow military recruiters on campus. If a school board, by majority vote, indicates that it does not want military recruiters on campus, then that decision would be respected under the legislation. In addition, the conferees have included a provision that makes clear that private secondary schools with religious objections to military service do not have to provide access to recruiters. Finally, I wish to thank the conferees for making several technical changes in this section and for adding the Education and Workforce Committee as one of the committees to which reports on recruiting access will be provided.

The legislation also contains a provision establishing a pilot program to reengineer the equal employment opportunity complaint process for Department of Defense civilian employees. This will allow the continuation of a successful alternative dispute resolution (ADR) program already begun by the Navy—which has reduced the average wait for a determination on the merits from 781 to just 111 days. The bill permits the expansion of this model to other defense agencies. This complements our committee's successful efforts to have the Equal Employment Opportunity Commission expand use of ADR to expedite the processing of charges of discrimination in the private sector.

Finally, this legislation establishes the Energy Employees Occupational Illness Compensation Program. This provision will establish a compensation program for those workers who helped build the nation's nuclear program and who have suffered illness and disease because of their work. I worked to ensure that this provision will require some further assessment and enacting legislation before full implementation. As a cautionary note, I point out that as we have certainly learned from our committee's experience with other similar programs, it is especially important that Congress keep a watchful eye on what happens down the road. Congress should work to ensure that the program remains targeted to help only Department of Energy employees with specific occupational illnesses, rather than evolving into a bloated, over-broad and open-ended entitlement program. I recognize this has been a difficult provision to work through, but I commend the conferees on giving this provision the Congressional review necessary.

Mr. Speaker, on balance, I believe the conferees have done an excellent job of reaching agreement on some very difficult issues. I once again want to thank them for working with the Committee on Education and the Workforce to resolve issues under our jurisdiction. I would urge my colleagues to support the conference agreement.

Mr. BOEHNER. Mr. Speaker, I support and urge my colleagues to support the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2002 (H.R. 4205) which contains an important provision to the friends, relatives, and military colleagues of William H. Pitsenbarger. The provision permits the Medal of Honor to be awarded posthumously to Airman First Class William H. Pitsenbarger, a pararescue crew member from Piqua, a town in my district. He was killed in a military operation assisting in the rescue of Army personnel who were severely out numbered and surrounded by Vietcong troops near Cam My, Republic of Vietnam on April 11, 1966.

I have included a short article describing his heroic action from the Air Force Association magazine, Valor, published in October 1983.

'THAT OTHERS MAY LIVE'

(By John L. Frisbee)

A1C Bill Pitsenbarger knew the risks involved when he volunteered to drop into the midst of a jungle firefight.

By April 1966, 21-year-old A1C William H. Pitsenbarger, then in the final months of his enlistment, had seen more action than many a 30-year veteran. Young Pitsenbarger had gone through long and arduous training for duty as a pararescue medic with the Aerospace Rescue and Recovery Service and had completed more than 300 rescue missions in Vietnam, many of them under heavy enemy fire. He wore the Air Medal with five oak leaf clusters; recommendations for four more were pending. A few days earlier, he had ridden a chopper winch line into a minefield to save a wounded ARVN soldier.

His service with ARRS convinced Pitsenbarger that he wanted a career as a medical technician. He had applied to Arizona State University for admission in the fall. But that was months away. He had a job to do in Vietnam and, as rescue pilot Capt. Dale Potter said, Pitsenbarger ''was always willing to get into the thick of the action where he could be the most help.''

On April 11 at 3 p.m., while Pitsenbarger was off duty, a call for help came into his unit, Detachment 6, 38th ARR Squadron at Bien Hoa. elements of the Army's 1st Infantry Division were surrounded by enemy of forces near Cam My, a few miles east of Saigon, in thick jungle with the tree canopies reaching up to 150 feet. The only way to get the wounded out was with hoist-quipped helicopters. Pitsenbarger asked to go with one of the two HH–43 Huskies scrambled on this hazardous mission.

Half an hour later, both choppers found an area where they could hover and lower a winch line to the surrounded troops. Pitsenbarger volunteered to go down the line, administer emergency treatment to the most seriously wounded, and explain how to use the Stokes litter that would hoist casualties up to the chopper.

It was standard procedure for a pararescue medic to stay down only long enough to organize the rescue effort Pitsenbarger decided, on his own, to remain with the wounded. In the next hour and a half, the HH–43s came in five times, evacuating nine wounded soldiers. On the sixth attempt, Pitsenbarger's Huskie was hit hard, forced to cut the hoist line, and pull out for an emergency landing at the nearest strip. Intense enemy fire and friendly artillery called in by the Army made it impossible for the second chopper to return.

Heavy automatic weapons and mortar fire was coming in one the Army defenders from all sides while Pitsenbarger continued to care for the wounded. In case one of the Huskies made it in again, he climbed a tree to recover the Stokes litter that his pilot had jettisoned. When the C Company commander, the unit Pitsenbarger was with, decided to move to another area, Pitsenbarger cut saplings to make stretchers for the wounded. As they started to move out, the company was attacked and overrun by a large enemy formation.

By this time, the few Army troops able to return fire were running out of ammunition. Pitsenbarger gave his pistol to a soldier who was unable to hold a rifle. With complete disregard for his own safety, he scrambled around the defended area, collecting rifles and ammunition from the dead and distributing them to the men still able to fight.

It had been about two hours since the HH–43s were driven off. Pitsenbarger had done all he could to treat the wounded, prepare for a retreat to safer ground, and rearm his Army comrades. He then gathered several magazines of ammunition, lay down beside wounded Army Sgt. Fred Navarro, one of the C Company survivors who later described Pitsenbarger's heroic actions, and begin firing at the enemy. Fifteen minutes later, as an eerie darkness fell beneath the triple-canopy jungle, Pitsenbarger was hit and mortally wounded. The next morning, when Army reinforcements reached the C Company survivors, a helicopter crew brought Pitsenbarger's body out of the jungle. Of the 180 men with whom he fought his last battle, only 14 were uninjured.

William H. Pitsenbarger was the first airman to be awarded the Air Force Cross posthumously. The Air Force Sergeants Association presents an annual award for valor in his honor.

The Aerospace Rescue and Recovery Service is legendary for heroism in peace and war. No one better exemplifies its motto. ''That Others May Live.'' tan Bill Pitsenbarger. He descended voluntarily into the hell of a jungle firefight with valor as his only shield—and valor was his epitaph.

Bill Pitsenbarger showed honor in a time of tremendous pressure. He put other lives before his own. He put his country before his self-interest and he proved that America would remain the land of the free and fight for the freedom of others by showing it was still the land of the brave.

The town of Piqua still holds enormous pride for Bill Pitsenbarger and the community as well as Pitsenbarger's colleagues and friends wholeheartedly join me in supporting the award of the Medical of Honor. Pitsenbarger's heroism is well known in the Air Force. In fact, the Air Force Sergeants Association has named its award for heroism after him. More than a dozen other military and civilian buildings, organizations and monuments around the world that have been named in his honor.

I have worked with numerous organizations and individuals in researching and investigating the Pitsenbarger record. On behalf of these supporters, I submitted to Air Force Secretary Whitten Peters in March 1999 a package of materials to upgrade Pitsenbarger's award to the Medal of Honor. In the past 18 months. Pitsenbarger's file has been reviewed by Pentagon officials including the Secretary of the Air Force, the Joint Chiefs of Staff, The Deputy Secretary of Defense and the Secretary of Defense. They have recommended posthumously awarding him the Medal of Honor.

I believe this Medal of Honor is long overdue. My fellow Ohioans, Pitsenbarger's colleagues and Air Force enlisted personnel join me in the belief that this finally corrects the injustice and gives Mr. Pitsenbarger the recognition that he so deeply deserves.

Mr. MALONEY of Connecticut. Mr. Speaker, my colleague from California, Mrs. TAUSCHER, and I are proud to support H.R. 4205, the Defense Authorization bill for 2001. Among its many important provisions with regard to both people and equipment, the bill addresses several especially notable policy issues: the bill provides permanent lifetime TRICARE eligibility to Medicare-eligible military retirees and

their family members; restores pharmacy access for all Medicare-eligible military retirees; and authorizes the Department of Defense to begin a Thrift Savings Plan. Moreover, the bill provides a 3.7 percent pay increase to continue to close the gap between civilian and military pay.

However, as members of the Conference Committee that negotiated the final details for this bill, we cannot overlook the fact that one important provision has been left out. Recent acts of hate violence have opened many people's eyes to the brutal reality of bias motivated violence and the urgent need to do something to prevent it.

Because hate violence affects where people live and travel and terrorizes entire communities, the federal government has a unique obligation to prevent hate violence against any group. Current federal law only covers race, religion, national origin and color. The Hate Crimes Prevention Act would give federal agencies the authority to investigate and prosecute hate crimes based on a victim's real or perceived sexual orientation, gender, or disability.

Mr. Speaker, the Senate and the House each voted separately to include language in the bill addressing hate crimes. We are disappointed that the leadership in Congress has seen fit to ignore the will of both bodies by removing this provision from the Fiscal Year 2001 Defense Authorization bill. For the will of the powerful leadership in Congress to prevail over the will of the majority in both Houses is not only an affront to us, but also to the democratic principles that govern us.

Mr. LARSON. Mr. Speaker, I rise today to express my dismay this afternoon that the Conference Report for the National Defense Authorization Act for Fiscal Year 2001, H.R. 4205, does not contain language which would have expanded federal hate crimes laws. Despite this disappointment, as a member of the House Committee on Armed Services, I have no choice but to support the Conference Report and will vote for it.

As we all know, Mr. Speaker, a majority of members in both the House and the Senate voted to include the hate crimes provisions in this bill. The Senate voted in favor of an amendment adding the hate crimes provisions to the Senate version of the bill on June 20th by a vote of 57 to 42. On September 13th, I was eager to join the majority of my colleagues in the House in voting in favor of the Conyers motion to instruct conferees to include these provisions in the final version of this bill. It is truly shameful, however, that the Republican Leadership in Congress was able to prevent the inclusion of these provisions in the conference report despite the fact that majorities in both Chambers voted in favor of them.

The Hate Crimes Prevention Act, H.R. 1082, was one of the first bills I co-sponsored upon becoming a Member of Congress. I believe that this legislation is a common sense effort to combat the heinous crimes that are being committed against members of our society simply because they are a member of a specific group. Some have argued that hate crimes laws are not needed because all crimes are hate crimes. Of course all crimes are wrong and should be punished. What makes this legislation so important, however, is that hate crimes are intended to intimidate and punish a whole class of people. Whether it is a lynching in Texas, a crucifixion in Wyoming, or spraying bullets in a bar in Virginia, these horrific acts are intended to terrorize entire groups of people and should be punished accordingly. It is a centuries old part of our common law system to weigh the element of intent in evaluating the severity of a crime and the hate crime law do just that.

It is tragic that the Republic Leadership in Congress has been able to disregard the clear majority of both Chambers and prevent the hate crimes provisions from being included in this bill. I will join the President in his fight to include them in another piece of "must pass" legislation so that we can do our part before adjournment to combat these horrific crimes.

The SPEAKER pro tempore. All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. SPENCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 31, not voting 19, as follows:

[Roll No. 522]

YEAS—382

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Scott
Serrano
Sessions
Shadegg
Shaw
Sherman
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—31

Baldwin
Blumenauer
Conyers
Coyne
Davis (IL)
DeFazio
DeGette
Ehlers
Frank (MA)
Gutierrez
Jackson (IL)
Kucinich
Lee
Lewis (GA)
Lofgren
Markey
McDermott
McKinney
Miller, George
Nadler
Owens
Paul
Payne
Sanders
Schakowsky
Sensenbrenner
Shays
Stark
Velazquez
Waters
Woolsey

NOT VOTING—19

Campbell
Cannon
Danner
Eshoo
Franks (NJ)
Hutchinson

Klink	Meehan	Waxman
Largent	Miller (FL)	Weygand
Lazio	Neal	Wise
McCollum	Shuster	
McIntosh	Talent	

1252

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

Messrs. BARRETT of Wisconsin, DELAHUNT and TIERNEY changed their vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. CANNON. Mr. Speaker, I was unfortunately delayed away from the Capitol during the vote on the Defense Authorization legislation, H.R. 4205. However, had I been here, I would have voted ''yea.''

GENERAL LEAVE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4265.

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

There was no objection.

ENERGY AND WATER REDEVELOPMENT APPROPRIATIONS ACT, 2001—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 4733) making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

(For veto message, see proceedings of the House of October 10, 2000, at page H9575).

The SPEAKER pro tempore. The gentleman from California (Mr. PACKARD) is recognized for 1 hour.

GENERAL LEAVE

Mr. PACKARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I may include tabular and extraneous material on the veto message of the President of the United States to the bill, H.R. 4733.

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

There was no objection.

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

Mr. Speaker, I yield the customary 30 minutes to the gentleman from Indiana (Mr. VISCLOSKY) for purposes of debate only.

Mr. Speaker, I rise to urge my colleagues in the strongest possible terms to override the President's unfortunate veto of the Fiscal Year 2001 Energy and Water Development Appropriations Act.

Of all the appropriations bills, this is one of the most bipartisan. The conference agreement that we presented to the House 2 weeks ago is fair and balanced.

Through the programs of the Corps of Engineers and the Bureau of Reclamation, we have provided funds to maintain and rebuild our critical water resources infrastructure and protect millions of citizens who are currently vulnerable to the devastating effects of floods.

Funds that we have provided through this bill for the Department of Energy will help to strengthen our national defense, increase our scientific knowledge, and help us to become more energy independent.

In spite of all the good things in this bill, the President has legislated to veto it over a single provision included by the Senate. The administration asserts that this provision would undermine implementation of the Endangered Species Act. That is simply incorrect.

Under the provisions of section 103, all alternatives for protecting endangered species on the Missouri River, including a spring rise in river levels, can continue to be studied and only a revision in the Master Water Control Manual that results from spring rise is prevented from being implemented in fiscal year 2001.

I wish to significantly note that the Corps of Engineers has confirmed that it will not be prepared to implement a revised Water Control Manual for the Missouri River until the spring of 2003 due to the time it will take to comply with the provisions of the National Environmental Policy. Therefore, this issue really is not an issue. It cannot be implemented before the bill would address in terms of the time limits.

On October 2, the President issued a statement in which he said that this provision would ''establish a dangerous precedent aimed at barring a Federal agency from obeying one of our Nation's landmark environmental statutes.''

If the President truly believes that today, then why did he not believe it four other times when he signed this very provision into law?

We have done our very best on this bill to accommodate the priorities of all Members of Congress, including the Democrats and Republicans equally and the administration, as well.

Almost 2 weeks ago, we approved a conference agreement by a vote of 301–118. I was disappointed at that time that a number of Members who had come to us for assistance and whose wishes we did accommodate in the bill voted against passage of the conference report. Some who voted against the conference report may have had their concerns addressed in other bills.

Specifically, the Interior Appropriations Conference Report, which now sits on the President's desk and he will likely sign it I am told, included $8 million for the Northeast Home Heating Reserve Issue.

1300

I am sure that that was part of the reason that some voted against the conference report on this bill. I expect that all the Members who voted in favor of the bill two weeks ago will do so again today and encourage all those Members who voted no last week to reconsider that decision. I sincerely hope that we do not have to reopen this bill at this point and possibly reconsider items that have already been agreed to.

I truly believe that a wise use of the taxpayers money is rebuilding America's infrastructure. It is spending their tax dollars to improve their quality of life. It is a very good expenditure of funds. And so our conservative Members who feel that we have spent too much in this bill I hope will recognize that this is spending money in their districts, improving the quality of life of their citizens. It is not in the best interest of our Nation to hold up this important piece of legislation over a single provision. Therefore, I ask all Members to vote to override the President's unfortunate veto of this bill.

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

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

I join my colleague, the gentleman from California, in asking all of my colleagues on both sides of the aisle to vote to override the President's veto of H.R. 4733, the Energy and Water Appropriation Act for the year 2001. The chairman eloquently addressed the primary controversy that is engaged in this legislation and that is the Army Corps manual and regulations dealing with water flow on the Missouri River. I would join in his observations.

First of all, that the President in 4 previous years has signed legislation with similar language. Secondly, as far as the issue that is of complaint to the President, it will not come to fruition for another 2 fiscal years, so I do not think it would be appropriate to veto this legislation based on that one provision, given the good work the chairman and the committee has done on the bill.

The President also mentioned, however, three other items in his veto message, and I would like for a moment to address each of his concerns. The President indicated he is upset that we had not set aside enough funds for renewable and solar energy. I would point out to the Members that for the current fiscal year 2000, we appropriated and the administration will spend $362 million for these programs. The conference report that was approved by

the House and Senate and sent to the President approved for this coming fiscal year $422 million for these programs, a $60 million increase.

The President also had concerns relative to expenditures for the Florida Everglades. The fact is that this legislation contains $20 million in construction funds for the Everglades, the exact dollar figure in the President's budget. What the President wanted to do is to add additional expenditures that had not yet been authorized, and we have been very diligent in ensuring that unauthorized programs not enter into the legislation.

Finally, the President has complained that $20 million was not set aside for the so-called Bay-Delta CALFED program. In past years, we have appropriated up to $60 million for this important program; and the chairman, during the debate and discussion we had on the floor on the conference report, indicated it was his desire to set aside those $20 million if again we had authorization to do so. A compromise to date has not yet been struck. We lack the authorization and, therefore, the chairman, I think wisely, although I know it was a very tough and painful decision for him, decided not to include those moneys in the bill, and I think it is an eminently justifiable position.

Mr. Speaker, I would suggest for these reasons and those propounded by the chairman of the subcommittee that all of the Members of this institution vote to override the President's veto.

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

Mr. PACKARD. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. LATHAM), a member of the subcommittee on appropriations.

Mr. LATHAM. I thank the gentleman very much for yielding me this time.

Mr. Speaker, I would just first of all like to say this is extraordinarily unfortunate for the people in Iowa, Nebraska, Missouri, everyone in the lower Mississippi delta that the President vetoed this bill over the use of the Missouri River. This is an extraordinarily important issue. It goes to saving lives of people who live along the Missouri River, to saving their property. It goes to how much energy, how much electric power is available during the peak season in the summer coming out of the dams upstream. It has to do with usage on the river as far as navigation which they want to dry up the river basically in the summertime. We have a very important issue with recreation in Sioux City, Iowa, using the marina.

Mr. Speaker, I will submit a letter from the bipartisan city council of Sioux City in opposition to the President's position. I think this is an issue which is not a partisan issue. This is simply wrong. The President has signed four previous bills that had this provision in it that today he says he vetoes the bill for, and you wonder why. It has to go, I believe, to an extreme environmental position. I think with the Presidential election coming up and the Vice President taking an extreme position here, I think Iowans and people in Nebraska and Missouri should really take a look at who is favoring a radical group over the lives and property of people who live along the river and the very well-being of those people.

Mr. Speaker, I think it is very unfortunate if we have to reopen this bill to find other moneys for some of the priorities the President looked at that we are going to have to look in the bill. We are not going to have new money. We have to look in the bill to find out people, projects, things like that if we are going to fund the new initiatives, also.

Mr. Speaker, I rise in support of the override of this very unfortunate and misguided veto.

Mr. Speaker, I include the following letter for the RECORD:

OFFICE OF THE CITY COUNCIL,
Sioux City, IA, October 3, 2000.

U.S. Representative TOM LATHAM,
Cannon House Office Building,
Washington, DC.

DEAR REPRESENTATIVE LATHAM: One of the issues that we understand you are addressing is the management of the Missouri River. First, we would like to thank you for your previous votes on this issue on behalf of Sioux City and Iowa. We appreciate very much your support and understanding in this issue. What still needs consideration and study is how those changes to the current management may affect Iowans and the downstream states affected by those changes. We thank you for the time and attention you are giving to this matter.

There should be a broader perspective on the issue at stake than just recreation versus navigation. Policies developed with much deliberation for over four decades such as this should be approached very carefully. there are industries such as downstream recreation, hydropower generation, agriculture, transportation, and navigation that would be dramatically affected by the plan to implement a spring rise in the spring with correlating low flows during late summer and early fall. There are also issues such as flood control for cities, counties, and farmland along the Missouri River that have not yet been sufficiently studied to assess potential damage and economic impact.

Downstream Recreation.—The Sioux City Riverfront Master Plan calls for $8 million in improvements to the City's Marina and riverfront area. The City of Sioux City cannot proceed with economic plans until the full effects of changes to the management of the Missouri River are known. The pulse and character of Sioux City revolves around the river, boating, and water sports. There are also riverboat gambling operations on the Missouri River that generate $80 million to Iowa's state taxes—specifically to fund the recently passed Vision Iowa legislation. Iowa State statute compels riverboats that gamble to sail at least 100 days per year and it is unknown how this will affect their ability to comply with state statute and how that potential loss of revenue would affect Iowa's future.

Hydropower Generation.—Under the spring rise plan we would only be able to use approximately 58% of full capacity during the peak energy usage period. All public energy utilities receive a percentage of their energy as hydropower, very inexpensive energy. When there is excess hydropower energy, that power can be marketed to an eager marketplace looking for this lower-cost energy. When the hydropower supply is lower, as is would be in times of low flow, higher cost energy must be used and that extra cost is passed on to consumers. The effect of decreasing hydroelectric supply in a peak usage period with dramatically increased rates needs further study.

Flood Control.—While spring rise flows will likely not flood Sioux City at current estimates, the effects of high flows from tributaries will need to be studied before either the City of Sioux City or Woodbury County could endorse the spring rise option.

Transportation Costs to Agriculture Industry.—The farm economy is extremely weak, experiencing low prices, increased interest rates than previous years, and high fuel prices. The agriculture industry will take another hit if they lose the ability to haul and store grain and fertilizer, especially at peak harvest periods. The busiest time for agriculture shipments is the exact time that the low flow period in a split navigation scenario would decrease the ability to use the river for transportation and would leave farmers with fewer transportation and storage options. Data taken on corn bid prices from November 10, 1999 shows that corn bid prices range from 13–51 cents more per bushel for sites located near a river when compared with those sites that are landlocked and dependent solely on rail and truck transportation. Navigation on the Missouri River assists farmers with an additional avenue to market and transport their commodities at competitive rates.

Industrial Commodities.—It has been proven that there is an economic advantage in industry to have access to both rail and barge transportation. Rail companies charge less, irrespective of distances traveled, if either the initial or final location is near a barge facility, due to the desire to remain competitive with barge rates. These water-compelled rates enable our companies to remain competitive with comparatively much larger operations. These companies would see 50% increase in transportation costs without access to barge transportation and would be ultimately passed on to consumers.

Degradation Through High Rises.—The impact on riverbed degradation must be determined before the artificially high flows are implemented as already serious degradation problems will only get worse with the spring rise approach. The high-rise period in 1969–1972 degraded the riverbed by four feet and high rises in 1993–1996 degraded the riverbed by an additional two feet. Further degradation will threaten the under-river utility crossing, continue the current loss of wetland and oxbow lake areas due to drainage into the river, will eventually threaten bank stabilization structures, piers, and abutments, as well as increase the maintenance cost for marinas and boat ramp basins. The City of Sioux City's collector well and possibly two of the radials of that well would be impacted if additional significant erosion or degradation were to occur.

Sincerely,

MARTIN J. DOUGHERTY,
Mayor.
CRAIG S. BERENSTEIN,
Council Member.
TODD A. MOSS,
Mayor Pro-Tem.
TONY DRAKE,
Council Member.
THOMAS R. PADGETT,
Council Member.

Mr. PACKARD. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. HULSHOF).

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

Mr. HULSHOF. I thank the gentleman for yielding me this time.

Mr. Speaker, I urge this body to override the President's veto. I am fortunate enough to represent 216 miles of river which includes the Mississippi but 86 miles of the Missouri River that forms the boundary in my district.

I would ask, Mr. Speaker, that Members of this body really would give some deference to this bipartisan coalition of Members in Missouri that do not support the Fish and Wildlife's position, that would urge an override of the President's veto, that is, this proposed spring rise. The section at issue is section 103 that simply says that none of the funds available in this energy and water bill would be available to revise the master manual to provide for an increase in the springtime water release during heavy spring rainfall and snow melt in States that have rivers that drain into the Missouri. As the chairman pointed out, this has been in the previous four out of the five spending bills that Congress has passed, the President has signed. It allows a range of different options but only prevents one specific harmful alternative and that is a controlled flood.

I hope those that support the President's veto do not try to create this false choice between picking between the environment and picking between commerce. Clearly, commerce is affected. As the gentleman from Iowa mentioned before, navigation is extremely important. This affects the lower Mississippi River Valley as well. In fact, if this split navigation season had been in effect a year ago, it would have meant three feet of draft water difference in Memphis, Tennessee, which really does affect navigation along the lower Mississippi. But even on the environmental point of view, we have scientists in our State, our Missouri Department of Natural Resources, that opposes a spring rise. They say they are convinced that off-channel and nonflow-related mitigation and restoration efforts are the best ways to enhance habitat. They say that the Missouri River already has a natural spring rise hydrograph, yet we have not seen how certain species are flourishing and so they look at other options.

Mr. Speaker, we can be environmentally friendly and still support this veto override. That is why our own State Department of Natural Resources believes that improvement projects can be done with the cooperation of adjacent landowners, that that will provide the best success.

Let me just say that the Missouri River, we are very blessed as it is a natural resource that supports 60 species of mammals, 301 species of birds, 52 species of reptiles or amphibians, 156 species of fish. The President vetoed this bill because of two birds and one fish that are on the endangered species list. I would ask, Mr. Speaker, that we would consider the habitat of the 22,500 homeowners that are located within the identifiable flood control area, flood plain area.

I urge this body to override the President's veto.

Mr. PACKARD. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. I thank the gentleman for yielding me this time.

Mr. Speaker, my State has been trying to revise the master manual for a long time. Unfortunately, this issue has become political and it should not. It has become more about endangered species than it has about people. The State of South Dakota has a lot at stake in this debate. We have a huge recreational industry in our State. In fact, the recreational industry in South Dakota and surrounding States is about $80 million a year, whereas navigation is about $7 million a year. The master manual needs to be revised to reflect modern uses. The Corps of Engineers is working with the U.S. Fish and Wildlife Service and with the eight Missouri Basin States in an association, the Missouri River Basin Association, to do just that. There is a schedule in place. The environmental impact statement is due out in June of next year. The final decision is due in 2002.

My point very simply, Mr. Speaker, is that this is an independent process. It is a process that is working to build consensus among the States of the Missouri River Basin. It should not become bogged down and involved in politics and unfortunately it has. I supported the energy and water bill when it left the House because it had water funding that is important to my State of South Dakota and the chairman worked closely with us to secure that. This issue became bogged down and the President vetoed it over an independent provision, a provision which, as I said earlier, has no immediate consequence because the process that is in place to revise the master manual moves forward independent of this rider. It is important in my view that we get a master manual fix, a revision that is reflective of modern uses on the reservoir.

The spring rise/split season approach frankly, Mr. Speaker, is not in the best interests of South Dakota. It hurts hydropower generation. We would lose about $50 million a year in hydropower generation if that becomes the change. It also hurts, I think, a lot of the downstream areas south of Gavins Point in the area of bank erosion. There are environmental problems associated with this. And what has happened is all these things have become hostage to the piping plover, the least tern, and the pallid sturgeon.

I support those things, Mr. Speaker. We want to make sure that we protect endangered species but not at the expense of people, not at the expense of a process that is moving forward on an independent track and which will address the master manual in a consensus way.

Mr. PACKARD. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, I urge Members on both sides of the aisle to vote in a bipartisan way to override the President's veto. The Democratic mayor of Council Bluffs, Iowa stood recently with the Republican mayor of Omaha saying we do not like the idea of controlled floods. We have Republicans and Democrats from South Dakota, Iowa, Nebraska, Missouri. The gentleman from Missouri (Mr. GEPHARDT) is not in favor of the new flood plan.

We should vote to override the President's veto on this, and we should look at a better plan.

Mr. PACKARD. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), a valued member of the subcommittee and also one that has worked on this bill considerably.

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Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman from California (Mr. PACKARD) for yielding me this time.

Mr. Speaker, I rise in strong support of overriding the President's veto of the 2001 Energy and Water Appropriations bill, and I urge each and every Member who voted in favor of the conference report 2 weeks ago to maintain their support for this legislation today.

The administration appears to show a callousness toward the rural people who will be flooded. This callousness smells of the comments that the gentleman from Rhode Island (Mr. KENNEDY) made earlier this year to the effect that the Democrats were writing off the rural areas, and I am quoting, ''to hell with the rural people,'' unquote, attitude.

Well, the flooding of Missouri and several other States has in several recent years put Missourians and others through a sort of hell. I ask for some compassion and common sense here for these people.

My other concern is about the trustworthiness of the administration. This very provision has been signed in the previous 4 years.

PARLIAMENTARY INQUIRY

Mr. VISCLOSKY. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman will state his parliamentary inquiry.

Mr. VISCLOSKY. Mr. Speaker, a certain four-letter word has been mentioned several times here on the House floor, and I am wondering if it is appropriate given the decorum of the House.

The SPEAKER pro tempore. In response to the inquiry of the gentleman from Indiana (Mr. VISCLOSKY), it is not in order to use profanity during debate, even if uttered and quoted from a printed source.

The gentleman from Michigan (Mr. KNOLLENBERG) is recognized.

Mr. KNOLLENBERG. Mr. Speaker, I accept that.

Mr. Speaker, as I said a few short weeks ago, this is a good bill, and a good conference report. It is balanced and responsible. At a time when energy costs are hitting record levels and when water projects vital to the lives of American citizens are needed, we cannot sit idly by as the President would have us do.

So I would just simply say that this bill is worthy of becoming law, and I believe that we have every reason in the world, as a Congress acting in this fashion, to override this veto because, frankly, it does not speak to the needs of the people. So I would just join in with those who have already spoken on behalf of overriding this veto by the President. I think it is a just bill, and I think it is proper that we do override this veto.

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

Mr. Speaker, I would simply end my remarks by again asking my colleagues to vote to override the President's veto.

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

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

Mr. Speaker, I would simply like to reaffirm the fact that, and I think it is well known in this body, we have tried to write this conference report as a very bipartisan piece of legislation. I have gone as far as I know how to go to really reach out to the other side, and I hope that they will recognize that this is a good bill and, therefore, we need to override the President's veto.

Mr. POMEROY. Mr. Speaker, when the House considered the Energy and Water Appropriations Conference Report nearly two weeks ago, I voiced my strong opposition to the legislative rider that would prevent the Corps of Engineers from moving forward to revise the Missouri River Master Manual. At the time I indicated that I would vote to sustain the President's veto if the conference report came back to the House and I intend to do that today.

Today, the Missouri River is managed by the Corps of Engineers on the basis of a manual that was adopted over 40 years ago. Under the manual, the Corps manages the river by trying to maintain steady water levels through the spring and summer to ensure there is always enough water to support barge traffic downstream. Unfortunately, under this management system, navigation has been emphasized on the Missouri River to the detriment of upstream interests, including recreation, which is much more important now than it was in 1960. The projections on barge traffic used to justify the manual have never materialized and have actually declined since its peak in the late 1970s.

The manual used today does not provide an appropriate balance among the competing interests. The time has come for the management of the Missouri River to reflect the current economic realities of a $90 million annual recreation impact upstream, versus a $7 million annual navigation impact downstream. The Corps should not be stopped in their efforts to revise and update the manual and achieve a balance between all parties who use and rely on the Missouri River.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, the vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 315, nays 98, not voting 19, as follows:

[Roll No. 523]

YEAS—315

Abercrombie
Aderholt
Armey
Baca
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Bass
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Capuano
Cardin
Carson
Chambliss
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
DeGette
Delahunt
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Evans
Everett
Ewing
Farr
Fletcher
Foley
Ford
Fossella
Fowler
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Greenwood
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (NY)
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
Meek (FL)
Menendez
Metcalf
Mica
Millender-McDonald
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Morella
Murtha
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Ose
Oxley
Packard
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Salmon
Sanchez
Sandlin
Sawyer
Saxton
Scarborough
Schakowsky
Scott
Serrano
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Strickland
Stump
Stupak
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—98

Ackerman
Allen
Andrews
Baldacci
Baldwin
Barrett (WI)
Becerra
Berman
Blagojevich
Blumenauer
Brown (OH)
Castle
Chabot
Coburn
Conyers
Cook
Cubin
Davis (IL)
DeFazio
DeLauro
DeMint
Deutsch
Dingell
Doggett
Engel
Fattah
Filner
Forbes
Frank (MA)
Gejdenson
Gibbons
Green (WI)
Gutierrez
Gutknecht
Hilliard
Hinchey
Holden
Holt
Hostettler
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnson, Sam
Kind (WI)
Kleczka
Kucinich
Largent
Lewis (GA)
Lowey
Luther
Maloney (CT)
Markey
McCarthy (MO)
McDermott
McKinney
McNulty
Meeks (NY)
Minge
Moran (KS)
Myrick
Nadler
Napolitano
Oberstar
Obey
Owens
Pallone
Paul
Payne
Petri
Pomeroy
Portman
Ramstad
Rangel
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sanford
Sensenbrenner
Shays
Sherman
Slaughter
Stearns
Stenholm
Sununu
Tancredo
Toomey
Towns
Velazquez
Waters
Watt (NC)
Wexler
Weygand
Wynn

NOT VOTING—19

Archer
Barton
Campbell
Coble
Danner
Eshoo
Franks (NJ)
Klink
Lazio
McCollum
McIntosh
Meehan
Miller (FL)
Moran (VA)
Neal
Schaffer
Shuster
Waxman
Wise

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

Messrs. HASTINGS of Florida, DELAHUNT, GONZALEZ, and SCOTT, Ms. KILPATRICK, Mr. RODRIGUEZ, Mrs. JONES of Ohio, and Ms. CARSON changed their vote from ''nay'' to ''yea.''

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The result of the vote was announced as above recorded.

Stated against:

Mr. MORAN of Virginia. Mr. Speaker, on rollcall No. 523, I was unavoidably detained. Had I been present, I would have voted "nay."

The SPEAKER pro tempore. The Clerk will notify the Senate of the action of the House.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4461, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 617 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 617

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4461) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 617 is a rule providing for the consideration of the conference report to accompany H.R. 4461, the agriculture appropriations bill for fiscal year 2001.

The rule waives all points of order against the conference report and its consideration. The rule provides that the conference report shall be considered as read.

I am pleased, Mr. Speaker, to support this rule, which provides for the consideration of the conference report to accompany H.R. 4461, the agriculture appropriations bill. I believe the conference report represents a good overall package. It provides important funds desperately needed by America's farmers.

For instance, the bill includes $3.5 billion in emergency disaster relief funds for farmers. Just last week, I was able to tour severely flooded areas in my district with FEMA Director Witt and saw the extent of the over $200 million worth of crop losses just in agricultural South Florida due to the heavy rains.

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The devastation underscored to me how critically important disaster assistance can be to our farmers. The main bill is a good product from an agricultural perspective. It provides $80 billion in mandatory and discretionary spending while setting aside $5 billion to reduce the public debt.

Mr. Speaker, I am pleased that portions of the Hunger Relief Act are included. As an original cosponsor of that important legislation to help poor families, children and the elderly have adequate access to hunger assistance programs, I believe that the legislation takes an important step in the right direction by including it in the conference report.

Mr. Speaker, I would like to thank several of my colleagues for their tireless efforts in helping negotiate a carefully crafted compromise on the issue of sanctions: the gentleman from New Mexico (Mr. SKEEN), the gentleman from Florida (Chairman YOUNG), the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from Washington (Mr. NETHERCUTT), and the gentleman from Missouri (Mr. BLUNT) worked throughout the process with me, and the gentlewoman from Florida (Ms. ROS-LEHTINEN), my dear friend, to achieve a fair compromise.

Mr. Speaker, I am deeply grateful to the gentleman from Illinois (Speaker HASTERT), the gentleman from Texas (Mr. ARMEY), the majority leader, and the gentleman from Texas (Mr. DELAY), the majority whip, for their support, as well as the Senate majority leader and Senator MACK.

I would also like to take this opportunity to thank some of the staff who contributed to these successful negotiations, especially Scott Palmer, Julianne Carter, Nancy Dorn, Steve Vermillion, Ylem Poblette, and Steve Rademaker.

The compromise authorizes sales of United States agricultural commodities to the Cuban regime; but without American financing, it also makes clear that the President cannot expand travel categories and accompanying revenues to totalitarian Cuba beyond the existing ones.

In other words, the primary objective of the Cuban dictatorship that the United States taxpayers subsidize the regime, in effect taking the place of the former Soviet Union, is not permitted. Nor can the Cuban dictatorship dump its agricultural products on the United States market, to the serious detriment of American farmers. That dumping, by the way, Mr. Speaker, is another fundamental goal of the Cuban regime.

At the same time, the Cuban dictatorship after this legislation will no longer have the excuse with regard to the great food shortages that it has created for the Cuban people while foreign tourists and the regime's hierarchy have access to all the luxuries that dollars can buy. It will no longer have the excuse of a legal inability to purchase American agricultural products.

Mr. Speaker, so while United States farmers look at new markets under this legislation, especially in other countries dealt with by the agreement, key pressure and leverage are maintained for a democratic transition in Cuba.

The agreement takes note of the floor votes regarding Cuba policy by the House and Senate in the recent past: the votes regarding agricultural sales to Cuba; the differing votes in the House and Senate with regard to travel, the Senate having voted against U.S. unrestricted travel to Communist Cuba, and the strong vote against totally dismantling the U.S. embargo on the Cuban dictatorship by this House on July 20 of this year.

The essential framework of the United States policy toward Cuba that sanctions will be maintained until the political prisoners are freed, labor unions and the press are legalized, and free elections are agreed to, is left in place in this legislation.

Mr. Speaker, we need not even look to the myriad lessons of history, though we certainly could, for proof of the wisdom of that policy. As we speak today, sanctions are being lifted against Yugoslavia, including travel restrictions, because, and only after, the dictatorship there held elections and agreed to recognize the winner of those elections.

Sooner or later, but mark my words, inevitably, freedom will come to the long-suffering island of Cuba as well, and the free men and women of the free and democratic republic of Cuba will wish to do business with those who choose to stand alongside them for freedom and did not collaborate with the totalitarian dictatorship.

I hope the House and Senate will pass this legislation to help our farmers. All eyes will then be on the Clinton-Gore administration. Will the President sign this conference report to help American farmers despite the opposition of the Castro dictatorship? I certainly hope that he does.

Mr. Speaker, I will let the appropriators speak to the other issues included in the conference report, but I do wish to strongly urge my colleagues to support this rule and the underlying legislation.

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

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

Mr. Speaker, I thank my colleague, the gentleman from Florida (Mr. DIAZ-BALART), for yielding me the customary time.

Mr. Speaker, once upon a time, not too very long ago, this House passed two very forward-thinking amendments. One would have lifted the American embargo on food and medicine going to Cuba. It passed the House by a vote of 301–116. The other would have allowed American citizens to travel to Cuba. Mr. Speaker, that passed the House 232–186.

Mr. Speaker, nobody has heard about them since. I have been to Cuba. I have seen the pain of the Cuban people. I have seen the children in Cuba suffer

for lack of simple medical devices. Senior citizens in Cuba grow frail far sooner than they should for lack of modern medicine. Meanwhile, we in the United States have the world's best doctors, best hospitals, best researchers.

We should be sharing those discoveries with our Cuban neighbors because it is the right thing to do, not denying them because we oppose Fidel Castro's policies.

But this conference report will not let us do that. Mr. Speaker, this conference report subverts the will of the vast majority of the House, because the Republican leadership disapproves. The Republican leadership also apparently disapproves of allowing American citizens the right to travel freely.

Mr. Speaker the way it stands now, American citizens are allowed to travel to Iran. American citizens can go to North Korea, but they are not allowed to travel just 90 miles away from this country to a country that is no threat to us in any way.

I believe that this is an unjustified denial of Americans' liberty. I believe American citizens are the best kind of diplomats in the world, and our government should get out of the travel agency business and let them go where they want.

But, Mr. Speaker, the Republican leadership disagrees. This conference report codifies travel restrictions on Cuba which will make it harder for future administrations to allow Americans to travel to that island. This, too, despite a vote to the contrary.

So despite the overwhelming votes in the House, the Republican leadership has made sure we continue that effective ban on food and medicine to Cuba and prevent Americans from traveling there.

Mr. Speaker, once again, they put politics before people, and not only in Cuba. Despite the high costs of prescription drugs and the great opportunity before us, this bill will do virtually nothing, nothing to lower drug prices for the people right here in the United States. It is riddled with so many loopholes. Mr. Speaker, I am surprised that there is anything left of it at all.

Today's New York Times directly quotes a drug lobbyist saying, and I quote, ''I doubt anyone will realize a penny of savings from this legislation.''

In fact, this conference report enables drug companies to choke off the supply of low-price foreign drugs to American consumers who are out there looking for that break.

Mr. Speaker, American seniors pay about $1,100 a year for their medicine. In order to pay the bills, some of them have to choose between paying rent, heating their homes, buying food or actually getting their medicine; and that is why I am urging my colleagues to oppose the previous question.

If the previous question is defeated, I will offer an amendment to make in order the Democratic plan to allow access to the supply of lowest-cost medications that meet American safety standards.

Mr. Speaker, drug prices are far too high in the United States, and we need to do something about it. Now is our chance, so I urge my colleagues to oppose the previous question and oppose the rule.

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

Mr. DIAZ-BALART. Mr. Speaker, I yield 5 minutes to the gentlewoman from south Florida (Ms. ROS-LEHTINEN), my very good friend and distinguished colleague.

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman from Florida (Mr. DIAZ-BALART), my colleague, for yielding me the time.

Mr. Speaker, I rise in support of the rule for the agricultural appropriations conference report. The sanctions language in this bill is the result of a long and painstaking process, one which would not have been possible without the participation and support of those in leadership who, from the onset, committed themselves to a final product which would meet the expectations of both sides of this very hot debate.

While the language in this conference report makes changes to existing law, it does so without undermining U.S. foreign policy or national security priorities regarding the Castro regime, nor America's commitment to freedom and democracy for the enslaved Cuban people. By maintaining the licensing requirements and the review process, the provision acknowledges the Cuban dictatorship's support for global terrorism and guerrilla insurgents who seek to overthrow the legitimate, democratically elected governments in the Western Hemisphere.

Mr. Speaker, it underscores the Castro regime's espionage activities against the United States; its coordination of and direct involvement in drug trafficking into the U.S.; and its murder of U.S. citizens.

By prohibiting U.S. financing, credits, guarantees and bartering, the sanctions provisions in this bill acknowledge the lawlessness and the corruption that pervades the Communist system implemented by Fidel Castro and the totalitarian nature of a regime which controls all sectors of the Cuban economy, the government, and society as a whole.

These prohibitions underscore the dictatorship's inability to pay its debt. For example, the regime owes over $11 billion of debt to Western governments and $300 million in back payments owed to oil suppliers. This is just the microcosm of a much larger endemic problem.

As a result, the financing prohibitions in this bill protect the American taxpayers from bailing out Castro. It allows for agricultural trade with the regime, but on a cash-only basis, thereby saving our constituents from loan defaults and failed investments.

Mr. Speaker, by prohibiting imports from Cuba, it protects America's farmers from dumping, from other illegal trading practices, from contamination and infestation, from a regime which repeatedly ignores its commitments under global trade pacts which it has already signed.

More importantly, the sanctions provisions in this bill reiterate the historic and long-standing commitment of the United States Congress in support of freedom and democracy for the long-suffering Cuban people. By denying the Castro regime access to hard currency and U.S. financial institutions, it helps ensure that the U.S. does not become an accomplice to the continued subjugation and enslavement of the Cuban people; that the U.S. does not directly contribute to the coffers of this totalitarian regime.

As a result, the sanctions provision acknowledges that the Castro regime has been repeatedly cited by our own State Department as one of the worst violators of human rights in the world and condemned by both the United Nations Commission on Human Rights and the Inter-American Commission on Human Rights for its systematic, ongoing violations of the basic rights of its citizens.

This is a regime which persecutes and imprisons its citizens. It tortures them. It denies them food and medical attention. It forces them to rot in squalid jail cells, because these people have the courage to demand that their rights be heard, that their rights as human citizens be respected, to demand that their civil liberties be respected and upheld, to demand freedom, to call for free and democratic multiparty elections where they will be able to participate in determining Cuba's future.

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This is a dictatorship which has been condemned by the OAS Special Rapporteur for Freedom of Expression precisely for its blatant disregard for the rights of the Cuban people.

For those of us who have experienced firsthand what it means to live under the brutal Castro regime, the debate about whether to allow agricultural sales to Cuba was a gut-wrenching one.

However, the legislative process is founded upon men and women of principles reaching an agreement on issues, a compromise that will promote American interests here and abroad. This bill, Mr. Speaker, accomplishes this goal.

Mr. Speaker, I urge my colleagues to support the rule, to support the conference report; and reiterating the words of the gentleman from Florida (Mr. DIAZ-BALART), I would also like to thank the people on our side of the aisle who helped in fashioning this agreement: The gentleman from New Mexico (Mr. SKEEN), the gentleman from Florida (Mr. YOUNG), the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from Missouri (Mr. BLUNT) and the gentleman from Washington (Mr. NETHERCUTT).

Mr. Speaker, I hope this bill sends a strong message to the Cuban people that we in the United States Congress stand by their side and not by their regime.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I rise to oppose this rule. Mr. Speaker, today is a very sorry day for the American people. It is a sorry day because a small group opposed to the will of this House and the will of the other body have struck a deal among themselves depriving the American people access to Cuba.

This bill will loosen restrictions on the commercial sale of food and medicines to the governments of North Korea, Libya, Sudan and Iran, but Cuba is treated differently. When it comes to Cuba, our farmers and medical companies will have to find financing, not through American banks, but through third country financial institutions.

This makes it far more likely that Cuba will continue to be forced to purchase food, other agricultural products, medicines and medical devices from other countries. It all but guarantees that small and medium-sized American farmers will not be competitive in a Cuban market.

The Cuba provision in this bill hurts American farmers, it hurts American bankers, and it is an insult to the American people. This bill also codifies current restrictions on travel to Cuba.

Should this President or the next President want to extend travel licenses for universities to set up exchange programs from the current 2-year license to 3 years, he will have to ask Congress.

Should this President or the next one want to allow Cuban-American families to travel to Cuba three times a year instead of the current once-a-year permit, he will have to ask Congress.

Should this President or the next one decide all Americans should have the freedom to travel wherever they choose, he will have to ask Congress.

But wait a minute. Congress has already spoken on these issues. Three hundred one Members of this House voted to lift the restrictions on the sale of food and medicine to Cuba. Two hundred thirty-two Members of this House voted to end the sanctions on travel to Cuba.

So who needs to be asked? Not Congress. Just a handful of Members who still cling to the 40-year-old failed Cold War policy of the past.

Mr. Speaker, the Cuba provision in this bill ensures that the American people, the very best ambassadors of American values and ideals, will be banned by their own Congress from traveling just 90 miles off our shore. That is a disgrace.

I urge my colleagues to oppose this rule and demand that this bill reflect the true will of this House and the will of the American people.

Mr. DIAZ-BALART. Mr. Speaker, I ask the gentleman from Massachusetts (Mr. MOAKLEY) how many speakers he has on his side that wish to speak.

Mr. MOAKLEY. Mr. Speaker, I would like to inform the gentleman from Florida (Mr. DIAZ-BALART) that we have many speakers. We have very many speakers. In fact, all our time is given out.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the reality of the matter is that, first of all, as I stated in my statement previously, there is a difference of opinion with regard to the travel issue. By the way, the travel issue was brought to the floor here on a limitation amendment, not a substantive amendment, a limitation amendment.

Yet even assuming that that was an amendment wherein or whereby the House spoke, there was not a limitation amendment, but a substantive amendment before the Senate, a different result. So it is important that it be brought out that there is a difference of opinion with regard to that issue in recent votes between the House and Senate.

With regard to the examples brought out about academics and others being able to travel, that is under the current restrictions, under the current regulations permitted. So what is not permitted under this legislation is an expansion of further travel and initiative with the purpose of the most immediate, what would constitute the most immediate generator of hard currency for the regime.

It is estimated that massive American tourism would produce up to $5 billion a year for the Cuban regime. Right now we are in a situation where, if my distinguished colleagues would read the wires, for example, with regard to the very little coverage that there is of the internal situation of Cuba, there is a crackdown as we speak against dissidents and other peaceful pro-democracy activists in Cuba. There are sentences being handed out of 15 years or 10 years as we speak. So is this the moment, then, to expand accepted gestures towards the regime.

Now, we are saying to the farmers, you can go and sell if Castro pays, but the U.S. taxpayer is not going to. The U.S. taxpayer is not going to finance Castro. No, no, no. For that, there is no consensus. There is no majority here, I can assure my colleagues. Mr. Speaker, the U.S. taxpayer financing substituting for the Soviet Union, no. That is not something that American farmers want. They want to be able to go and compete, but they do not want Castro and his regime of thugs to be subsidized by the U.S. taxpayer. No. That is not the issue.

Now, some in this Congress would like that. Some in this Congress would like the U.S. taxpayer to become the new Soviet Union and subsidize Castro, but that is not what the American people want.

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

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I rise today to speak against the rule to consider the Agriculture conference report. My specific concern is with the reimportation language. As it stands, it is nothing more than a Trojan horse.

Seniors in my congressional district have asked me time and time again to do something about the skyrocketing prices of prescription drugs. This has certainly been a priority for me, and it has definitely been a priority for Democrats.

Sadly, there are some for whom this is not a priority such as those who replace the bipartisan reimportation compromise with a watered down version. These people are going to leave seniors to pay the price for their indifference.

The Democratic pharmaceutical reimportation plan is safe, effective, and keeps savings in the pockets of our seniors and out of the pockets of the pharmaceutical industry. The current version does not.

Our plan allows broad access to supply the lowest cost medications that meet U.S. safety standards. The current version does not.

Our plan is designed for a lifetime. The current version is not. I urge my colleagues in the House vote no on the rule to consider the Agriculture conference report. Because of the prescription drug reimportation language is just that, language.

The SPEAKER pro tempore (Mr. NUSSLE). The gentleman from Massachusetts (Mr. MOAKLEY) has 23 minutes remaining. The gentleman from Florida (Mr. DIAZ-BALART) has 16½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, the drug reimportation provision in this bill is a sham. The provision the Republicans are now proposing is riddled with loopholes that will render its passage virtually meaningless.

First of all, it includes a sunset clause. After 5 years, the proposal is phased out. Second, under this sham proposal, if manufacturers use foreign language labels or any labels that fail to meet FDA specifications, the drugs will not be eligible for reimportation.

The Republican leadership also included a third loophole for the pharmaceutical industry's protections that allows drug companies to enter into restrictive contracts with foreign distributors that prevent such distributors from reselling pharmaceuticals to American pharmacies and wholesalers.

This is business as usual for our seniors, which means price gouging and price discrimination.

Under the Democratic proposal, every Medicare beneficiary will have the option of enrolling in the prescription drug benefit plan that, not only is affordable, but will guarantee access to

all medically necessary drugs and provide coverage for catastrophic drug costs. These are the types of measures that we should be considering today.

Stop this fraud from being perpetrated on our seniors. Vote no on this rule.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, I thank the gentleman from Florida for yielding me time on this well-constructed rule. I rise in strong support of the rule and of the bill.

The work that the Subcommittee on Agriculture of the Committee on Appropriations has done under the leadership of the gentleman from New Mexico (Chairman SKEEN) I think is a strong work product, and they are to be commended.

This was a very difficult bill, loaded up with a lot of extraneous issues that really are not specifically appropriations issues. But, nonetheless, the committee took on the challenge.

I am very proud, Mr. Speaker, of the fact that we provided $3.5 billion in emergency relief to our farmers, including the farmers in the dairy industry that have suffered for so long with such low prices. This will provide them with some stability in the marketplace and enable them to continue on a very difficult course of producing milk and making profit.

The same goes to our apple producers who have never had the benefit of this sort of support before from the Congress. I think it is landmark legislation in that we have provided these emergency funds. Many of the apple State legislators, the gentleman from New York (Mr. REYNOLDS), the gentleman from Washington (Mr. HASTINGS), and others worked very, very hard to include this hundred million dollars plus funding.

We have also, Mr. Speaker, changed the rules on the Hunger Relief Act, the food stamp requirements. I think this is a very important minor fix to some of the reforms that an earlier Congress had endeavored to pass. To reduce the overall cost of public assistance and food stamps in the country was an absolute success.

Well, welfare reform has been an absolute success, including the fact that we have raised over 2 million young people in this country out of poverty through that Welfare Reform Act.

However, two of the things that needed to be changed on food stamp regulations were the value of an automobile. If one had an automobile worth more than $4,600, one did not qualify for food stamps. We changed that. The States now can set their own value.

Also, we changed the shelter allowance. With oil prices rising and energy costs rising, rental, apartment rents that are attached to those will also rise. We change that to increase the shelter allowance from $280 to $340 which will allow more people to move from welfare to work and yet still have the benefit of food stamps. So I think it is an important reform.

Mr. Speaker, there are many important issues in here. The last that I will mention is the reimportation of drugs. We have done a lot of demagoguery on the other side. Quite frankly, Mr. Speaker, the next President of the United States will determine with this Congress what the prescription drug plan is. We think we have a good one that gives people choices instead of letting HCFA, an agency that everybody despises on all sides of the issue have no use for HCFA, but yet they want to hand this decision over to HCFA. We prefer to let the seniors make those decisions themselves.

But what we have done is given the opportunity for individuals to buy drugs reimported into the United States at reduced prices to try to bring everybody's costs down.

Let the consumers help the consumers to pay for drugs until there is a prescription drug plan in place. I think it is a strong bill. It is a good rule. I urge its adoption.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I rise in opposition to this rule. For the last 2 years, Democrats have been fighting to provide America's seniors with a universal, affordable, and guaranteed prescription drug benefit under Medicare. Republicans have fought tooth and nail to resist these attempts.

Now, 1½ months before the election, Republicans have agreed to let pharmacies buy drugs from Canada for sale to U.S. citizens. Unfortunately, what started as a bipartisan compromise has been scrapped.

This legislation allows drug manufacturers to discriminate in pricing against U.S. importers. It allows manufacturers to deny U.S. importers access to FDA approved labels. It allows purchasers to force Canadian wholesalers to sell products at the inflated American price. Reimportation is rendered nearly impossible by this bill.

It is not surprising that a drug industry lobbyist was quoted this morning in The New York Times saying, ''I doubt anyone will realize a penny of savings from this legislation.''

This legislation will not help our seniors. The American people will see through this empty Republican promise.

Mr. MOAKLEY. Mr. Speaker I yield 1 minute to the gentleman from California (Mr. WAXMAN).

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

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I want to follow what the gentleman from Maine (Mr. ALLEN) just had to say. This drug reimportation section is really a sham. It is a partisan ploy by the Republicans to pretend like they are doing something by allowing consumers to bring in lower price drugs sold in Canada and elsewhere into the United States.

But I have a good example. I have two pharmaceutical products. They are the exact same brought. One is Prilosec. It is the number one drug in the United States. The other one is the same drug, it is also made by the same company, but the Canadian version goes by a different name called Losec.

This bill allows the pharmaceutical companies to get the Canadians to agree that they will not allow Losec to come into the United States under the name Prilosec. Under the rules, the consumer would pay the higher price still in the United States because they would not be able to purchase that drug that sold in Canada for a cheaper amount.

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I would urge that we defeat the previous question so we can get a rule to make this drug reimportation section really work for consumers.

Mr. Speaker, I rise to express my opposition to the rule on the Agriculture appropriations bill. This rule does not allow language to close the loopholes in the drug reimportation provisions reported by the conference. I ask my colleagues to defeat the previous question on this rule so that we will have an opportunity to amend the drug provisions.

The legislation we are considering today only pays lip service to a very real problem facing millions of Americans across this country—the high costs of prescription drugs.

The legislation before us today is a sham. Instead of actually solving the problem, it gives America's seniors a placebo and hopes that they won't notice until after the elections.

The reimportation provision is riddled with loopholes. One loophole allows drug manufacturers and their intermediaries to price discriminate against U.S. pharmacies and importers. Under the bill, it would be legal for drug companies to require their foreign distributors to charge U.S. importers more than foreign purchasers.

A second loophole allows drug makers to block importation by denying U.S. importers access to FDA-approved labels.

I have two packages of pills here. One is from the U.S. and one is from Canada. They are the same drug—an ulcer medication made by Merck and called Prilosec in the U.S. Prilosec was No. 1 selling drug in the United States in 1999.

The U.S. version costs much more than the Canadian version. The whole purpose of the bill is to allow the import of the cheaper Canadian version.

But under this bill, the Canadian version of Prilosec can't come in. You see, the label is different. The drug is called Losec in Canada and the label has an entire section of information written in French. So the label isn't FDA-approved.

There's nothing that the U.S. importer can do to fix this. The importer will be barred from using the correct label by U.S. copyright and trademark law.

This isn't an isolated case. My staff has analyzed Canadian labels and found that virtually none of the Canadian labels would meet FDA labeling requirements. I ask unanimous consent that this staff report be printed in the RECORD.

Our seniors deserve better than this. They deserve better than false promises of cheap drugs. They deserve more than false hopes that they will be able to buy the drugs they need.

PRESCRIPTION DRUGS WITH FOREIGN LABELS

The drug importation provisions in the Agriculture Appropriations bill contain several significant loopholes. One major loophole is created by the fact that foreign drug labels generally differ from the FDA-approved labels that must be used in the United States. In effect, the bill creates a labeling ''Catch-22'' for would-be U.S. importers.

As the bill is currently drafted, U.S. importers cannot import foreign drugs with labels that differ from the FDA-approved label. But U.S. importers cannot relabel the drugs with FDA-approved labels because doing so would violate the copyright and trademark protections held by the drug manufacturers. An amendment offered by Rep. DeLauro to give U.S. importers the right to use the FDA-approved labels was voted down on a party line vote (9–6) during the conference.

The following discussion provides more information about this labeling ''Catch 22,'' along with examples of foreign drugs with labels that differ from the FDA-approved labels.

Selling drugs without the FDA-approved label is misbranding. Prescription drug labels provide basic information on the drug, its formulation, the manufacturer and distributor, and how it is used. Every country has different labeling requirements. In the United States, when a company files an application for approval of a new drug, the company submits the label to FDA. Any deviation from the label submitted by the manufacturer without prior FDA approval constitutes misbranding of the drug. The penalties for misbranding under the Federal Food, Drug, and Cosmetic Act include fines and imprisonment.

Some drugs are sold under different names in the different countries. Prilosec, an ulcer medication made by Merck, was the number one selling drug in the United States in 1999. It is much more expensive in the United States ($120.45 for thirty 20 mg pills) than in Canada ($51.60) or Mexico ($34.50). However, in Canada and Mexico, the drug is sold under a different brand name: Losec. Because of this difference in names, the Canadian or Mexican labels are not the FDA-approved label. Bringing Prilosec into the United States with the Canadian or Mexican label is misbranding.

Drug labels can be in different languages. In the United States, approved drug labels are in English (sometimes FDA also approves labels with some information in Spanish). In Mexico, labels are in Spanish; in Italy, labels are in Italian. Canadian drug labels are bilingual, in French and English. Labels that are not in English, or that are bilingual English-French labels, differ from the FDA-approved label. Distributing drugs with these labels is misbranding.

Drug labels can have different identification numbers. In the United States, all approved drugs receive an FDA identification number, known as a National Drug Code number. This number appears on virtually all U.S. labels. In Canada, however, approved drugs have a different number, a Drug Information Number (DIN). The DIN appears on all Canadian labels. Because the U.S. NDC code and the Canadian DIN are different. Canadian labels differ from the FDA-approved label, and selling a drug with a Canadian DIN in the United States constitutes misbranding.

Drugs are often distributed by different entities in different countries. When a manufacturer submits an application for approval of a new drug, the manufacturer must identify all the distributors of the drug. In many cases, the distributors of the drugs in the Unites States are different from the distributors in many countries. For example, the popular diabetes drug Glucophage is distributed in the United States by Bristol-Myers Squibb. However, when sold in Canada, the drug is distributed by Nordic Laboratories. If the Canadian distributor is not approved by FDA, drugs with labels listing this distributor differ from the FDA-approved label and cannot be sold in the United States.

Drugs can have different indications. For some drugs, the indication information provided on labels from other countries is not the same as the U.S. information. For example, Dilantin, an anticonvulsant manufactured by Parke-Davis, contains the following information on the Canadian label: Adults, initially 1 capsule 3 times daily with subsequent doses individualized to a maximum of six doses daily. Usual maintenance dose is 3 to 4 capsules daily. Children over 6 years of age, 1 capsule three times daily or as directed by physician.

The U.S. label contains slightly different information for adults and no dosage information for children. The U.S. label states: ''Adults, 1 capsule three or four times daily or as directed.'' Because the United States and Canadian versions of the drug label contain different dosage information, the drug cannot be sold in the United States with the Canadian label.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I urge a ''no'' vote on this rule. I strongly support the concept of reimportation, and helped to introduce the initial legislation with the gentleman from Arkansas (Mr. BERRY) and the gentlewoman from Missouri (Mrs. EMERSON). I support that concept because it is an outrage that the people of this country pay two times, five times, ten times more for the same exact drugs manufactured in the United States and sold in Canada, sold in Mexico, and sold in Europe.

We are the suckers of the world, paying far more to an industry which is the most profitable industry in this country, earning $27 billion in profits, while the pharmaceutical industry fought us from the beginning on this bipartisan effort. They spent $40 million against us. They have 300 paid lobbyists in Washington, D.C. fighting against us; yet we moved forward in a bipartisan way.

Unfortunately, at the very end of the stage, at the end of the process, a nonpartisan effort became partisan. The Republican leadership introduced legislation with significant loopholes which would go a long way to nullify what we tried to do. Let me quote The New York Times today. A lobbyist for one of the Nation's biggest drug companies, which have worked against the measure, said, ''I doubt that anyone will realize a penny of savings from this legislation.''

The existing legislation allows the following loopholes: it allows drug companies and their intermediaries to price discriminate against U.S. pharmacies and importers. In other words, yes, we can import product into this country, but it cannot be sold for a lower price than the existing price. It allows drug manufacturers to block the importation of drugs through labeling. Yes, we can bring drugs in from Italy, but we cannot use labels that the American people can understand that will get FDA approval. It does not guarantee American consumers access to the best world market prices. For a reason that no one can understand, Mexico and other countries are not part of the process.

Let us vote ''no'' on this rule and let us create a strong loophole-free reimportation bill.

Mr. DIAZ-BALART. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER).

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

Mr. DREIER. Mr. Speaker, I thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me this time, and I would like to rise and congratulate my fellow Committee on Rules member for the very important role he has played in bringing about a very balanced compromise.

It is no secret that I have for years stood in the well here and talked about the importance of globalization and global trade and expanding our Western values into repressive societies. I happen to believe that it has had a great deal of success, and I know that there are many here in this House who actually voted to broadly open up Cuba. But we were working on this compromise with the gentleman from Florida (Mr. DIAZ-BALART) and the gentlewoman from Florida (Ms. ROS-LEHTINEN) and several others here. So that is why I believe we have a carefully crafted compromise, and we hope very much the President is going to agree to sign this bill.

I also want to say that I believe when it comes to the issue of prescription drugs, we are pursuing a reasonably balanced approach on that. We all want to make sure that affordable drugs are available to our senior citizens, and a prescription drug plan happens to be a very high priority for this Republican Congress. The fact of the matter is our colleagues on the other side of the aisle are attempting to go to what is clearly a failed policy. It was a failed policy when it was applied here in the United States by a Republican administration, President Nixon, who imposed wage and price controls. It is a failed policy when we look at repressive societies all around the world.

Cost controls do not work. And when we look at the issue which is of prime concern to every single one of us, and that is finding a cure for diseases like Parkinson's, Alzheimer's, cancer, heart disease, it seems to me that we need to do everything that we possibly can to

try to encourage and provide incentives for those individuals and those companies which are attempting to find cures for those so that we can, in fact, have an improved quality of life and we can have an extension of life, which is something that is very near and dear to all of us.

So that is why this bill deserves our strong support. I urge my colleagues to support this rule. Vote against the previous question, or whatever it is they might try to offer, and let us proceed and get a measure to the President's desk which he can sign.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR), the ranking member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations.

Ms. KAPTUR. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, I rise to oppose this rule and to ask our Members to vote ''no'' on the previous question on the rule. Now, why do I do that, as ranking member of the subcommittee? The base bill is good; however, we want to defeat the previous question in order to offer an amendment that would allow us to have a real prescription drug benefit provision for the American people. And the only way we can get that amendment is by voting no. In fact, this will be the only measure in this Congress where we will be able to help lower prices in prescription drugs for the American public.

In this bill there is a so-called provision for prescription drugs, but I ask my colleagues to read it. What does it do? First of all, it expires after 5 years. So what importer or wholesaler is going to want to get in the business of bringing in drugs from Canada, at Canadian prices, which are lower than U.S. prices, when you know it would not be continuing down the road?

In addition to that, the underlying measure has a provision that would permit the big drug companies to insert contracting provisions that if any drugs are brought back into our country, for example, from Canada, they could only be sold at the higher U.S. prices rather than at Canadian prices. Our amendment says they cannot do that. They cannot have those kinds of restrictive contracts.

In addition, in the base bill, there is a provision that would deny the ability of the importers in our country to use the FDA-approved label so that we have the same name of the drug and we know that it is scientifically approved by FDA. They actually deny that in the underlying amendment. They would not allow us to amend the bill when we were in the conference committee.

So I would urge the membership to please give us our only opportunity in this Congress to vote for a real prescription drug benefit for the American people. Vote ''no'' on the previous question, this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I urge the defeat of this rule, not because the underlying bill is poor. It is not. But because this rule does not give us an opportunity to insert within the bill language which would allow for a meaningful reduction in the price of pharmaceuticals for American citizens.

The bill pretends to allow the reimportation of pharmaceuticals from Canada, where they are available at one-half the price or less than that which they are available for here in the United States. It pretends to do that, but it does not really carry out that objective. It makes an omission, knowingly and wittingly, in that it does not provide for the means by which that importation will take place.

For example, the language in the bill leaves open the ability of the pharmaceutical companies in their contracts with the Canadian Government and Canadian distributors to insert contract provisions which will require that the drugs from Canada can only be reimported back into the United States at the highly inflated American price. For example, there is a very popular cholesterol inhibitor which is manufactured by Merck. It is available in Canada for $39. The same amount of exactly the same formulary, from the same company, costs $117 here in the United States.

If we are going to do anything to prevent the continued exploitation of American consumers in the price of pharmaceuticals, we have to defeat this rule. This is the only opportunity we have to deal with this issue in this Congress because the majority party has only given us this one opportunity, and it is a sham opportunity. It is a shell. It is empty. It does not accomplish the objective.

If we want to do something to reduce the price of pharmaceuticals, the only opportunity we will have to do that is by defeating this rule. The rule must be defeated.

Mr. MOAKLEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

(Mrs. MALONEY of New York asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Speaker, I rise in opposition to the rule. It is riddled with loopholes and will do little to lower drug costs here in the United States.

I rise in support of this legislation which includes funding for a number of important initiatives to fight invasive species in the United States. I am specifically pleased that this bill includes $540 million for the Animal and Plant Health Inspection Service and $973 million for the Agricultural Research Service.

Both of these programs are essential to ensure that we win our battle against harmful invasive species that are killing our forests and farmlands.

The threat of invasive species outbreaks as a result of recent wildfires across the country have made many Members aware of the incredible threat that invasive species can pose to our natural resources, and I would like to thank the appropriators for including additional funding for APHIS and ARS, two programs which specifically help to control invasive species.

In New York, we are fighting the Asian Longhorned Beetle, which has already destroyed more than 2600 trees. Earlier this year, these beetles were found in several new locations across New York City. Experience has taught us that the only way we can destroy these incredibly destructive pests is to respond immediately and decisively.

The additional resources provided for APHIS and ARS will guarantee that we can accomplish this goal and protect New York City's greenspaces and forests across the country.

I strongly urge my colleagues to support this critically important legislation today.

I would also like to comment on the inclusion of provisions designed to deal with prescription drug imports. Although this bill will allow pharmacies and wholesalers to buy American-made prescription drugs and reimport them into the United States, this bill will do nothing to lower drug costs for people in the United States. It is riddled with loopholes.

In my home State of New York, breast cancer medications can cost over $100 per prescription while they are available in Canada and Mexico to their residents for a tenth of that price. Many women in my home State and, indeed, across the country are forced to dilute their prescriptions that fight breast cancer, to cut their pills in half because they cannot afford their prescription drugs in order to get by financially. And many in my home State get on the bus every weekend to go to Canada to purchase American manufactured drugs because it is cheaper than in their own country.

This situation is completely unacceptable. Sadly, the reimportation provisions included in this bill will likely have little effect on these seniors and many others around the Nation. We need to take stronger action to protect seniors forced to travel abroad to obtain medicines they desperately need. This language fails to achieve this goal.

Finally, this Congress needs to act now to pass real prescription drug legislation to solve this problem once and for all. I strongly support the bill put forward by the gentleman from Maine (Mr. ALLEN) which would make seniors the same preferred customers as HMO's and also the President's plan to expand Medicare to cover prescription drugs.

I urge this Congress to take real action on this issue today and make a difference for America's seniors.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, the Republican reimportation bill is a scheme that is so full of loopholes you can drive a truck through it. It denies seniors a chance at relief from the skyrocketing costs of prescription drugs. Seniors are being choked to death with the cost of prescription drugs. What we

need to do, and what our goal should be, is to provide a prescription drug benefit through Medicare that is voluntary and covers all of our seniors.

Today, we have this sham pharmaceutical reimportation bill that was made in the dead of night by a very few Members of the Republican leadership behind closed doors. Today, prescription drug manufacturers can import prescription drugs. They are the only ones who can import prescription drugs into the United States. They have unfairly used this to control the distribution of the drugs at the expense of seniors.

Seniors know, and we all know, that people in other countries pay 20 to 50 percent less for the same medications. Zantac, made by Glaxo-Wellcome in the U.K., is marked up by 58 percent in the United States. Our seniors deserve better; they deserve the same medication at the same price.

This reimportation scheme really restricts access to safe, affordable prescription drugs from abroad. It gives drug manufacturers a veto over the imports, and it is set to die just 5 years after the FDA regulations are in place.

Currently, U.S. reimporters cannot bring foreign drugs with labels that are different than the American labels into this country. The Republican leadership scheme traps U.S. reimporters by refusing to let them relabel the drugs, forcing them to violate copyright and trademark laws if they want to bring those affordable drugs to our seniors. Example: Dilantin. Made in Canada with one label; U.S., different label. We cannot bring the Canadian Dilantin into the United States without the same label. The pharmaceutical companies do not want to give permission to relabel Dilantin.

That is what this is about. This is one more attempt by the Republican leadership of this House to work with the pharmaceutical companies to thwart every single opportunity to bring in prescription drugs that seniors need to keep them healthy and to keep them alive. They do not want to, in fact, bring the cost of those drugs down, to bring the prices down so that people can get the medications that they need.

It is wrong and it is unconscionable and it is immoral for us to engage in this kind of trickery here today. Vote against this rule.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to the time remaining for myself and my colleague.

The SPEAKER pro tempore (Mr. NUSSLE). The gentleman from Massachusetts (Mr. MOAKLEY) has 11½ minutes remaining, and the gentleman from Florida has 11 minutes remaining.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

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

I must say, in listening to the rhetoric here and the passion of my colleagues across the aisle, I am a little confused, because they know that the language that is in the House bill is stronger and goes further than the original language offered by the gentleman from Minnesota (Mr. GUTKNECHT), the gentleman from New York (Mr. CROWLEY), the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from Oklahoma (Mr. COBURN), the gentleman from Vermont (Mr. SANDERS), and all the stuff that we passed on the floor.

What we did in the House was we split the difference between the Jeffords language in the Senate and some of our House amendments. But as somebody who has worked for this language, I think this is good, and here is why.

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It brings down the cost of drugs by putting a needed element of competition into it. We, under this bill, say that individuals can buy their drugs on the Internet or go over to Canada or Mexico and buy American-manufactured drugs at a less expensive price and drug stores can reimport this. There are safety concerns, $23 million for the FDA. There are certain kinds of drugs that we cannot reimport.

As far as the sunset provision goes, does anybody believe that in 5 years we are going to retract from this? This just gives time after the FDA works out the safety concerns for the thing to work and for Congress to come back at it.

Now, we were not able to get into some of the contractual issues that the Democrats wanted to, Mr. Speaker, because that overturns a profound, I guess, precedent of case laws that have to do with contractual law in America.

What we did was as close as we could get. Let me add, the Senate Democrats unanimously voted for these provisions because they know for people like Myrlene Free's sister in El Paso, Texas, who takes Zocor that she has to pay $97 for it in El Paso. She knows that, under this legislation, she can go to Juarez, Mexico, and buy that same American-made Zocor for $29; and it is the same dosage, the same amount, and everything.

This is going to help not just seniors but Americans, women with children, families. It is going to help everybody by putting much needed competition. The drug companies are totally against this. They have been running ads in my district against me because I think this is good legislation and I support it, and I urge my colleagues to pass this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, I rise to oppose the rule.

Mr. Speaker, sometimes I wonder whether the Republican leadership in this Congress reports to the Congress or reports to the prescription drug industry.

The public is sending a clear message that they are sick of unjustifiably high and blatantly discriminatory prescription drug prices.

Democrats offer a proposal featuring an optional Medicare drug benefit. The Democrats offer a proposal to discount drug prices using the collective bargaining power of 39 million Medicare beneficiaries. The Democrats offer a strategy for undercutting international price discrimination with the ability to reimport prescription drugs.

Republicans refuse to even consider price discounts for seniors. They emasculate the reimportation proposal. Then they sunset this phoney bill before the provisions even have a chance to kick in.

A watered down drug reimportation bill is marginally better than no bill at all; But, Mr. Speaker, I do not want a single American to be fooled into thinking the Republican leadership has been responsive to the prescription drug crisis. The only constituency that they have been responsive to is the prescription drug industry.

Vote no on the rule.

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

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

Mr. CROWLEY. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, when we passed my amendment here in the House, I have to tell my colleagues it has nothing to do in any way, shape, or form with the language that is before the House today. When my amendment passed this House over the Agriculture appropriations bill, millions of dollars were spent in advertisements against that measure to see that it would not pass in the Senate.

I have not seen one advertisement in opposition to the Republican language here before us today, not one piece of advertisement for the pharmaceutical industry.

Does that not say it all? We try to work in a bipartisan fashion, but, unfortunately, the Republican leadership here killed that because it was too tough. Our compromise was too tough on the drug companies.

The GOP has offered their own plan and it is filled with loopholes. The plan is ineffective. It bans reimportation from a number of countries. It does not require drug companies to provide importers their FDA-approved labeling standards. It sunsets reimportation in 5 years. Who wants to invest in that type of a process?

The GOP has opposed drug coverage under Medicare. They have opposed price fairness legislation. And now they oppose real language that will reduce the cost of prescription drugs between 30 and 50 percent without costing the taxpayers one single cent.

The facts are that seniors in my congressional district pay twice as much for their prescription drugs as their counterparts in Canada and Mexico. And under the language before us under this rule, they will continue to do so even when this legislation is passed.

Just like their prescription drug bill, this legislation, this language is a scam.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. GEPHARDT) the leader of the Democratic party.

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

Mr. GEPHARDT. Mr. Speaker, I rise today because once again this Congress has failed the American people and handed the special interests a victory. I am deeply disappointed with this reimportation provision in this bill. There is now widespread agreement that this measure will do next to nothing for the American people.

A lobbyist for a major drug company told The New York Times that he doubted ''that anyone will realize a penny of savings from this legislation.''

Last month, Democrats and Republicans were working hard to craft effective importation legislation that contains strong safety standards. Reimportation was on its way to becoming a real achievement for the American consumer.

To be sure, reimportation was never a substitute for a Medicare prescription benefit that offered a guaranteed benefit and lower medicine prices for all seniors. But it was a step in the right direction, a rare example of what we as a Congress could do when we set aside our differences and come together to help the people of this country.

But a few days ago, just as we were about to move forward, the bipartisan dynamic ran into a brick wall, a brick wall of a leadership unbending to compromise, unwilling to detach itself from special interests to pursue a larger agenda.

Operating behind closed doors, after a bipartisan agreement had almost been reached, the Republican leadership torpedoed a sound reimportation measure that could have resulted in lower prices for millions of consumers.

Looking for political cover after repeatedly blocking a Medicare prescription benefit, the Republican leadership put out a sham reimportation measure that is not worth the government paper that it is printed on. Riddled with loopholes, this measure allows pharmaceutical companies to circumvent the new law and it sunsets in 5 years. So whatever benefits come from the bill the American people can be sure that they will disappear soon. And we are told that the people in the industry that would do this will not even set it up if there is a 5-year sunset provision.

The measure as it now stands is nothing more than a capitulation to the special interests at whose bidding the Republican leadership works.

Listen to what people are saying about the watered down measure. The New York Times today reported that ''doubts are growing about legislation to allow imports of low-priced prescription drugs, and no one in the government or the drug industry can say how it will work or even whether it will work.''

The health policy coordinator at the White House said this measure is now ''unworkable.''

What happened to the bipartisan, sensible measure that we should be voting on today? Why did the leadership torpedo that bill and replace it with a meaningless measure that does nothing for real people?

The answer lies in a leadership that is so tied to special interests that it blocks major initiatives at the expense of the American people.

Congress has wasted 2 years now trying to accomplish something meaningful for the American consumer. But this leadership has been more devoted to the powerful lobbies than to working families.

The leadership blocked campaign finance reform, a Patients' Bill of Rights, a Medicare prescription benefit, gun safety legislation, and a modest increase in the minimum wage as favors to HMOs, insurance companies, pharmaceutical companies, big business, and the NRA.

I and many of my colleagues will support this measure because it contains disaster relief and hunger relief for many in our country. But time is running out on this Congress. We have only a few days to do something meaningful for the American people.

Reimportation is dead. But I believe with all my heart there is time to do something with the people's agenda. We can still pass the bipartisan bills that majorities in Congress have already supported, that the President says he will sign, and that the American people want.

I urge the leadership to stop blocking America's agenda. Let us do what the American people sent us here to do and let us do it in a bipartisan way.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. NETHERCUTT) a tough negotiator and a tough advocate, but a friend.

Mr. NETHERCUTT. Mr. Speaker, I thank my dear friend, Mr. DIAZ-BALART for yielding me the time.

Mr. Speaker, too often in this place each of us in our respective positions on an issue seek perfection. We want it only our way. And I think this bill, this measure, this appropriations conference report is a picture of bipartisanship, of compromise, of not everybody getting everything they wanted in particular in the context of this bill.

But, overall, it is a good package. It provides prescription drug assistance. It provides tremendous agriculture research. It gives us a chance to lift sanctions on food and medicine for countries that we have previously sanctioned unilaterally for all these years.

Is it perfect? No, it is not perfect. I wish I had it a different way in some respects for my purposes, but that is not the nature of this legislative system. So I would say to my friends on the other side respectfully, certainly they did not get it all 100 percent the way they want, but it is a great step forward.

This rule should be adopted. Anyone who supported the position that I have taken on limiting sanctions on food and medicine, I urge them on both sides of the aisle to support this rule, support this conference report, and let us get this to the President and get it signed so we can move agriculture forward.

This bill has $100 million in food bank assistance. Try voting against that. That is not advisable. It has prescription drug assistance in it. It has in it agriculture research that will help our farmers compete in a world market.

I urge my colleagues to support this rule.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Georgia (Mr. BISHOP).

Mr. MOAKLEY. Mr. Speaker, I also yield 1 minute to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I rise today in support of the 2001 conference report on the Agriculture appropriations bill that provide critically needed funding to meet both the short-term and long-term needs of the country's farming community, which is struggling valiantly to survive during this period of increasingly high production costs and persistently low commodity prices.

The bill includes $3.5 billion in new emergency relief that many deserving farmers must have to get through the hard times; funding for crucial research projects that are needed to ensure the future competitiveness and prosperity of U.S. farming; and a wide range of programs to promote land and water conservation, health and nutrition, and the economic well-being of our rural areas.

I fought for these programs, both as a member of the Committee on Agriculture and as a Representative in Congress of an area in Georgia that is deeply rooted in the farming tradition.

In many respects, this is a good bill. In the area of research, for example, it appropriates more than a million dollars for work at the Peanut Research Laboratory in Dawson, thanks to an agreement I secured on this floor with my colleague from Georgia who serves on the Agriculture Appropriations subcommittee; $300,000 for the University of Georgia's National Center of Peanut Competitiveness; $500,000 for addressing peanut food allergy risks; $250,000 for research in Tifton, Georgia, on crop yield losses caused by nematodes; and $78 million for boll weevil eradication

projects, which can ensure a more secure future for our farmers and for our economy in general.

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At the same time, Mr. Speaker, I remain concerned about the level of funding appropriated for emergency relief. The bill authorizes the Secretary of Agriculture to determine the crop loss threshold to qualify for emergency help. I have called on Secretary Glickman to set aside a threshold that is well below 35 percent. With sharply increased fuel costs, many farmers in Georgia and in other areas of the country as well face a crisis even with crop losses that may fall below 35 percent.

One of the challenges confronting the Secretary under this bill is where to set the threshold and still have sufficient funds to provide meaningful levels of relief. I pray that will be enough. While the $3.5 billion is less than I advocated, I would add that this is substantially more than we had.

There are many positive features in this bill. I urge Members to support the bill.

Mr. DIAZ-BALART. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. SANFORD), a friend with whom I have strong disagreement on this issue but he is a friend.

Mr. SANFORD. Mr. Speaker, the debate on the rule has become a debate on reimportation. Therefore, I will be supporting the rule. But the underlying bill I do have objection with both because of the level of cost but predominantly because of the Cuba deal. I think that this Cuba deal is fatally flawed in that it perpetuates basically the dark ages when it comes to Cuba. I know of no business after 40 years of failed policy that would say, ''Let's keep doing the same''; but that is fundamentally what this bill does, and in fact it does more than that.

It threatens democratic rule. I came to the House believing in one man, one vote. If you won it fair and square on the floor, that is the way it stood. We had a vote that would allow Americans to travel to Cuba that is reversed in this Cuba deal. It threatens the idea of engagement. The Republican Party has consistently stood for the idea of engaging with other people. This deal reverses that.

It threatens the power of ideas. I believe if my ideas beat your ideas, I should be able to stand there and debate that. This deal threatens that. Finally, it makes a mockery of the Constitution, which guarantees that all Americans should be allowed the right to travel.

For this reason, I have very strong objections to the Cuba deal that was worked out as a part of the ag bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

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

Ms. KILPATRICK. Mr. Speaker, I thank the ranking member for yielding me this time.

I come from the State of Michigan, which borders Canada. We know the difference and we know the differentials in prices, and I think it is unfortunate that this conference report puts another sham before the seniors.

Seniors need relief, 39 million seniors and over 20 million Medicaid patients who use prescription drugs on a daily basis. Why can we not address their concern? This reimportation clause, many of my constituents who go to Canada, who get the drugs for anywhere from one-third to two-thirds less than they have to pay in America, why is that? Could we not have come in this bill, as good as the bill is and as poor as it is on the prescription question, done better for our seniors, over 50 million who use, seniors, prescriptions on an annual basis every day? I think it is unfortunate.

Vote against the rule. Let them go back and if we are going to have a reimportation clause, make it work for the over 50 million people who need a reduction in their prices for their medicines.

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentlewoman from Missouri (Mrs. EMERSON), a distinguished colleague, a tremendous negotiator and advocate.

Mrs. EMERSON. Mr. Speaker, I am going to address specifically the issue of drug reimportation. Let me say from the outset that I do not think that there is any colleague of mine who believes that reimportation is the only way that we bring lower-cost prescription medicine to our senior citizens. As a matter of fact, it is the first of two things that we must do in order to ensure that our seniors have access to lower-cost prices. This deals specifically with the price issue.

Let me say that I am kind of surprised to hear some of my colleagues from the other side use the pharmaceutical industry's own words and agree with them because it was my understanding, it has been my understanding, that most of us did not agree with them at least with regard to the issue of reimportation. And so let me just say that this is something that we have to allow to work.

I want to address specifically the issues that all of my colleagues on the other side raised, issues that we worked long and hard over for hundreds of hours, our staffs and us did, in a very bipartisan way. First of all, the issue of labeling specifically as the gentleman from California (Mr. WAXMAN), the gentleman from Vermont (Mr. SANDERS) and others mentioned it. I will say at the beginning, the Senate passed the Jeffords bill by a wide majority in the Senate. The President said, ''Send me the Jeffords language.'' The labeling language in the Jeffords bill is identical word for word to that which is in our bill today. The President says, ''I urge you to send me the Senate legislation with full funding to let wholesalers and pharmacists bring affordable prescription drugs to neighborhoods where our seniors live.''

In addition to that, let me add that we included language in our conference report that allowed the Secretary to promulgate regulations that would serve as a means to facilitate the importation of such products, so this would allow the Secretary to head off any labeling concerns that would prevent the importation of drugs. Even yesterday, the Supreme Court refused to hear a case that SmithKline Beecham was bringing against a generic drug maker on the whole issue of labeling, and the lower court, the Second Circuit Court's language holds on that and says that the Food and Drug Administration has the discretion to make labeling possible and necessary. So that is a nonissue.

I would like to then turn to the issue of contracts where my colleagues on the other side are saying that there is some sort of a loophole. Our language says that no manufacturer of a covered product may enter into a contract or agreement that includes a provision to prevent the sale or distribution of covered products imported pursuant to subsection whatever. When you look at the language that the gentleman from California (Mr. WAXMAN) provided, which we did have, I admit, in the original bill, there is nothing in his language, either, that actually deals with the issue of price. So by limiting the language to the definition that we had in the Waxman language, quite frankly the industry could find other ways around that language, and so this then becomes, too, a nonissue. For anybody to say that the pharmaceutical companies wrote this language, they know as well as I do that that simply is not true, specifically when we are dealing with the issue of contracting and other things.

I also want to address the issue of sunsetting. All of the bipartisan, bicameral negotiators on this bill agreed to a 5-year sunset with the exception of one person. So to raise this as an issue to me is just simply demagoguery and it will not work. This bill will sunset 5 years after the regulations are put into place.

And so I would just simply urge my colleagues to vote yes on the rule, pass this bill, remembering this is only the first step in giving our senior citizens low-cost prescription drugs.

Mr. MOAKLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. BALDACCI).

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

Mr. BALDACCI. Mr. Speaker, I rise in support of this legislation, in support of my colleague that has worked across party lines to come up with something that, while not perfect, does move ahead and also is very important for Maine agriculture. These issues are important both for agricultural research and also to be able to help out the disasters in apples and dairy.

Friday's CONGRESSIONAL RECORD listed the Ag conference report. Here's what the reimportation language now contains:

Based on the Senate language;

Allows reimportation by individuals, pharmacists, and wholesalers;

Limited to reimportation from EU, Canada, Japan, Australia, Israel, New Zealand and South Africa. Expansion of list upon FDA approval;

Requires that the process maintains safety and saves consumers money;

Secretary of HHS must work with USTR and Patents and Trademarks;

Importers must give FDA documentation of batch testing;

Requirements stricter when not reimported by original receiver of goods first purchased from U.S.;

Testing in a qualified, FDA-approved laboratory;

Drugs that cannot be reimported: Schedule I, II, and III drugs and any that are supplied for free or donated;

Study by HHS will be conducted to evaluate compliance and effect of reimportation on patent rights;

Individuals can order drugs, but FDA may send notices if the drugs being reimported appear to be misbranded, is restricted for sale in this country, or otherwise is in violation of the law;

Appropriates up to $23 million for the enhanced FDA-authority/responsibility; and

Prohibits manufacturers from entering into a contract to prevent reimportation.

Points that opponents will use against this bill:

The provisions sunset in 5 years—the original compromise contained a 3 year sunset;

Labeling—products meet U.S. labeling requirements. Opponents point out that the U.S. manufacturers control the labels, and all they would have to do to stop reimportation is to not make the FDA-required labels available for those wanting to reimport;

Some countries left out of reimportation—including Mexico; and

HHS Secretary has to certify Americans will save money.

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FARR), a member of the committee.

Mr. FARR of California. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise on the issue of drug reimportation. I am on the committee. I support the agricultural bill, I think it is a good bill, but I think there is a part of it that we have got to wake up. The question is, when is drug reimportation not an importation? I hope that the Members of this Congress and particularly the press will take a look at the small print in this bill, specifically, the technical amendments to the underlying bill. Take a look at page 41, for example. That bill is the one that talks about reimportation of drugs. On page 41 we see a subsection entitled F which says ''Country Limitation.'' If you go to the language, it reads, ''Drugs may be imported only, only from the countries that are listed in subparagraph A of section 802(b)(1).'' That is not in this bill, so you have got to go someplace else and look it up. Here is the sham.

If you turn to that section in existing law, one finds that it only lists those countries where American drug companies can send unapproved products. That is the title of that section, ''Unapproved Products.'' Here is the trap. American companies can send out but cannot reimport, because we do not allow unapproved products to come back into the United States. I hope the American press can do what the congressional staff has failed to do and that is to tell the truth about this section. The drug provisions are a sham. There is no reimportation. I ask for a no vote on the rule.

Mr. DIAZ-BALART. Mr. Speaker, I yield 30 seconds to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, I would just like to respond to what my dear friend from California said. Following the section that he read, there is then language that gives the Secretary very broad discretion in adding countries as she, or he in the future, whatever, may desire, subject to safety standards.

Mr. MOAKLEY. Mr. Speaker, I yield myself the balance of my time.

I urge my colleagues to oppose the previous question. If the previous question is defeated, I will offer an amendment to make in order the Democratic plan to allow access to the supply of lowest-cost medications that meet American safety standards.

I urge my colleagues to oppose the previous question and the rule.

Mr. Speaker, I include for the RECORD the text of the amendment that I would offer along with extraneous material, as follows:

PREVIOUS QUESTION AMENDMENT—CONFERENCE REPORT ON AGRICULTURE APPROPRIATIONS ACT, FY 2001

Strike out all after the resolving clause, and insert the following:

''That upon adoption of this resolution, the House shall be considered to have adopted House Concurrent Resolution 420.

SEC. 2. Upon receipt of a message from the Senate informing the House of the adoption of the concurrent resolution, it shall be in order to consider the conference report on the bill (H.R. 4461) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes, and all points of order against the conference report and against its consideration are hereby waived. The conference report shall be considered as having been read when called up for consideration.''

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a role resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R–Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Republican majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual:

''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendments.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2). Section 21.3 continues:

''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

I urge my colleagues to support the rule and the underlying legislation. It is very important work. It is needed help for America's farmers. It is the product of many, many hours of hard work by multiple Members of this House. I thanked previously my colleagues; I thank them at this point. I do not have enough time to mention them again. It is very important that this legislation be passed.

With regard to the sanctions, it is a compromise. No one is 100 percent happy, but there is no financing for the dictatorship in Cuba, and there is no bartering and there is no financing, whether it is private or public. In addition to that, there is no expansion of

travel dollars for that thug fascist dictatorship.

I urge my colleagues to pass this rule and to pass the underlying legislation.

Mr. LARSON. Mr. Speaker, I rise today in opposition to the Prescription Drug Import plan contained in the Agriculture Appropriations bill for fiscal year 2001 and the rule providing for its consideration. While I applaud any effort to reduce the cost of prescription drugs for seniors. I can say with confidence and sincerity that the plan in this bill is not a solution to the problem. Due to the immense loopholes contained in the legislation and its watered-down content, it will not in any way affect the cost of prescription drugs for seniors in the United States. If the prescription drug import provisions in this legislation were an honest attempt to address this issue, it is possible that they would be effective in reducing the cost of prescription drugs for our citizens. However, they have been written in such a way as to allow the drug companies a way out of having to offer American seniors what they need: quality medications at reduced costs.

Since the provisions are contained in the larger agriculture appropriation bill, I must vote in favor of the overall bill. However, I wish to register my opposition on the content of the reimportation provisions. These provisions are a sham piece of legislation designed to allow drug companies to continue to make outrageous profits off of senior citizens in America. This is why money must be removed from the political process, because as long as drug company money floats freely into it—this is the kind of trickery that will continue to rule the day. The greatest generation of Americans; the same generation that persevered through the Second World War; the same generation that lived through the Great Depression, is now being sold down the river in exchange for advancing the interests of the pharmaceutical companies. This is a campaign year, smoke and mirrors tactic that nearly every credible source has dismissed as useless and not credible. This is a sad day for this Congress, but an even sadder day for the elderly people who thought they might get some relief this year.

I am sorry to say that this plan has been fashioned to appear as if it is part of the answer to the high cost of prescription medicines, but appearances to not solve problems, only legislation that is comprehensive and complete can effectively deal with the financial burden that rests on our seniors. In order to truly keep our promises to the American people, and reduce these costs, we must establish a prescription drug benefit under the Medicare program.

I urge my colleges to vote against the rule so that we can be allowed to offer a real solution to the problem of the high cost of prescription drugs instead of allowing the leadership to attempt to fool our seniors into thinking we are doing something for them.

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

The SPEAKER pro tempore (Mr. NUSSLE). The question is on ordering the previous question.

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

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 214, nays 201, not voting 17, as follows:

[Roll No. 524]

YEAS—214

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Biggert
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller, Gary
Moran (KS)
Morella
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—201

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frost
Ganske
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOT VOTING—17

Burr
Campbell
Coble
Danner
Eshoo
Frank (MA)
Franks (NJ)
Klink
McCollum
McIntosh
Meehan
Miller (FL)
Myrick
Neal
Shuster
Spratt
Wise

1516

Messrs. FORD, INSLEE, and OWENS changed their vote from ''yea'' to ''nay.''

Mr. KASICH and Mr. FRELINGHUYSEN changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1824

Mr. THOMPSON of California. Mr. Speaker, I ask unanimous consent to remove my name as cosponsor of H.R. 1824.

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

There was no objection.

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4461, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

CONFERENCE REPORT ON H.R. 4461, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. SKEEN. Mr. Speaker, pursuant to House Resolution 617, I call up the conference report to accompany the bill (H.R. 4461) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 617, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, October 6, 2000 at page H9461.)

The SPEAKER pro tempore. The gentleman from New Mexico (Mr. SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR) each will control 30 minutes.

The Chair recognizes the gentleman from New Mexico (Mr. SKEEN).

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

Mr. Speaker, I rise to bring before the House the conference report on the fiscal year 2001 appropriations bill for Agriculture, Rural Development, the Food and Drug Administration, and Related Agencies.

Mr. Speaker, this bill has two main parts. The first titles, Title I through VII, comprises the regular fiscal year 2001 appropriations bill, which has a total budget authority of slightly less than $15.3 billion.

The second part, which is Title VIII, is the emergency title, and that totals just over $3.6 billion. The administration advised us that it would not submit a formal request for disaster assistance, so as we have done in the past, we worked informally with program managers at USDA and with House and Senate colleagues to address as many concerns as possible.

I believe that we have a good conference report that deserves the support of this body. We were able to make significant increases over the fiscal year 2000 level in research, food safety, domestic feeding, and conservation programs.

This bill also contains compromise language in two critical issues: prescription drug importation, and sanctions of agricultural exports. I believe the language that we are offering will make it easier for our senior citizens to have access to safer, less costly drugs, and make it easier for our farmers and ranchers to export their products to certain countries.

I would like to point out a few highlights of the conference report which I think are important to us all. In the two main research accounts, we have about $120 million over the current fiscal year level, in direct response to Members' concerns for critical research priorities.

APHIS regular programs have been increased by $38 million over fiscal year 2000, in response to many Members' concerns about invasive plants, pests, and diseases. There is additional money in the APHIS account to assist in the boll weevil program. The Agricultural Marketing Service has increased by $15 million, and GIPSA by $4.5 million.

Meat and poultry inspection has been increased by $47.5 million, which is actually higher than the official budget request. This represents our efforts to respond to problems that occurred after both bodies had passed their respective bills.

Our FSA loan programs are increased slightly over the current year, and we have met the administration's requests for salaries and expenses.

Conservation programs on the discretionary side are increased by about $70 million, which is just under the administration's request. On the mandatory side, there is an additional $35 million for technical assistance for the Wetlands Reserve and the Conservation Reserve programs. There is also $117 million to enroll an additional 100,000 acres in the Wetlands Reserve Program, since so many Members have requested us to lift the authorized enrollment cap.

In rural development, we have met the administration's request for the Rural Community Advancement Program, and in spite of sharply higher subsidy rates, we have increased housing and rural utility loan levels by half a billion dollars each.

In domestic food programs, WIC has been increased by $20 million, commodity assistance by $7 million, and elderly feeding by $10 million over fiscal year 2000.

In P.L. 480, I know there was a lot of concern about the low House number. I am happy to report that Title II is now $837 million, so all of the food aid programs are at the administration's request.

The Food and Drug Administration's salaries and expenses are increased by almost $31 million, and we will be able to go ahead with the badly needed new building in Los Angeles.

Finally, I think all of us hear on a near weekly basis from the land grant schools about the Initiative for Future Agriculture and Food Systems. In past years, we have had to put a limitation on this program to pay for other important accounts, but this conference report allows the Initiative as well as the Fund for Rural America to go forward in fiscal year 2001, using money saved from the 2000 budget.

Mr. Speaker, this is a bill that will generate benefits in every congressional district in the country. We are providing strong protection for the health and safety of our citizens, nutrition and feeding programs for the most vulnerable, and agricultural research which makes us the greatest producer of food and fiber the world has ever known, and funding for a strong and productive rural America.

Mr. Speaker, we have tried our best to put together a good, solid bipartisan bill which works for all America. Much of it is compromise, to be sure, but I believe it is good compromise and good policy.

In closing, I would like to thank all of my colleagues on the subcommittee for their help and hard work since we began this process earlier this year. In particular, I would like to thank the staff for all their hard work: Hank Moore, the subcommittee clerk; Martin Delgado; Joanne Orndorff; John Z.; Ann Dubey; Maureen Holohan; David Reich, of the staff of the gentleman from Wisconsin (Mr. OBEY); and Jim Richards, from my personal office. Without them, we would not have a bill here today.

Mr. Speaker, I urge all my colleagues to support this conference agreement.

Mr. Speaker, I include for the RECORD the following material related to H.R. 4461:

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461)

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE I - AGRICULTURAL PROGRAMS						
Production, Processing, and Marketing						
Office of the Secretary	15,435	2,914	2,836	27,914	2,914	-12,521
Executive Operations:						
Chief Economist	6,408	8,612	6,408	7,462	7,462	+1,054
National Appeals Division	11,707	12,610	11,718	12,421	12,421	+714
Office of Budget and Program Analysis	6,581	6,765	6,581	6,765	6,765	+184
Office of the Chief Information Officer	6,046	14,680	10,051	10,046	10,051	+4,005
Common computing environment	.....	75,000	25,000	.....	40,000	+40,000
Office of the Chief Financial Officer	4,783	6,465	4,783	5,171	5,171	+388
Total, Executive Operations	35,525	124,132	64,541	41,865	81,870	+46,345
Office of the Assistant Secretary for Administration	613	629	613	629	629	+16
Agriculture buildings and facilities and rental payments	140,343	182,747	150,343	182,747	182,747	+42,404
Payments to GSA	(115,542)	(125,542)	(125,542)	(125,542)	(125,542)	(+10,000)
Building operations and maintenance	(24,801)	(31,205)	(24,801)	(31,205)	(31,205)	(+6,404)
Repairs, renovations, and construction	.....	(26,000)	.....	(26,000)	(26,000)	(+26,000)
Hazardous materials management	15,700	30,073	15,700	15,700	15,700	.....
Departmental administration	34,708	40,740	34,708	36,840	36,010	+1,302
Outreach for socially disadvantaged farmers	3,000	10,000	3,000	3,000	3,000	.....
Office of the Assistant Secretary for Congressional Relations	3,568	3,778	3,568	3,568	3,568	.....
Office of Communications	8,138	9,031	8,138	8,873	8,623	+485
Office of the Inspector General	65,097	70,214	65,097	66,867	68,867	+3,770
Office of the General Counsel	29,194	32,881	29,194	31,080	31,080	+1,886
Office of the Under Secretary for Research, Education and Economics	540	1,356	540	556	556	+16
Economic Research Service	65,363	55,424	66,419	67,038	67,038	+1,675
National Agricultural Statistics Service	99,333	100,615	100,851	100,615	100,772	+1,439
Census of Agriculture	(16,490)	(15,000)	(15,000)	(15,000)	(15,000)	(-1,490)
Agricultural Research Service	830,384	894,258	843,584	871,593	898,812	+68,428
Buildings and facilities	52,500	39,300	39,300	56,330	74,200	+21,700
Total, Agricultural Research Service	882,884	933,558	882,884	927,923	973,012	+90,128
Cooperative State Research, Education, and Extension Service:						
Research and education activities	481,881	460,865	481,551	494,044	506,193	+24,312
Native American Institutions Endowment Fund	(4,600)	(7,100)	(7,100)	(7,100)	(7,100)	(+2,500)
Extension activities	424,174	428,236	431,540	427,380	433,429	+9,255
Integrated activities	39,541	76,194	39,541	43,365	41,941	+2,400
Total, Cooperative State Research, Education, and Extension Service	945,596	965,295	952,632	964,789	981,563	+35,967
Office of the Under Secretary for Marketing and Regulatory Programs	618	635	618	635	635	+17
Animal and Plant Health Inspection Service:						
Salaries and expenses	437,768	512,444	469,985	458,149	530,564	+92,796
AQI user fees	(87,000)	(87,000)	(87,000)	(87,000)	(85,000)	(-2,000)
Buildings and facilities	5,200	5,200	5,200	9,870	9,870	+4,670
Total, Animal and Plant Health Inspection Service	442,968	517,644	475,185	468,019	540,434	+97,466
Agricultural Marketing Service:						
Marketing Services	51,497	66,572	56,326	64,696	65,335	+13,838
Standardization user fees	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	.....
(Limitation on administrative expenses, from fees collected)	(60,730)	(60,730)	(60,730)	(60,730)	(60,730)	.....
Funds for strengthening markets, income, and supply (transfer from section 32)	12,428	13,438	13,438	13,438	13,438	+1,010
Payments to states and possessions	1,200	1,500	1,500	1,200	1,350	+150
Total, Agricultural Marketing Service	65,125	81,510	71,264	79,334	80,123	+14,998
Grain Inspection, Packers and Stockyards Administration:						
Salaries and expenses	26,433	33,549	27,801	27,269	31,420	+4,987
Limitation on inspection and weighing services	(42,557)	(42,557)	(42,557)	(42,557)	(42,557)	.....
Office of the Under Secretary for Food Safety	446	560	446	460	460	+14
Food Safety and Inspection Service	649,119	688,204	673,790	678,011	696,704	+47,585
Lab accreditation fees 1/	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	.....
Total, Food Safety and Inspection Service	649,119	688,204	673,790	678,011	696,704	+47,585
Total, Production, Processing, and Marketing	3,529,746	3,885,489	3,630,168	3,733,732	3,907,725	+377,979
Farm Assistance Programs						
Office of the Under Secretary for Farm and Foreign Agricultural Services	572	589	572	589	589	+17

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
Farm Service Agency:						
Salaries and expenses	794,394	828,385	828,385	828,385	828,385	+33,991
(Transfer from export loans)	(589)	(589)	(589)	(589)	(589)	.....
(Transfer from P.L. 480)	(815)	(815)	(815)	(815)	(815)	.....
(Transfer from ACIF)	(209,861)	(265,315)	(265,315)	(265,315)	(265,315)	(+55,454)
Subtotal, Transfers from program accounts	(211,265)	(266,719)	(266,719)	(266,719)	(266,719)	(+55,454)
Total, salaries and expenses	(1,005,659)	(1,095,104)	(1,095,104)	(1,095,104)	(1,095,104)	(+89,445)
State mediation grants	3,000	4,000	3,000	3,000	3,000	.....
Dairy indemnity program	450	450	450	450	450	.....
Subtotal, Farm Service Agency	797,844	832,835	831,835	831,835	831,835	+33,991
Agricultural Credit Insurance Fund Program Account:						
Loan authorizations:						
Farm ownership loans:						
Direct	(128,049)	(128,000)	(128,000)	(128,000)	(128,000)	(-49)
Guaranteed	(431,373)	(1,000,000)	(1,000,000)	(431,373)	(870,000)	(+438,627)
Subtotal	(559,422)	(1,128,000)	(1,128,000)	(559,373)	(998,000)	(+438,578)
Farm operating loans:						
Direct	(500,000)	(700,000)	(700,000)	(500,000)	(525,000)	(+25,000)
Guaranteed unsubsidized	(1,697,842)	(2,000,000)	(2,000,000)	(1,697,842)	(1,077,839)	(-620,003)
Guaranteed subsidized	(200,000)	(477,868)	(477,868)	(200,000)	(369,902)	(+169,902)
Subtotal	(2,397,842)	(3,177,868)	(3,177,868)	(2,397,842)	(1,972,741)	(-425,101)
Indian tribe land acquisition loans	(1,028)	(2,006)	(2,006)	(1,028)	(2,006)	(+978)
Emergency disaster loans	(25,000)	(150,064)	(150,064)	(25,000)	(25,000)	.....
Boll weevil eradication loans	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	.....
Total, Loan authorizations	(3,083,292)	(4,557,938)	(4,557,938)	(3,083,243)	(3,097,747)	(+14,455)
Loan subsidies:						
Farm ownership loans:						
Direct	4,827	13,786	13,786	13,786	13,786	+8,959
Guaranteed	2,416	5,100	5,100	2,200	4,437	+2,021
Subtotal	7,243	18,886	18,886	15,986	18,223	+10,980
Farm operating loans:						
Direct	29,300	63,140	63,140	45,100	47,355	+18,055
Guaranteed unsubsidized	23,940	27,400	27,400	23,260	14,770	-9,170
Guaranteed subsidized	17,620	38,994	38,994	16,320	30,185	+12,565
Subtotal	70,860	129,534	129,534	84,680	92,310	+21,450
Indian tribe land acquisition	21	323	323	166	323	+302
Emergency disaster loans	3,882	36,811	36,811	6,133	6,133	+2,251
Total, Loan subsidies	82,006	185,554	185,554	106,965	116,989	+34,983
ACIF expenses:						
Salaries and expense (transfer to FSA)	209,861	265,315	265,315	265,315	265,315	+55,454
Administrative expenses	4,300	4,139	4,139	4,139	4,139	-161
Total, ACIF expenses	214,161	269,454	269,454	269,454	269,454	+55,293
Total, Agricultural Credit Insurance Fund	296,167	455,008	455,008	376,419	386,443	+90,276
(Loan authorization)	(3,083,292)	(4,557,938)	(4,557,938)	(3,083,243)	(3,097,747)	(+14,455)
Total, Farm Service Agency	1,094,011	1,287,843	1,286,843	1,208,254	1,218,278	+124,267
Risk Management Agency	63,983	67,700	67,700	65,597	65,597	+1,614
Total, Farm Assistance Programs	1,158,566	1,356,132	1,355,115	1,274,440	1,284,464	+125,898
Corporations						
Federal Crop Insurance Corporation:						
Federal crop insurance corporation fund	710,857	1,727,671	1,727,671	1,727,671	1,727,671	+1,016,814
Commodity Credit Corporation Fund:						
Reimbursement for net realized losses	30,037,136	27,771,007	27,771,007	27,771,007	27,771,007	-2,266,129
Operations and maintenance for hazardous waste management (limitation on administrative expenses)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	.....
Total, Corporations	30,747,993	29,498,678	29,498,678	29,498,678	29,498,678	-1,249,315

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
Total, title I, Agricultural Programs	35,436,305	34,740,299	34,483,961	34,506,850	34,690,867	-745,438
(By transfer)	(211,265)	(266,719)	(266,719)	(266,719)	(266,719)	(+55,454)
(Loan authorization)	(3,083,292)	(4,557,938)	(4,557,938)	(3,083,243)	(3,097,747)	(+14,455)
(Limitation on administrative expenses)	(108,287)	(108,287)	(108,287)	(108,287)	(108,287)	.....
TITLE II - CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	693	711	.....	711	711	+18
Natural Resources Conservation Service:						
Conservation operations	660,812	747,243	676,812	714,116	714,116	+53,304
Watershed surveys and planning	10,368	10,368	10,868	10,705	10,868	+500
Watershed and flood prevention operations	91,643	83,423	83,423	99,443	99,443	+7,800
Resource conservation and development	35,265	36,265	41,708	36,265	42,015	+6,750
Forestry incentives program	5,377	.....	.....	6,325	6,325	+948
Total, Natural Resources Conservation Service	803,465	877,299	812,811	866,854	872,767	+69,302
Total, title II, Conservation Programs	804,158	878,010	812,811	867,565	873,478	+69,320
TITLE III - RURAL DEVELOPMENT PROGRAMS						
Office of the Under Secretary for Rural Development	588	605	588	605	605	+17
Rural Development:						
Rural community advancement program	693,637	762,542	775,837	759,284	762,542	+68,905
RD expenses:						
Salaries and expenses	.....	130,371	120,270	130,371	130,371	+130,371
(Transfer from RHIF)	.....	(409,233)	(375,879)	(409,233)	(409,233)	(+409,233)
(Transfer from RDLFP)	.....	(3,640)	(3,337)	(3,640)	(3,640)	(+3,640)
(Transfer from RETLP)	.....	(34,716)	(31,046)	(34,716)	(34,716)	(+34,716)
(Transfer from RTP)	.....	(3,000)	(3,000)	(3,000)	(3,000)	(+3,000)
Total, RD expenses	.....	(580,960)	(533,532)	(580,960)	(580,960)	(+580,960)
Total, Rural Development	693,637	892,913	896,107	889,655	892,913	+199,276
Rural Housing Service:						
Rural Housing Insurance Fund Program Account:						
Loan authorizations:						
Single family (sec. 502)	(1,100,000)	(1,300,000)	(1,100,000)	(1,100,000)	(1,100,000)	.....
Unsubsidized guaranteed	(3,200,000)	(3,700,000)	(3,700,000)	(3,200,000)	(3,700,000)	(+500,000)
Housing repair (sec. 504)	(32,396)	(40,000)	(32,396)	(32,396)	(32,396)	.....
Farm labor (sec. 514)	(25,001)	.....	.....	.....	.....	(-25,001)
Rental housing (sec. 515)	(114,321)	(120,000)	(114,321)	(114,321)	(114,321)	.....
Multifamily housing guarantees (sec. 538)	(100,000)	(200,000)	(100,000)	(100,000)	(100,000)	.....
Site loans (sec. 524)	(5,152)	(5,000)	(5,000)	(5,152)	(5,152)	.....
Multifamily housing credit sales	(1,250)	(5,000)	(1,780)	(1,250)	(1,780)	(+530)
Single family housing credit sales	(6,253)	(10,000)	(15,000)	(6,253)	(10,000)	(+3,747)
Self-help housing land development fund	(5,000)	(5,009)	(5,000)	(5,000)	(5,000)	.....
Total, Loan authorizations	(4,589,373)	(5,385,009)	(5,073,497)	(4,564,372)	(5,068,649)	(+479,276)
Loan subsidies:						
Single family (sec. 502)	93,830	208,780	176,760	176,660	176,760	+82,930
Unsubsidized guaranteed	19,520	44,400	7,400	38,400	7,400	-12,120
Housing repair (sec. 504)	9,900	14,176	11,481	11,481	11,481	+1,581
Farm labor (sec. 514)	11,308	.....	.....	.....	.....	-11,308
Rental housing (sec. 515)	45,363	59,124	56,326	56,326	56,326	+10,963
Multifamily housing guarantees (sec. 538)	480	3,040	1,520	1,520	1,520	+1,040
Site loans (sec. 524)	4	.....	.....	.....	.....	-4
Multifamily housing credit sales	494	2,452	874	613	874	+380
Single family housing credit sales	380	.....	.....	.....	.....	-380
Self-help housing land development fund	281	279	279	279	279	-2
Total, Loan subsidies	181,560	332,251	254,640	285,279	254,640	+73,080
RHIF administrative expenses (transfer to RHS)	375,879	.....	.....	.....	.....	-375,879
RHIF administrative expenses (transfer to RD)	.....	409,233	375,879	409,233	409,233	+409,233
Rental assistance program:						
(Sec. 521)	634,100	674,100	650,000	674,100	674,100	+40,000
(Sec. 502(c)(5)(D))	5,900	5,900	5,900	5,900	5,900	.....
Total, Rental assistance program	640,000	680,000	655,900	680,000	680,000	+40,000
Total, Rural Housing Insurance Fund	1,197,439	1,421,484	1,286,419	1,374,512	1,343,873	+146,434
(Loan authorization)	(4,589,373)	(5,385,009)	(5,073,497)	(4,564,372)	(5,068,649)	(+479,276)
Mutual and self-help housing grants	28,000	40,000	28,000	34,000	34,000	+6,000
Rural housing assistance grants	45,000	39,000	39,000	44,000	44,000	-1,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
Farm labor program account		35,777	30,000	28,750	30,000	+30,000
Subtotal, grants and payments	73,000	114,777	97,000	106,750	108,000	+35,000
RHS expenses:						
Salaries and expenses	61,551					-61,551
(Transfer from RHIF)	(375,879)					(-375,879)
Total, RHS expenses	(437,430)					(-437,430)
Total, Rural Housing Service	1,331,990	1,536,261	1,383,419	1,481,262	1,451,873	+119,883
(Loan authorization)	(4,589,373)	(5,385,009)	(5,073,497)	(4,564,372)	(5,068,649)	(+479,276)
Rural Business-Cooperative Service:						
Rural Development Loan Fund Program Account:						
(Loan authorization)	(38,256)	(64,495)	(38,256)	(38,256)	(38,256)	
Loan subsidy	16,615	32,834	19,476	19,476	19,476	+2,861
Administrative expenses (transfer to RBCS)	3,337					-3,337
Administrative expenses (transfer to RD)		3,640	3,337	3,640	3,640	+3,640
Total, Rural Development Loan Fund	19,952	36,474	22,813	23,116	23,116	+3,164
Rural Economic Development Loans Program Account:						
(Loan authorization)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	
Direct subsidy	3,453	3,911	3,911	3,911	3,911	+458
Rural cooperative development grants	6,000	11,500	6,500	6,000	6,500	+500
National sheep industry improvement center revolving fund		5,000	5,000			
RBCS expenses:						
Salaries and expenses	24,612					-24,612
(Transfer from RDLFP)	(3,337)					(-3,337)
Total, RBCS expenses	(27,949)					(-27,949)
Total, Rural Business-Cooperative Service	54,017	56,885	38,224	33,027	33,527	-20,490
(By transfer)	(3,337)					(-3,337)
(Loan authorization)	(53,256)	(79,495)	(53,256)	(53,256)	(53,256)	
Rural Utilities Service:						
Rural Electrification and Telecommunications Loans Program Account:						
Loan authorizations:						
Electric:						
Direct, 5%	(121,500)	(50,000)	(50,000)	(121,500)	(121,500)	
Direct, Municipal rate	(295,000)	(300,000)	(295,000)	(295,000)	(295,000)	
Direct, FFB	(1,700,000)	(800,000)	(800,000)	(1,700,000)	(1,700,000)	
Direct, Treasury rate				(500,000)	(500,000)	(+500,000)
Guaranteed		(400,000)	(400,000)			
Subtotal	(2,116,500)	(1,550,000)	(1,545,000)	(2,616,500)	(2,616,500)	(+500,000)
Telecommunications:						
Direct, 5%	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	
Direct, Treasury rate	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	
Direct, FFB	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)	
Subtotal	(495,000)	(495,000)	(495,000)	(495,000)	(495,000)	
Total, Loan authorizations	(2,611,500)	(2,045,000)	(2,040,000)	(3,111,500)	(3,111,500)	(+500,000)
Loan subsidies:						
Electric:						
Direct, 5%	1,095	4,980	4,980	12,101	12,101	+11,006
Direct, Municipal rate	10,827	20,850	20,480	20,503	20,503	+9,676
Direct, FFB						
Direct, Treasury rate						
Guaranteed		40	40			
Subtotal	11,922	25,870	25,500	32,604	32,604	+20,682
Telecommunications:						
Direct, 5%	840	7,770	7,770	7,770	7,770	+6,930
Direct, Treasury rate	2,370					-2,370
Direct, FFB						
Subtotal	3,210	7,770	7,770	7,770	7,770	+4,560
Total, Loan subsidies	15,132	33,640	33,270	40,374	40,374	+25,242

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
RETLP administrative expenses (transfer to RUS)	31,046	.....	.....	.....	.....	-31,046
RETLP administrative expenses (transfer to RD)	.....	34,716	31,046	34,716	34,716	+34,716
Total, Rural Electrification and Telecommunications Loans Program Account	46,178	68,356	64,316	75,090	75,090	+28,912
(Loan authorization)	(2,611,500)	(2,045,000)	(2,040,000)	(3,111,500)	(3,111,500)	(+500,000)
Rural Telephone Bank Program Account:						
(Loan authorization)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	.....
Direct loan subsidy	3,290	2,590	2,590	2,590	2,590	-700
RTP administrative expenses (transfer to RUS)	3,000	.....	.....	.....	.....	-3,000
RTP administrative expenses (transfer to RD)	.....	3,000	3,000	3,000	3,000	+3,000
Total	6,290	5,590	5,590	5,590	5,590	-700
Distance learning and telemedicine program:						
(Loan authorization)	(200,000)	(400,000)	(400,000)	(400,000)	(400,000)	(+200,000)
Direct loan subsidy	700	.....	.....	.....	.....	-700
Grants	20,000	27,000	19,500	27,000	27,000	+7,000
Total	20,700	27,000	19,500	27,000	27,000	+6,300
RUS expenses:						
Salaries and expenses	34,107	.....	.....	.....	.....	-34,107
(Transfer from RETLP)	(31,046)	.....	.....	.....	.....	(-31,046)
(Transfer from RTP)	(3,000)	.....	.....	.....	.....	(-3,000)
Total, RUS expenses	(68,153)	.....	.....	.....	.....	(-68,153)
Total, Rural Utilities Service	107,275	100,946	89,406	107,680	107,680	+405
(By transfer)	(34,046)	.....	.....	.....	.....	(-34,046)
(Loan authorization)	(2,986,500)	(2,620,000)	(2,615,000)	(3,686,500)	(3,686,500)	(+700,000)
Total, title III, Rural Economic and Community Development Programs	2,187,507	2,587,610	2,407,744	2,512,229	2,486,598	+299,091
(By transfer)	(413,262)	(450,589)	(413,262)	(450,589)	(450,589)	(+37,327)
(Loan authorization)	(7,629,129)	(8,084,504)	(7,741,753)	(8,304,128)	(8,808,405)	(+1,179,276)
TITLE IV - DOMESTIC FOOD PROGRAMS						
Office of the Under Secretary for Food, Nutrition and Consumer Services	554	570	554	570	570	+16
Food and Nutrition Service:						
Child nutrition programs	4,611,829	4,570,465	4,407,460	4,407,460	4,407,460	-204,369
Transfer from section 32	4,935,199	4,967,574	5,127,579	5,127,579	5,127,579	+192,380
Discretionary spending	7,000	8,017	.....	6,500	6,500	-500
Total, Child nutrition programs	9,554,028	9,546,056	9,535,039	9,541,539	9,541,539	-12,489
Special supplemental nutrition program for women, infants, and children (WIC)	4,032,000	4,089,100	4,067,000	4,052,000	4,052,000	+20,000
Food stamp program:						
Expenses	19,605,751	19,730,993	19,730,993	19,720,293	18,613,293	-992,458
Reserve	100,000	1,000,000	100,000	100,000	100,000	.....
Nutrition assistance for Puerto Rico	1,268,000	1,301,000	1,301,000	1,301,000	1,301,000	+33,000
The emergency food assistance program	98,000	100,000	100,000	100,000	100,000	+2,000
Total, Food stamp program	21,071,751	22,131,993	21,231,993	21,221,293	20,114,293	-957,458
Commodity assistance program	133,300	158,300	138,300	140,300	140,300	+7,000
Food donations programs:						
Needy family program	1,081	1,081	1,081	1,081	1,081	.....
Elderly feeding program	140,000	150,000	160,000	140,000	150,000	+10,000
Total, Food donations programs	141,081	151,081	161,081	141,081	151,081	+10,000
Food program administration	111,392	128,558	116,392	116,807	116,807	+5,415
Total, Food and Nutrition Service	35,043,552	36,205,088	35,249,805	35,213,020	34,116,020	-927,532
Total, title IV, Domestic Food Programs	35,044,106	36,205,658	35,250,359	35,213,590	34,116,590	-927,516

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS						
Foreign Agricultural Service:						
Direct appropriation	109,186	113,587	109,186	113,424	115,424	+6,238
(Transfer from export loans)	(3,231)	(3,231)	(3,231)	(3,231)	(3,231)	.....
(Transfer from P.L. 480)	(1,035)	(1,035)	(1,035)	(1,035)	(1,035)	.....
Total, Program level	(113,452)	(117,853)	(113,452)	(117,690)	(119,690)	(+6,238)
Public Law 480 Program and Grant Accounts:						
Title I - Credit sales:						
Program level	(176,000)	(180,000)	(180,000)	(180,000)	(180,000)	(+4,000)
Direct loans	(145,298)	(159,678)	(159,678)	(159,678)	(159,678)	(+14,380)
Ocean freight differential	21,000	20,322	20,322	20,322	20,322	-678
Title II - Commodities for disposition abroad:						
Program level	(800,000)	(837,000)	(770,000)	(837,000)	(837,000)	(+37,000)
Appropriation	800,000	837,000	770,000	837,000	837,000	+37,000
Loan subsidies	119,813	114,186	114,186	114,186	114,186	-5,627
Salaries and expenses:						
General Sales Manager (transfer to FAS)	1,035	1,035	1,035	1,035	1,035	.....
Farm Service Agency (transfer to FSA)	815	815	815	815	815	.....
Subtotal	1,850	1,850	1,850	1,850	1,850	.....
Total, Public Law 480:						
Program level	(976,000)	(1,017,000)	(950,000)	(1,017,000)	(1,017,000)	(+41,000)
Appropriation	942,663	973,358	906,358	973,358	973,358	+30,695
CCC Export Loans Program Account (administrative expenses):						
Salaries and expenses (Export Loans):						
General Sales Manager (transfer to FAS)	3,231	3,231	3,231	3,231	3,231	.....
Farm Service Agency (transfer to FSA)	589	589	589	589	589	.....
Total, CCC Export Loans Program Account	3,820	3,820	3,820	3,820	3,820	.....
Total, title V, Foreign Assistance and Related Programs	1,055,669	1,090,765	1,019,364	1,090,602	1,092,602	+36,933
(By transfer)	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)	.....
TITLE VI - FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Food and Drug Administration						
Salaries and expenses, direct appropriation	1,037,661	1,156,905	1,117,905	1,067,523	1,068,524	+30,863
Prescription drug user fee act	(145,434)	(149,273)	(149,273)	(149,273)	(149,273)	(+3,839)
Subtotal	(1,183,095)	(1,306,178)	(1,267,178)	(1,216,796)	(1,217,797)	(+34,702)
Rescission	.....	.....	-27,000	.....	.....	.....
Total, Salaries and expenses (net)	(1,183,095)	(1,306,178)	(1,240,178)	(1,216,796)	(1,217,797)	(+34,702)
Export and certification	(4,907)	(5,992)	(5,992)	(5,992)	(5,992)	(+1,085)
Limitation on payments to GSA	(99,954)	(104,954)	(104,954)	(104,954)	(104,954)	(+5,000)
Buildings and facilities	11,350	31,350	11,350	31,350	31,350	+20,000
Advance appropriations, FY 2002	.....	23,000	.....	.....	.....	.....
Total, Food and Drug Administration	1,049,011	1,211,255	1,102,255	1,098,873	1,099,874	+50,863
INDEPENDENT AGENCIES						
Commodity Futures Trading Commission	63,000	72,000	69,000	67,100	68,000	+5,000
Farm Credit Administration (limitation on administrative expenses)	(35,800)	.....	(36,800)	(36,800)	(36,800)	(+1,000)
Total, title VI, Related Agencies and Food and Drug Administration	1,112,011	1,283,255	1,171,255	1,165,973	1,167,874	+55,863
TITLE VII - GENERAL PROVISIONS						
Hunger fellowships	2,000	.....	4,000	.....	2,000	.....
Loss assistance for apples and potatoes (contingent emergency appropriations)	.....	.....	115,000	.....	.....	.....
Sec. 388 Fair Act - NH	250	.....	.....	.....	.....	-250
National Sheep Industry Improvement Center revolving fund	.....	.....	.....	.....	5,000	+5,000
FDA Drug reimportation (sec. 745)	.....	.....	.....	.....	23,000	+23,000
Total, title VII, General provisions	2,250	.....	119,000	.....	30,000	+27,750

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
TITLE VIII - FY 2000						
DEPARTMENT OF AGRICULTURE						
Commodity Credit Corporation						
Crop loss (contingent emergency appropriations)	1,200,000					-1,200,000
Market loss (contingent emergency appropriations)	5,520,351					-5,520,351
Specialty Crops:						
Peanuts (contingent emergency appropriations)	42,000					-42,000
Suspend sugar assessments (contingent emergency appropriations)	42,000					-42,000
Tobacco (contingent emergency appropriations)	326,601					-326,601
Subtotal, Specialty crops	410,601					-410,601
Oilseeds (contingent emergency appropriations)	467,974					-467,974
Livestock and dairy (contingent emergency appropriations)	320,614					-320,614
Upland cotton competitiveness (contingent emergency appropriations)	201,000					-201,000
Extend milk price supports (contingent emergency appropriations)	-102,000					+102,000
Crop insurance (contingent emergency appropriations)	400,000					-400,000
Crop insurance discount associated costs (contingent emergency appropriations)	250,000					-250,000
Water and waste loan forgiveness (contingent emergency appropriations)	2,000					-2,000
Trade sanctions reform and export enhancement						
Total, title VIII, FY 2000	8,670,540					-8,670,540
TITLE VIII - FY 2001						
NATURAL DISASTER ASSISTANCE AND OTHER						
EMERGENCY APPROPRIATIONS						
CHAPTER 1						
DEPARTMENT OF AGRICULTURE						
Office of the Chief Information Officer:						
Common computing environment (contingent emergency appropriations)					19,500	+19,500
Departmental administration (contingent emergency appropriations)					200	+200
Farm Service Agency						
Salaries and expenses (contingent emergency appropriations)					50,000	+50,000
Emergency conservation program (contingent emergency appropriations)					80,000	+80,000
Federal Crop Insurance Corporation						
Federal crop insurance corporation fund (emergency appropriations)					13,000	+13,000
Natural Resources Conservation Service						
Watershed and flood prevention operations (contingent emergency appropriations)					110,000	+110,000
Rural Development						
Rural community advancement program (contingent emergency appropriations)					200,000	+200,000
Total, Department of Agriculture					472,700	+472,700
General Provisions						
Conservation technical assistance (contingent emergency appropriations)					35,000	+35,000
CCC Disease loss compensation (contingent emergency appropriations)					19,000	+19,000
Dairy assistance (contingent emergency appropriations)					473,000	+473,000
CCC Livestock assistance program (contingent emergency appropriations)					490,000	+490,000
WRP Additional acreage enrollments (contingent emergency appropriations)					117,000	+117,000
CCC Sheep loss assistance (contingent emergency appropriations)					2,400	+2,400
CCC Citrus canker compensation (contingent emergency appropriations)					58,000	+58,000
CCC Apple/potatoes market loss and quality (contingent emergency appropriations)					138,000	+138,000
CCC Honey assistance (contingent emergency appropriations)					20,000	+20,000
CCC Livestock indemnity program (contingent emergency appropriations)					10,000	+10,000
CCC Wool/mohair assistance (contingent emergency appropriations)					20,000	+20,000
CCC Crop loss disaster assistance (contingent emergency appropriations)					1,627,000	+1,627,000
CCC Cranberry assistance (contingent emergency appropriations)					20,000	+20,000
Shared appreciation loan arrangements (contingent emergency appropriations)					2,000	+2,000
SC grain dealer's guarantee fund (contingent emergency appropriations)					2,500	+2,500
Puerto Rico food stamp block grant					-5,000	-5,000
Hawaii sugar transportation cost assistance (contingent emergency appropriations)					7,200	+7,200
Business and industry grants (contingent emergency appropriations)					10,000	+10,000
Business and industry guaranteed loans (contingent emergency appropriations)					10,000	+10,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 2001 (H.R. 4461) — continued

(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	House	Senate	Conference	Conference vs. enacted
CCC Tobacco quota compensation (contingent emergency appropriations).	.....	.....	.....	.....	3,000	+3,000
CCC Cooperative assistance (contingent emergency appropriations)	.....	.....	.....	.....	20,000	+20,000
CCC Burley tobacco (contingent emergency appropriations)	.....	.....	.....	.....	50,000	+50,000
CCC LDP delinquent borrower (contingent emergency appropriations)	.....	.....	.....	.....	5,000	+5,000
Food stamp excess shelter allowance (contingent emergency appropriations)	.....	.....	.....	.....	15,000	+15,000
Food stamp vehicle allowance (contingent emergency appropriations)	.....	.....	.....	.....	25,000	+25,000
Total, General Provisions	.....	.....	.....	.....	3,174,100	+3,174,100
Total, title VIII, FY 2001	.....	.....	.....	.....	3,646,800	+3,646,800
TITLE X - ANTI-DUMPING						
Anti-dumping	.....	.....	.....	.....	40,000	+40,000
Grand total:						
New budget (obligational) authority	84,312,546	76,785,597	75,264,494	75,356,809	78,144,809	-6,167,737
Appropriations	(75,642,006)	(76,762,597)	(75,176,494)	(75,356,809)	(74,493,009)	(-1,148,997)
Rescission	.....	.....	(-27,000)	.....	.....	.....
Emergency appropriations	.....	.....	.....	.....	(13,000)	(+13,000)
Contingent emergency appropriations	(8,670,540)	.....	(115,000)	.....	(3,638,800)	(-5,031,740)
Advance appropriations	.....	(23,000)	.....	.....	.....	.....
(By transfer)	(628,793)	(721,574)	(684,247)	(721,574)	(721,574)	(+92,781)
(Loan authorization)	(10,712,421)	(12,642,442)	(12,299,691)	(11,387,371)	(11,906,152)	(+1,193,731)
(Limitation on administrative expenses)	(144,087)	(108,287)	(145,087)	(145,087)	(145,087)	(+1,000)

1/ In addition to appropriation.

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

1530

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

Mr. Speaker, I rise in support of this conference report as a significant improvement over the measure that originally moved through this body. Before I get into the details, let me just say that I particularly this afternoon rise with great respect and true admiration for the gentleman from New Mexico (Mr. SKEEN), our chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, who under current Republican caucus rules is serving his last year as a fair, caring and truly outstanding chairman.

I will say that I know that as a regular committee member, the gentleman will continue to be exemplary in his service, but I will miss him in his current position.

Mr. Speaker, I wish to express genuine support and thanks to our subcommittee staff, Hank Moore, Martin Delgado, John Ziolkowski, Joanne Orndorff and our detailees Anne DuBey and Maureen Holohan, and also our minority staff, David Reich, and on my own staff, Roger Szemraj for doing such a tremendous job in sheperding this major legislation through the Congress.

I also want to say to the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations, he kept his word on both sides of the aisle, so that our conferees could meet and fully engage in debate as we did in every single line item of this bill. I say thanks to the gentleman from Wisconsin (Mr. OBEY), who is our ranking member on the full committee who participated in every single meeting. I actually do not know how he does it, so tirelessly, and I want to thank the people of Wisconsin for sending him here for service to the Nation.

I want to thank the Members on our side of the aisle, the gentlewoman from Connecticut (Ms. DELAURO), the gentleman from New York (Mr. HINCHEY), the gentleman from California (Mr. FARR), and the gentleman from Florida (Mr. BOYD). We thank them for yeoman's service in the construction of this very important measure.

Mr. Speaker, overall the conference report spends over $78.5 billion. A little over three-quarters of that is in what we call mandatory spending for programs, especially our food programs, breakfast programs, lunch programs, elderly feeding programs, surplus commodity programs, that are used from coast to coast. $28 billion dollars, nearly half of that, goes to the Commodity Credit Corporation for net realized losses as we move product around the world and here at home.

Mr. Speaker, another $1.7 billion goes for crop insurance. The base bill in addition to this has $15 billion in discretionary spending in important areas, such as new research for fuels of the future, the extension service to bring the latest in research right down to the farm and the ranch, conservation programs—so much a part of America's rich natural heritage and essential to sustainability of the future, food safety programs, rural housing and development, all of our feeding programs, international assistance and certainly the Food and Drug Administration.

In this bill, also, and this is of critical interest to those who tie their livelihoods to the rural countryside, we have more than $3.6 billion for disaster, farm assistance, and rural development programs.

I will say more about that in a moment, but we were also able to incorporate into this measure portions of the Hunger Relief Act. We know as welfare reform really kicks in in every State across this country, thousands of people go to work for minimum wage without health benefits.

In this bill, we have provided housing and vehicle allowances and the right to food for those workers and their children to help them transition to the marketplace off of welfare. We are very, very pleased to be able to do that on this particular committee.

Mr. Speaker, I also have to say, of course, we were not able to defeat the rule and bring a real prescription drug reimportation provision before the Congress. That is truly sad, and every one of us will have to account for that before the voters this fall. In addition to that, the sanctions language in this bill is absolutely unworkable; even the Cuban Government has said that the provisions may be worse than the status quo, and we really will not be able to sell product in Cuba because of the restrictions in this measure.

However, the needs of the country outweigh any one of those provisions, and we have to vote on the overall bill based on its merits.

I will quickly tick off key provisions of the bill: we do provide additional funds for market concentration investigation in our Grain Inspectors, Packers and Stockyards Administration; food safety, full funding in that program; additional funds for our Farm Service Agency operations, including extra funds to administer the disaster program so essential across this country this year; for our conservation programs, a decent level of support; research, which is key to the future; in APHIS, while the Animal Plant Health and Inspection Service, it has been funded in a manner that dedicates an inordinate amount of funds to the boll weevil program. We have so many other invasive species such as Asian longhorn beetle and others where we do not have equal levels of support. That is unfortunate. We were not able to work out fair apportionment of these funds completely.

In rural development, we do provide an increase over last year; in food donations, in the PL480 provisions and in title 2, an increase there to help move surplus product into the international market so as to help farm prices here at home; and then in the Food and Drug Administration, some additional assistance there, but certainly not what the agency was looking for.

I wanted to spend my final few minutes here talking about the emergency funding provisions in more detail, because this is so important across the country. For crop losses due to disasters, during the 2000 crop year, including those losses due to quality losses, we have funded what is necessary. We estimate across America that will require over $1.6 billion in funding.

There is funding in this bill for dairy producers to compensate for their low prices. There is livestock assistance. We had many questions on that from people representing ranching communities. Also there is targeted assistance for our apple and potato producers, cranberry producers, honey producers as well as wool and mohair. There is no reason just because you are not a row crop producer that you should not have some type of assistance if you are going to lose your operations.

There is authority in this bill to enroll an additional 100,000 acres in the Wetlands Reserve Program, and $35 million for the Natural Resource and Conservation Service for technical assistance in relation to that program, as well as the Conservation Reserve Program.

There is an additional $20 million in this program for cooperative development, for new co-ops to help farmers and ranchers reposition to meet the market in this very difficult period for them. Also there are additional funds for water and sewer across our country. We just cannot meet the entire need; the line of applicants is much longer than we are able to accommodate. We have done the very best we could in this bill.

Mr. Speaker, I would just ask the Members, in spite of the loopholes—and they are significant in the prescription drug provision and the sanctions portions of the bill—to vote for this bill. Overall the other provisions require our support.

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

Mr. SKEEN. Mr. Speaker, I want to thank the gentlewoman from Ohio (Ms. KAPTUR) for her kind remarks.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Speaker, I also want to commend the gentleman from New Mexico (Mr. SKEEN), chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, and join with the gentlewoman from Ohio (Ms. KAPTUR) in her praise for the chairman's activity on this subcommittee.

He has been a great chairman and a great friend and has really worked hard to balance the interests and needs of all the Members. I rise in support of

this conference report, because it may be that this subcommittee has produced maybe one of the most valuable appropriations bills that would come before the House of Representatives, because it meets the needs of human beings, their hunger needs, their food needs, and their medicine needs.

It all comes under the jurisdiction of this subcommittee. I especially appreciate that this is a further implementation of the Freedom to Farm Act that we passed back in 1996, which the President signed, and all of the Members of the House and Senate who cared deeply about agriculture have needed to have this next step taken in the area of lifting sanctions on food and medicine.

In that respect, I have been proud to work with the chairman and some of my colleagues on the subcommittee on both sides of the aisle, most importantly, the gentlewoman from Missouri (Mrs. EMERSON), certainly the gentleman from Arkansas (Mr. DICKEY), the gentleman from Iowa (Mr. LATHAM), the gentleman from New York (Mr. WALSH), the gentleman from Georgia (Mr. KINGSTON), the gentleman from Texas (Mr. BONILLA), and on the other side of the aisle, the gentlewoman from Ohio (Ms. KAPTUR), the gentleman from California (Mr. FARR), the gentleman from New York (Mr. HINCHEY), the gentleman from Michigan (Mr. OBEY), and the gentlewoman from Connecticut (Ms. DELAURO). We have all worked hard.

We do not have a product that satisfies each of us and all of us, but it is a great step forward as we lift sanctions on food and medicine and establish a new policy for our country as it relates to the imposition of sanctions unilaterally.

The President in the future, assuming he signs this bill, and I hope that he will, will have the Congress as a partner in decisions that are made about whether or not to impose sanctions on food and medicine unilaterally by our country.

Helping in this effort have been other Members of the House of Representatives on both sides of the aisle. The gentleman from South Dakota (Mr. THUNE) has been a great supporter; the gentleman from Kansas (Mr. MORAN); the gentleman from Washington (Mr. HASTINGS) has been a leader in this effort.

Mr. Speaker, I just want my colleagues to know that this is a new day for trade sanctions. It is a new day for agriculture and trade policy that says food and medicine should not be used as weapons of foreign policy. This is workable, notwithstanding the people who might say nay about it. This is going to work to benefit American agriculture. It is going to work for Iran, Libya, Sudan, North Korea, and Cuba.

I certainly respect my friends on the other side of this issue relating to Cuba, the gentleman from Florida (Mr. DIAZ-BALART) and the gentlewoman from Florida (Ms. ROS-LEHTINEN). They are very patriotic, good Americans who care deeply about the current sanctions policy in our country.

I happen to disagree with their policy position; but they fervently believe in it, and I respect that. We have tried to craft a measure that would work for their needs and their particular positions and policy decisions and those of us who care about the free trade side of American agriculture. Mostly, I would say to my colleagues that I have had a great staff that has helped get through this process, Rob Neal and Jack Silzel, and as imperfect as the legislative process might be, this is a good package. I hope it passes this House.

Ms. KAPTUR. Mr. Speaker, I yield 2⅓ minutes to the gentleman from Texas (Mr. STENHOLM), the very distinguished ranking member of the Committee on Agriculture.

Mr. STENHOLM. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. Kaptur) for yielding the time to me.

Mr. Speaker, I rise in support of the conference report. I want to begin by complimenting the work of the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR), the ranking minority member, as well as the full committee chairman, the gentleman from Florida (Mr. YOUNG), and the gentleman from Wisconsin (Mr. OBEY), the ranking minority member. They have done a tremendous job. In addition to facing the obstacle of unrealistic budget restraints, they have once again had to struggle against a leadership that is bent on subverting the expressed will of this House.

It is my fond hope that some day soon we will have an honest conference on an agricultural bill with input from the administration and from this side of the aisle in a true bipartisan result, but not today.

As a direct result of the leadership's involvement, we have lost key opportunities to move our country forward in both its trade relations and with regard to the availability of affordable prescription drugs.

Mr. Speaker, the agriculture embargo on U.S. sales to Cuba has done little to change the behavior of this island nation. In fact, U.S. sanctions have given Cuba an excuse for the failed policies of a communist regime. With complete normalization of trade relations, Cuba could become a $1 billion market for U.S. agriculture producers within 5 years, making it our second largest market in Latin America after Mexico.

On July 20 of this year, the House by a vote of 301–116 overwhelmingly expressed its will to end our unilateral trade embargo, and yet the provision inserted by the House leadership includes a travel ban and restrictions on finance that will continue to undercut the ability of U.S. farmers and ranchers to take full advantage of Cuba's market potential.

The compromise in this bill gets us 5 percent of where we need to be. Mr. Speaker, I am also concerned about the implications of the provision included in the conference report regarding trade sanctions. While I am sympathetic to the goal of this provision, it should have been withheld until we had a thorough analysis of all of its trade effects and, particularly, its effect on agriculture.

Mr. Speaker, despite these inadequacies, this conference report includes many good and important provisions, including funding, conservation, research, rural development. It provides much-needed assistance to agriculture producers affected by natural disasters. It addresses the drinking water emergencies in rural areas brought about by drought, and it will enact portions of the Hunger Relief Act that will be crucial to ensuring that our neediest citizens are adequately nourished.

Mr. Speaker, I support the conference report; and I thank my friend, the gentlewoman from Ohio (Ms. KAPTUR), for yielding the time.

Mr. Speaker, I am pleased that this conference report includes two important provisions from the bipartisan Hunger Relief Act, of which I am a proud co-sponsor. One of these would increase and then index the cap on the excess shelter deduction. This arbitrary cap can result in families with children having money they spend on their rent, mortgage, and utilities being counted as if it was available to buy food. I hope that in reauthorization, we can eliminate this cap altogether so that families with children are treated in the same manner as elderly and disabled households are now.

The other provision would give states broad flexibility to increase or eliminate limits on the value of vehicles they may own and still receive food stamps. For many low-income families, having a dependable car is essential to their ability to find and keep employment. Denying food assistance to a household based on the value of a vehicle makes no sense: if the household sold the vehicle, it would become eligible for food stamps but then would have a much harder time becoming more self-sufficient. This provision allows states to adopt rules from any program that receives TANF or TANF maintenance of effort funds as long as that program provides benefits that could meet the definition of ''assistance'' in the TANF rules. This could include, for example, any child care program since child care can count as assistance under certain circumstances. States would not be required to determine whether any particular individual received assistance from the TANF- or MOE-funded program since that would impose administrative burdens and whatever standards the state adopted would apply statewide. Where a household has more than one vehicle, a state electing the option would evaluate each under whichever rules would result in the lower attribution of resources, whether the regular food stamp rules or the rules borrowed from the other state program. Of course, if the state TANF- or MOE-funded program excluded cars completely, or did not apply resources rules, those rules would prevail.

Mr. SKEEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WALSH).

1545

Mr. WALSH. Mr. Speaker, I thank the gentleman from New Mexico (Mr. SKEEN), chairman of the subcommittee, for the excellent work that he did in working through these very difficult issues.

It has been said that politics is the art of the possible. What we accomplished on this bill, especially as it relates to our trade policies, is exactly what is possible, no more, no less. But what we have done, Mr. Speaker, is we made a historic change in our foreign policy.

Hopefully never again will the United States use food and drug as a weapon. Our farmers need all the markets that they can get. We should never be putting ourselves in a position where we are cutting off markets, because American farmers are the best in the world, the most productive in the world, and we need to help them to get to the markets.

The issue of reimportation of drugs, there has been an awful lot of demagoguery about this on the other side. The fact of the matter is we address it. For the first time, it is being addressed. I suppose if we had not addressed it, we would have heard about that, too.

We have improved on the food stamps regulations for poor Americans. Welfare reform did more for this country and its people than maybe any other reform that has been passed in the last 25 years. More Americans are productive. Fewer kids are in poverty. More Americans are healthy because of that reform. But we had some minor changes to make in the Hunger Relief Act, that will help States to address the issues of moving people from welfare to work.

Disaster relief, disaster assistance for farmers, apple farmers, dairy farmers, crop farmers, I think the Congress did a good job in a bipartisan way of addressing disaster relief issues.

We have made major strides in improving the environment through the Agriculture bill, primarily in the CRP program and also in agriculture research. This is a broad bill, it is an expansive bill, it is an important bill, and we need not focus on the warts and the scabs within the overall legislation. We need to focus on what is good about this bill and the commitment that we have made to the American farmer.

Ms. KAPTUR. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from California (Mr. BERMAN), a Member of the Committee on the Judiciary.

Mr. BERMAN. Mr. Speaker, I regretfully have to rise in opposition to the conference report, with great respect to the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR), the ranking member of the subcommittee, who I know have done their best to put together an attractive proposal. But I believe we pay too high a price in this legislation.

Several months ago, the House passed the Sanford amendment to the Treasury-Postal appropriations bill by a vote of 232 to 186, prohibiting the use of any funds to enforce the travel restrictions on Cuba, now we see, as the price paid to allow our farmers to export the codification of restrictions which work against the very goals that the proponents of those restrictions constantly proclaim they want.

The whole history of the downfall of tyranny comes from contact with people from democracies, with human rights crusaders, with people who want to establish people-to-people programs. Instead of allowing the flexibility to move ahead and advance these kinds of programs and other kinds of useful contacts, we codify a policy that, for 40 years, has failed to achieve its primary goal.

That is a terrible mistake. It is a violation of the civil liberties of the Americans and Americans right to travel. It undermines the very goal we seek in our Cuba policy. For the life of me, I would love to hear the explanation which prohibits export financing to Cuba but gives waiver authority and discretion to the executive branch when we talk about export financing of our exports to both Libya and to Iran.

Mr. Speaker, I would love to hear the gentleman from Washington or someone else defend that distinction.

Mr. SKEEN. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. DICKEY).

Mr. DICKEY. Mr. Speaker, I would like to speak in favor of this bill from several different standpoints: the standpoint of what the Nation is benefiting and how my State of Arkansas is benefiting.

First of all, we have the importation of drugs that is going to be a significant event in our Nation's battle against high drug prices. We have got in this bill a $3 million appropriation that will help in the construction for the National Center of Toxilogical Research in my district that will handle the imports and examinations. The FDA will be in charge of this, and they will handle the inspections on the drugs as well as inspections on all other imports. It is a very significant thing, and that bill is coming along and is going to be in place soon.

There is some education initiatives concerning timber. In our Forest Service areas, we have a serious problem of how to manage that. We will have a study of that in our University of Arkansas at Monticello.

We also have a seven-State program called Delta Teachers Academy that will have a learning center in the UAPB campus in Pine Bluff, Arkansas that will teach teachers how to teach. It will help them in doing that in the Delta.

We have net catfish initiatives. The National Aquaculture Research Center in Stuttgart, which is not in my district, but serves the Nation in studying catfish yields, improving yields, food quality, disease control and stress tolerance. We also have a specific appropriation for an Aquaculture/Fisheries Center at UAPB, again, in Pine Bluff, Arkansas that concerns itself with the control of the commorants as they are attacking the fish industry.

We have several different provisions also that will help catfish farmers in that the Secretary of Agriculture is prohibited from denying loans for catfish farmers in Arkansas for being in the floodplain.

All of these things plus others are the reasons why I am for this bill.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from North Carolina (Mrs. CLAYTON), a member of the Agriculture authorizing committee.

Mrs. CLAYTON. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me this time.

Mr. Speaker, like many conference agreements, this one has a provision that I am pleased with, and it has provisions that are not in it that I am not pleased with.

Nonetheless, I intend to vote for the conference report because it has many national priorities and local priorities that are important to the Nation's constituents and my constituents.

Among the provisions that are in this agreement is funding for modular housing for elderly North Carolinans who are flood victims, funding for a critically needed drainage project in flood-ravaged Princeville, North Carolina, and funding for the innovative agrimedicine project designed to combat farm injuries and illness in East Carolina University.

I am pleased to say that this agreement also includes very important language to combat hunger. Important food stamp modifications are made on the shelter cap and to the automobile cap.

While the WIC program did not receive all the funding it should have or that was requested, nevertheless, $4.1 billion is vitally needed and certainly will be used in this highly successful program.

This agreement includes significant funding for the emergency disaster relief for farmers, for crop losses, restoration projects. The agreement continues funding for agricultural research, education extension, service activity.

I am, however, disappointed that the agreement only includes $3 million of the $6.8 million approved by the House funding going for research to the Historically Black Colleges and Universities. Nonetheless, this agreement does offer some limited hope through this limited increase. Hopefully, we would do better the next time.

The overall agreement is comprehensive and does include important national priorities that deserve our support, and I urge its passage.

Mr. SKEEN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BONILLA).

Mr. BONILLA. Mr. Speaker, I rise in strong support of this agriculture appropriations bill. I think we all have to be reminded constantly that this is a bill that helps agriculture first and foremost.

But before I mention a couple of specifics, Mr. Speaker, I think for the record this Member at least has considered it a tremendous honor to work under the leadership of the gentleman from New Mexico (Chairman SKEEN) in this process. He is a person who sets the highest standard of integrity and brings to work every day the highest commitment. The character and the determination that he brings every day to work for the betterment of agriculture in America is something that I will always, always remember.

He is not going anywhere. But I think I speak for many of us on the subcommittee who just cherished the time that we have had working under his leadership on this subcommittee.

I want to specifically mention that this bill, again, does deal with a lot of important aspects of agriculture assistance and relief, drought, other natural disasters. Commodity prices over the years have dealt a bad hand to many of our producers in this country. There is a lot of assistance in this bill for that; $3.5 billion in economic assistance that does not need to be held up in Washington any longer.

I know that there are Members who do not like that certain commodities have received assistance in this bill as well. We have attempted to do the right thing and address all commodities that have suffered. We should not sit here and pick and choose who we help and who we do not based on whether or not we like what we grow or the farm programs that they operate under. They did not set the programs. Congress did. Now we must help all areas of rural communities survive in this very difficult time.

The bill also goes the extra mile to support farmers and ranchers. Agriculture credit programs are increased by $14 million over fiscal year 2000, and agriculture research has increased by $86 million. The boll weevil eradication program is funded at $79 million. These are just a few examples of how this bill will help our farmers and ranchers and all of us who have large rural agriculture communities.

The word ought to get out that there is a true commitment in a bipartisan way to help these folks who were really the salt of the Earth, the producers of this country who were trying to compete in international markets with other countries sometimes that subsidize their producers in unfair ways.

There is a tremendous commitment by many of us, again, in a bipartisan way to do what is right in this Agriculture appropriations bill. I stand in strong support and would urge all of my colleagues to do the same.

Ms. KAPTUR. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Michigan (Mr. DINGELL), the incredibly hard working ranking member of the Committee on Commerce.

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

Mr. DINGELL. Mr. Speaker, I thank the gentlewoman from Ohio for her kindness, amongst many others, to me.

Mr. Speaker, an otherwise acceptable bill has been very much hurt in the conference report by the drug reimportation provisions. In a word, they protect users of reimported pharmaceuticals very poorly if at all. They put them at severe risk and hazard.

So I am going to tell my colleagues some of the things that are going to happen as a result of these provisions so poorly studied by the Congress and so ill attended to in committee.

Soon, Americans will be taking substandard, adulterated or counterfeited imported drugs because of these provisions. These provisions will do nothing to help lower the price of prescription medicines and are no substitute for prescription pharmaceuticals to senior citizens under Medicare.

Because FDA is already overwhelmed with inspecting foreign manufacturers, it will not be able to handle the vast new responsibilities being imposed upon it, and consumers will suffer and be at risk.

In the coming years, FDA is going to be pilloried by politicians for failing to protect Americans from bad prescription drugs which are reimported under these provisions, when in fact the blame should fall squarely upon the politicians in the 106th Congress.

Make no mistake. This reckless legislation never went through the committees with expertise or experience in these matters. It is going to lead to needless injuries and deaths.

The world pharmaceutical market is a dangerous place, far more so than my colleagues understand. Congressional investigations showed this in the 1980s, and I know because I conducted those investigations. They will show it now. My written statement will elaborate on this point.

My opposition to the drug reimportation provisions requires me to vote against an otherwise acceptable bill.

I would note the American people want a decent prescription, not a placebo, and they want one that is safe and one which will help their health. This particular proposal will not. It puts Americans at risk. I warn my colleagues what they are doing. I hope they will listen.

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

Mr. DINGELL. I am glad to yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding to me. I do want to associate myself with his remarks. This is far more complicated than most people believe, as the gentleman from Michigan said. I am very familiar with his historical involvement in this area.

All of us want to relieve this problem, but I want to underscore the comments the gentleman from Michigan made, and I do want to associate myself with his remarks.

Mr. DINGELL. Mr. Speaker, I thank the gentleman from California. I hope my colleagues will listen to what the gentleman just said because we are putting the Nation and the senior citizens and others at risk. Reimporting drugs is a dangerous and risky prospect. Doing so without adequate protections and controls for the protection of consumers is a still greater risk. I ask my colleagues to listen to what I say. There is danger here they are not observing.

Mr. Speaker, I must oppose this bill. Although there are many very good provisions addressing major agricultural needs, there is also a very dangerous provision that would allow for the reimportation of prescription drugs from foreign sources. That is something I cannot support.

During the 1980's, the House Energy and Commerce Committee conducted a lengthy investigation into the foreign drug market that ultimately led to enactment of the Prescription Drug Marketing Act (PDMA). That investigation discovered a potentially dangerous diversion market that prevented effective control over the true sources of drug products in a significant number of cases. The distribution system was vulnerable to the introduction and eventual retail sale of substandard, ineffective, or even counterfeit pharmaceuticals. As the resulting Committee report stated, ''pharmaceuticals which have been mislabeled, misbranded, improperly stored or shipped, have exceeded their expiration dates, or are bald counterfeits are injected into the national distribution system for ultimate sale to consumers.''

The PDMA was designed to restore needed integrity and control over the pharmaceutical market, eliminating actual and potential health and safety problems before injury to the consumer could occur. Again, the Committee report was clear on why the PDMA was needed:

> [R]eimported pharmaceuticals threaten the public health in two ways. First, foreign counterfeits, falsely described as reimported U.S. produced drugs, have entered the distribution system. Second, proper storage and handling of legitimate pharmaceuticals cannot be guaranteed by U.S. law once the drugs have left the boundaries of the United States.

I find nothing today that suggests that the problem with misbranded, adulterated, or even counterfeit foreign drugs has been solved, and if anything, the problem may be getting worse. I am thus concerned that in our haste to find a way to bring cheaper drugs to seniors and other needy Americans—a clearly important and laudable goal—we risk making changes to key health and safety laws we may later regret.

On October 3, 2000, the Subcommittee on Oversight and Investigations held a hearing that underscored that the Food and Drug Administration (FDA) is already overwhelmed and underfunded, and thus unable to consistently undertake the many tasks now required to protect the U.S. drug supply. At that hearing, FDA Commissioner Jane Henney testified that FDA has insufficient post-market surveillance resources to keep pace with its current

mandate. Consequently, the agency is lagging in conducting inspections of firms that ship drug products to the U.S., and this burden is only going to worsen in the future.

The legislation in question today only exacerbates this already-serious problem. As envisioned by this proposal, FDA will newly be responsible for inspecting the entire custody chain between all parties and processes involved in the shipment of drugs back to the U.S. market. This could include repackaging and relabeling facilities, as well as the many storage firms that might be used in this process. This proposal would also ultimately require FDA to oversee the formation of new testing facilities, and develop regulations to address numerous safety concerns ignored by this proposal. In short, the reimport legislation will inundate an already overburdened FDA with new responsibilities. Worse, it will do so without any assurances that the agency will ever see the approximately $92 million it claims it needs to fully implement this plan. Instead, the bill only gives $23 million for a single year, or one-fourth of what the plan will ultimately require. Given the fact that the agency is already significantly underfunded, I see almost no chance it will see this money.

But even if Congress were to provide the additional resources, I remain skeptical that FDA could even construct a global regulatory framework as safe as what is now in place. FDA was unsuccessful in preventing counterfeit and substandard drugs from entering the U.S. before the Prescription Drug Marketing Act (PDMA) went into effect, and so I doubt it will be successful once many of its protections are undermined by this legislation.

Moreover, it is particularly troubling that drug prices may not even be significantly lowered as a result of this proposal. There is nothing that guarantees that in this process of undermining our current regulatory system, lower priced drugs will become available to needy Americans. Wholesalers may not pass on any accrued savings to the public, nor is it clear that they will necessarily be able to access a steady supply for resale. In fact, this bill is riddled with numerous loopholes that will allow manufacturers to label or produce their products in a form that makes them either impossible or cost-prohibitive to reimport. The notion that this bill will create an abundance of cheap, properly labeled, and properly repackaged drugs, easily available to reimporters, is simply false.

Finally, Mr. Speaker, this bill makes long-term changes to the Food, Drug and Cosmetic Act, without the benefit of even a single legislative hearing. During the 1980's, the Energy and Commerce Committee conducted a lengthy multi-year investigation resulting in numerous hearings before any related legislation was drafted. There have been no public hearings regarding this legislation, as most of this process has involved closed-door proceedings. With the many implications this legislation will have on public health and safety, this process has ill-served the public and is indefensible.

In conclusion, this provision represents the flawed implementation of a risky concept. Many of the Members supporting this legislation believe they are doing the right thing by helping Americans get access to cheaper medicine, and assume that medicine will, in fact, be safe. I agree that medicine needs to be cheaper, but disagree that reimported medicine will be as safe. We know too much about the kinds of drug manufacturing and distribution shenanigans that take place in other parts of the world to allow our system to be jeopardized by the legislation contained in this spending bill. It is flawed legislation that will, if passed in its present form, result in significant harm to the very persons we are trying to help. Thus, I cannot support this bill.

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Mr. SKEEN. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. First of all, Mr. Speaker, I just want to publicly say how much I appreciate the great work of our chairman. This will be his last bill as chairman of the subcommittee. It has been just an absolute pleasure and an honor to work with the gentleman from New Mexico (Mr. SKEEN).

I know the gentleman is staying here next year and everything; but because of the rules, he will no longer be chairman of this subcommittee; and I just want to tell him on a personal level how much I appreciate all his hard work and what a great job he has done for New Mexico and for the rest of the country.

And to the ranking member, Mr. Speaker, the gentlewoman from Ohio (Ms. KAPTUR), it is a real pleasure and it is fun to work with her with the interest we all have in agriculture.

Mr. Speaker, this, I think, is an excellent appropriations bill. We have been through a very long process throughout the entire year with hearings, listening to the concerns of the people and the agencies, their proposals, expressing concerns at the way management in some of the agencies has taken place and trying to do the best job possible in this bill to address those concerns. The one major concern we have, as far as delivering services in Iowa, and I think throughout the country, is with the FSA offices. This bill increases funding for those people who are at the ground level doing the work out there, actually in contact with the farmers themselves; and these people are working their hearts out in the countryside.

There is increased funding in the bill to the tune of $34 million in addition to the $50 million additional to take care of the emergency disaster programs that are also stated in this bill. Mr. Speaker, there is an increase as far as our credit programs so that we can continue to use that tool for exports and to make sure that we do try and have opportunities for our farmers to sell their products overseas.

Conservation is a huge issue as far as we are concerned in Iowa and throughout the country, and those activities are increased by $53 million in the bill. Food safety is increased by $47.5 million. Funding for the Food and Drug Administration is almost $35 million more than what it was last year, and $89 million basically, with some savings with the President.

We are continuing our commitment as far as food and nutrition for our people here, increasing funding for WIC. A very, very important issue for Iowa is the lifting of sanctions in the bill with Cuba, Iran, Libya, North Korea, and the Sudan. With the Cuban issue, it is a major breakthrough for us to finally have that door at least cracked open so that we have an opportunity to sell into that market, and to also look to these other new markets that we have and be able to use credit here in the U.S. to go into highly populated countries, like North Korea, Iran, and these other countries that offer so much potential for us.

I am not totally comfortable with all the provisions in here. I would like to see opening of travel and things like that, but we at least have a breakthrough as far as this issue is concerned. I think we can advance the idea that through openness, through trade, we can change countries and have them come into the democracy, which we all very, very much want.

Again, I congratulate the chairman and the ranking member.

Ms. KAPTUR. Mr. Speaker, I would like to inquire as to the remaining time on both sides.

The SPEAKER pro tempore (Mr. NUSSLE). The gentlewoman from Ohio (Ms. KAPTUR) has 13 minutes remaining, and the gentleman from New Mexico (Mr. SKEEN) has 10 minutes remaining.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE), the very able member of the Committee on International Relations.

Ms. LEE. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I rise today in strong opposition to H.R. 4461 in its current form, but in strong support of ending the embargo on the sale of food and medicine to Cuba. Our current policy toward Cuba was created in the early 1960s, at the height of the Cold War. The Berlin Wall has now crumbled, the Soviet Union has vanished, but this archaic policy is still here.

For 40 years, 40 years, we have maintained a blockade on trade and food and medicine with Cuba, and we have put severe restrictions on travel by American citizens. We must lift that blockade without imposing new barriers. However, this bill codifies current restrictions on Americans travel to Cuba. What, I must ask, is our country afraid of? How can it be against our interests for our citizens, our most effective ambassadors, to travel to Cuba?

How can we live in the greatest democracy in the world and restrict the travel of our own citizens? Americans should have the right to see Cuba for themselves. They should have the right to form their own judgments about this Afro-Hispanic island 90 miles away from our shores.

I have led and participated in many delegations to Cuba in an effort to promote education, understanding and cultural exchange between our countries. I have seen a child with kidney

disease in grave danger because the embargo prevented the importation of a U.S.-made part for a dialysis machine at this hospital. And I have seen Cuba's health care system, which guarantees its own citizens universal health care, which we still cannot figure out how to do.

We should allow anyone and everyone who wants to travel to Cuba to do so without fear of breaking the law and going to jail. I urge my colleagues to oppose restrictions on travel to Cuba in this bill and vote ''no'' on H.R. 4461.

Mr. SKEEN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, first of all, I want to say that I rise in support of this legislation, and I want to thank the gentleman from New Mexico (Mr. SKEEN) for the tremendous leadership he has given all of us over the last several years, fighting hard for our producers, helping us deliver emergency and disaster aid. I do not know anyone who has worked as forthrightly and on a consensus basis as the gentleman from New Mexico has, and I want to thank him. We will miss him tremendously as our leader next year, but I do thank him.

I also want to thank the gentlewoman from Ohio (Ms. KAPTUR) for the excellent work she does and for her dedication to supporting American agriculture as well.

I want to say that this is a great bill. I wish in a couple of instances we could have done more, particularly on the issue of agriculture embargoes, which the gentleman from Washington (Mr. NETHERCUTT) has championed so well. But even though it does not go quite as far with regard to Cuba, let us not forget that we are also dealing with four other countries against whom we have had sanctions on food and medicine, and this represents a $6 billion market potential for our producers.

We are all so caught up in the emotion of Cuba that we forget, quite frankly, that it is the other countries that present the biggest opportunity for our producers, and I did not want to let that go without mentioning it.

I also am very pleased that we have included in the emergency assistance package a piece that is very similar to the stand-alone legislation that the gentleman from Arkansas (Mr. BERRY) and I introduced, doubling the loan deficiency payment, particularly when our farmers and ranchers are in such dire straits for the third year in a row.

But let me end by addressing the entire issue of reimportation once again, and say that all of the loopholes that have been recognized on the part of my colleagues on the other side are loopholes that really will not exist if in fact we are determined to work closely with the Food and Drug Administration to make this legislation work.

Number one, dealing with the issue of labeling. Let me reiterate again that the President said he liked the language in the Jeffords bill that passed the Senate. This is the exact language on labeling which is in the Jeffords bill. The President urged the Senate to send him the legislation so he could sign it, as long as the appropriate money was there to implement it. We have, in fact, included $23 million that the FDA requested for this year to do just that.

On the issue of contracts. Let me say once again that while we have not included the exact language that the gentleman from California (Mr. WAXMAN) wanted, we have in fact included language that does prevent a manufacturer from limiting or entering into any kind of contractor or agreement that prevents the sale or distribution of covered products for reimportation purposes.

So all in all I think this is an excellent bill and I urge a ''yes'' vote, and I again thank the chairman for the great job that he has done.

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume in order to place in the RECORD language from the New York Times this morning refuting what my very dear colleague, the gentlewoman from Missouri (Mrs. EMERSON), has indicated.

It says Dr. Jane Henney, the Commissioner of Food and Drug, said, ''Nothing in the bill requires a manufacturer to give the approved label to an importer or to allow use of the label by an importer, which means that it is not enforceable.''

And then today we receive from the Office of the President, the Office of Management and Budget, the following. And I enter the direct language in the RECORD because in the future we will have to repair the damage that is going to be done when this bill is passed today. It says, ''The administration is disappointed that the prescription drug reimportation provision in this bill will fail to achieve its goal of providing needed relief from the high costs of prescription drugs. The majority leadership chose to end bipartisan negotiations and, instead, produced a provision in the conference report that leaves numerous loopholes that will render this provision meaningless. Specifically, it allows drug manufacturers to deny importers access to FDA-approved labeling required for reimportation so that any and all drug companies could, and probably would, block reimportation of their medications. Second, a sunset was added that ends the importation system 5 years after it goes into effect. This will limit private and public sector interest in investing in this system.''

And I would just depart from that to say to my colleague that sunset was not in the Jeffords bill, as the gentlewoman indicated earlier today.

And, finally, third, this letter says, ''The conference language permits the drug industry to use contracts or agreements to provide financial disincentives for foreign distributors to reimport to U.S. importers. It is wrong that U.S. citizens pay the highest prices in the world for medications, leaving many with no option than to go abroad to obtain affordable prescription drugs. But it is also wrong to provide false hope that this provision will work to address the problem. Moreover, Congress has thus far failed to pass a meaningful Medicare prescription drug benefit that will not only provide price discounts but will ensure seniors and people with disabilities against the catastrophic costs of medications.''

That is a direct quote from the Executive Office of the President. And, Mr. Speaker, the full content of the statement is as follows:

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)

H.R. 4461—AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL FY 2001

(Sponsors: Skeen (R), New Mexico; Cochran (R) Mississippi)

This Statement of Administration Policy provides the Administration's views on the conference version of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 2001.

The conference report includes support for a number of important priorities for the Nation. In particular, the bill includes full funding for the President's Food Safety Initiative, significant increases in rural development programs to help rural communities and residents take part in the national economic expansion, provisions that will enable food stamp recipients to own dependable cars and have better shelter without losing their eligibility, and relief to farmers and ranchers who suffered losses from natural disasters. While the Administration continues to support a range of conservation efforts, such as the Farmland Protection Wetlands Reserve, and Environmental Quality Incentives Programs, and is disappointed that this bill did not provide full funding for these efforts, we do appreciate the increases that were provided including funds for conservation technical assistance. However, while the Administration supports this conference report, it has concerns with several provisions in the bill.

The Administration is disappointed that the prescription drug reimportation provision in this bill will fail to achieve its goal of providing needed relief from the high costs of prescription drugs. The majority leadership chose to end bipartisan negotiations and instead produced a provision in the conference report that leaves numerous loopholes that will render this provision meaningless. Specifically, it allows drug manufacturers to deny importers access to the Food and Drug Administration (FDA)-approved labeling required for reimportation so that any and all drug companies could—and probably would—block reimportation of their medications. Second, a ''sunset'' was added that ends the importation system five years after it goes into effect. This will limit private and public sector interest in investing in this system. Third, the conference language permits the drug industry to use contracts or agreements to provide financial disincentives for foreign distributors to reimport to U.S. importers. Finally, despite the Administration's repeated requests, the conference requires FDA to pay for the costs associated with this provision from within resources needed to perform its other important public

health activities. It is wrong that U.S. citizens pay the highest prices in the world for medications, leaving many with no other option than to go abroad to obtain affordable prescription drugs. But it is also wrong to provide false hope that this provision will work to address this problem. Moreover, Congress has thus far failed to pass a meaningful Medicare prescription drug benefit that will not only provide price discounts but will insure seniors and people with disabilities against the catastrophic costs of medications.

On the ''Trade Sanctions Reform and Export Enhancement Act of 2000,'' which is included in the conference report, there are two major concerns to the Administration. First, the restrictions on the ability of the President to initiate new sanctions and maintain old ones are overly stringent. This effectively disarms the President's ability to conduct foreign policy while providing potential targets of U.S. actions with the time to take countermeasures. Second, the provisions of the bill affecting travel to Cuba would significantly set back our people-to-people exchanges that are in the interest of opening up Cuban society. They also would preclude travel by technicians and others needed to conduct normal business by the U.S. Interests Section in Havana, as well as travel for humanitarian purposes.

With respect to the provision, ''Continued Dumping and Subsidy Offset Act of 2000,'' the Administration agrees with the findings that state that unfair trade laws have as their purpose the restoration of conditions of fair trade. However, that is the purpose of the anti-dumping and counter-vailing duties themselves, which accomplish that purpose. By raising the price of imports they shield domestic producers from import competition and allow domestic manufacturers to raise prices, increase production, and improve revenues. Consequently, distribution of the tariffs themselves to producers is not necessary to the restoration of conditions of fair trade. In addition, there are significant concerns regarding administrative feasibility and consistency with our trade policy objectives, including the potential for trading partners to adopt similar mechanisms. Such concerns were raised and examined with regard to a similar proposal considered during passage of the Uruguay Round Agreements Act. That proposal was ultimately rejected.

In addition, the Administration believes the provision removing the authority of USDA's Undersecretary for Natural Resources and the Environment has no justification, will interfere with the agency's ability to manage itself effectively, and sets a highly undesirable precedent.

The Administration is also disappointed that the bill prohibits the Secretary of Agriculture from designating any part of a USDA research lab in Ft. Reno, Oklahoma, as surplus land, thereby preventing any consideration of returning land to the Cheyenne-Arapaho tribe. The Secretary should retain his authority to effectively manage USDA property and consider its alternative uses.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS), the ranking member of the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services, who is so very passionate and committed and intelligent.

Ms. WATERS. Mr. Speaker, I rise to oppose this conference report because it includes language that is against the will of this body.

Mr. Speaker, there is a United States embargo against Cuba. The blockade serves no real purpose but to satisfy the Florida anti-Fidel Castro Cubans who wish to direct the will of this House.

The people of Cuba need food and medicine. The children are in desperate need of these supplies that we could easily sell to Cuba.

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The United States Chamber of Commerce has been to Cuba, the Farm Bureau has been to Cuba, and many members of the agriculture caucus of this body have been down to Cuba, and they are all desirous of lifting this embargo, at least to be able to sell food and medicine.

However, some Members of this House are captives of those Cubans in Florida who have not only tried everything that they can to keep this embargo intact but they have also influenced certain Members of this body to get involved with placing further travel restrictions in this bill.

We have done very well with travel to Cuba. Many Americans go there. We have academic exchange. We have cultural exchange. And it is working very well.

If people are desirous of seeing Cuba, the Cuba that they think it should be, it is only because there is people-to-people contact. But having codified these travel restrictions, we have now placed this in jeopardy.

Well, this meager, little attempt to sell to Cuba without having any financial infrastructure to do so, no credit from the United States financial institutions or government, is not going to work. We are undermining the very efforts of those who would like to sell agricultural products and food and medicine to Cuba.

I would ask for a no vote. This is a wrong-headed policy.

Mr. SKEEN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, I want to address the issue that the gentlewoman from Ohio (Ms. KAPTUR) spoke about and say I brought this up earlier.

Yesterday the Supreme Court refused to grant certiorari to Smith Kline Beecham on an appeal because they were concerned that FDA was allowing a generic drug company to copy their labels. The Supreme Court would not take the issue.

Basically, I will read the judge's ruling. It says, ''We hold that Hatch–Waxman amendments to the existing Food, Drug and Cosmetic Act require generic drug sellers to use labeling that may infringe the copyright in the label of the pioneer drug. We further hold that, as a result, copyright liability cannot attach to Watson's use of Smith Kline's label.''

Therefore, allowing the copying of the label. And in the language that we have in the legislation, there is broad enough language giving the Secretary and the FDA the discretion to require this.

Mr. GUTKNECHT. Mr. Speaker, will the gentlewoman yield?

Mrs. EMERSON. I yield to the gentleman from Minnesota.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I have been listening to some of this debate today about importation and reimportation. I would like to talk for a minute about how I got involved in this debate. It was because our own Food and Drug Administration has been and even to this day is sending out threatening letters to senior citizens who try to save a few bucks on prescription drugs. That is how I got into this debate.

Now, some people are saying, well, it does not go far enough; and some people are saying it goes too far. I am reminded of what Winston Churchill said the day after the invasion at Normandy. He said, ''This is not the end. This is not even the beginning of the end. This is simply the end of the beginning.''

This debate on opening up the market and creating more competition for prescription drugs is not over. This is the beginning.

But, at least, for the first time in 8 years, the Congress is sending a clear message that the threatening letters to seniors for trying to save a few bucks on prescription drugs is going to end. And if it does not end, by the grace of the voters in my district, I will be back and I will be working with people from all sides of the aisle.

I do not like some of the restrictions that were put on in the conference committee. But I know this, we have made more progress in the last 3 weeks on this issue than this administration has made in 8 years. And I think it is good progress, and I think we are going to see prescription drug prices coming down.

Let me just show my colleagues this chart again. Look at what people pay in the United States compared to the rest of the world.

Why are we sending threatening letters to seniors?

This bill may not be perfect, but it is a giant step in the right direction. I congratulate the gentlewoman from Missouri and those of my colleagues who had the courage to stand by and fight for this issue because I think, in the years to come, we are going to see prescription drug prices in the United States come down dramatically.

I would hope we will do this on a bipartisan basis. I do not think saving money for seniors is a partisan issue.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the very distinguished gentleman from Maine (Mr. BALDACCI).

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

First of all, let me just say there is a lot of good things in this bill for agriculture. I commend the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR) for their hard work in the committee.

Second of all, I would like to say that the reimportation issue that we have worked on is not a long-term solution to the problem but it certainly moves forward. It is not perfect but it certainly is going to enhance the ability of Americans and Maineards to be accessing low-cost, affordable prescription medicine.

Now, maybe there is a better way to do it. Maybe there is an easier way to do it. And that probably is by being able to amend Medicare to be able to have this part of the program universally offered. But that is not the issue we have before us. Our seniors need relief.

I want to commend the gentlewoman for working together on this issue, recognizing that there have been differences and it is not a perfect piece of legislation. But I do think it is going to go a long way. We have 325,000 seniors in Maine that do not have access to low-cost, affordable prescription medicine or insurance. This will afford the State an opportunity to negotiate to be able to have access to this pricing so we can do better for its seniors, and that is something that we should be supporting.

Ms. KAPTUR. Mr. Speaker, I yield myself 15 seconds only to say that the reason, I say to the gentleman from Minnesota (Mr. GUTKNECHT) that we do not have prescription drug legislation is because this Congress did not pass it. And this is our only chance, and, unfortunately, a flawed bill is being presented as the only option that a few people here negotiated on their own, not in a bipartisan way.

Mr. SKEEN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, I am going to vote for this bill. But I think before we be too self-congratulatory, we should be modest, particularly in regards to the provisions on the Cuba agricultural trade issue and on the reimportation issue. There are many areas in both of those provisions that we should strengthen. And we will be back next year I predict and we are going to strengthen those.

I consider this a small step forward on both of those. And so, I am going to vote for the bill. But just one of the provisions on the reimportation says that first an importer must get the drug tested and then get the manufacturer to supply the paperwork to the pharmacist.

What will happen then? The manufacturers will know every pharmacist that is reimporting drugs. Maybe the next time that pharmacist needs to have a drug from that pharmaceutical company they will find that the pharmaceutical company does not have enough drugs to provide them.

These are the types of things that we should have debated more fully and had some amendments on. But I do think the bill should move forward and I will vote for it, and I encourage a yes vote from all of our colleagues.

Ms. KAPTUR. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE) a very outspoken Member and a very able Member.

Ms. JACKSON-LEE of Texas. Mr. Speaker, first let me thank the gentlewoman from Ohio (Ms. KAPTUR) for her persistence and consistent work dealing with agriculture in the United States. And I thank the chairman of the committee.

I am from Texas. And there is a lot of agricultural business and work in Texas. There are also a lot of issues dealing with the needs of hungry people in the agriculture bill.

But it disturbs me greatly and I have expressed my consternation and opposition in voting against the previous question how we would ignore the thousands of seniors in my congressional district who are already aware that they cannot finance food and rent and prescription drugs, and then to ignore a bipartisan effort on the question of drug reimportation seems to be the height of hypocrisy.

This bill claims to have a drug reimportation provision, but it allows drug companies and their intermediaries to price discriminate against U.S. pharmacies and importers. It sunsets the legislation so we cannot even put in a reasonable infrastructure to encourage our pharmaceuticals and others to engage in this program. It allows drug manufacturers to block the importation of drugs through labeling because it does not allow the use of FDA-approved labeling. And we have gotten our consumers very label conscious.

And so, this is a death knell for the legislation. And it does not guarantee American consumers access to the best world market price because it restricts the countries eligible for importation even though the FDA agrees that safety standards for imported drugs are high enough to allow access to the entire world market.

Our neighbor in Texas, of which many of my constituents go to, Mexico, has been excluded, one of the largest countries in the southern hemisphere where thousands of seniors are already busing themselves to get cheaper drugs.

This is a poor statement on a crisis in America. It is a tragedy that we be so hypocritical. I am sorry we have used the agricultural vehicle for such a legislative initiative. I hope, Mr. Speaker, we can fix this problem.

Mr. Speaker, I rise to offer mixed sentiments regarding the consideration of the conference report for our Nation's Agriculture appropriations. First and foremost this legislative effort represents our plans for our Nation's food source for the next year, but this bill is much more because it touches prescription drug reimportation into the United States.

The measure appropriates $78.5 billion—$3.0 billion (4 percent more than the House bill, 4 percent more than the Senate measure and 2 percent more than requested by the administration. The agreement includes $3.6 billion in emergency funding to aid farmers hurt by disasters and low commodity prices; the House bill had provided only $115 million in emergency aid to apple and potato growers, while the Senate measure had $2 billion in disaster relief.

Over 75 percent ($59.8 billion) of the total budget authority provided by the agreement in FY 2001 is mandatory spending for entitlement programs, including $20.1 billion for the food stamp program. The remainder ($18.7 billion) is for discretionary programs. The discretionary spending in the bill is $4.7 billion more than the FY 2000 appropriation and $3.2 billion more than the administration's request.

As has been the case with the last couple of agriculture appropriations bills, this year's measure broke with a tradition of easy passage and has been complicated by various issues. At the top of the list of things stalling the measure has been a proposal to relax trade sanctions against food and medicine sales to Cuba and other so-called rogue nations. In addition, proposals to ease Food and Drug Administration (FDA) rules for importing drugs and address rising prescription drug prices slowed the measure's progress dramatically. Finally, settling on emergency funding levels to aid farmers recovering from disasters and struggling with low commodity prices also proved difficult. Negotiators developed compromise language on each of these contentious issues during conference action.

This bill also makes an historic step toward removing the last vestiges of the cold-war era by instituting conditions for trade with Cuba. The agreement lifts current economic sanctions to allow shipments of food and medicine to Cuba among other nations. In the case of Cuba, the measure bars public and private United States financing of Cuban agricultural purchases. It also codifies restrictions (currently implemented by executive order) on Americans traveling to Cuba. This is an unfortunate result and this Congress should work to change this stifling action that will impair efforts to help the Cuban people.

The agreement purports to allow pharmacies and wholesalers to buy American-made prescription drugs abroad and reimport them into the United States. Unfortunately there is a loophole in this legislation, which may allow drug manufacturers to continue charging higher prices for medicine to our Nation's elderly who so desperately need relief. Under this legislation the drug companies will be allowed to continue to market the same drugs that Americans have to pay higher prices for under different names in Mexico and Canada. Further, there is language in this bill, which will allow drug companies to restrict the marketing of these drugs under their cheaper names back here in the United States. Once again the American public is being told that Congress is responding to the problem of the high cost of prescription drugs in this country, but yet again there is a loophole for the consumer to fall through. This Congress should not abdicate its responsibility to offer financial relief to the millions of elderly Americans who have to choose each month between paying their bills, purchasing food, paying rent, or buying vital medicine.

I would like to acknowledge that this conference does include as much as $3.4 million of the $6.8 million I requested be set aside for the 1890 Land Grant Colleges, which also includes many of our Nation's Historically Black

Colleges and Universities, for research activity. Historically these institutions of higher learning received marginal increases and have been level funded for the last 5 years. The amendment will increase research activities by $4 million and extension activities by $2.8 million for the 1890's land grant institutions. This $6.8 million increase will be deducted from the Agricultural Research Service (ARS) funding included in the bill.

I had hoped that the conference committee members would have deemed it more than reasonable to fund this area to the full $6.8 million that was requested. Given the fact that the minority 1890 Land Grant Colleges did not receive any land-grant funding from the United States, unlike other land grant colleges, prior to 1967 with formulary funding not beginning until 1972. Since 1988 Federal funding for agriculture programs has declined by 8 percent and the base funding that supports agricultural scientists and extension educators has eroded by 16 percent. This has obviously had a devastating negative impact on the 1890's. Federal support for basic research in the decades since the 1950's has decreased from an annual growth rate of 22.9 percent in the 1950's to 2 percent in the current decade. Flat support for food and agricultural sciences compounded by the lack of adequate state matching funds have created an alarming erosion in the conduct of 1890 research and extension services. Although the Congress encouraged States to provide a 30-percent match for 1890 landgrant programs in FY2000, several 1890's are facing nearly insurmountable barriers in getting states to comply.

I hope that the actions taken in this bill to provide additional dollars to 1890 Land Grant Colleges will mark a new era of Federal support to these Historically Black Colleges and Universities.

Within the measure's $34.1 billion for domestic food programs is $4.1 billion ($37 million less than requested) for the women, infants and children (WIC) program. The bill appropriates $873 million ($5 million less than requested) for conservation programs; $973 million ($39 million more than requested) for the Agricultural Research Service; and $1.5 billion ($84 million less than requested) for the Rural Housing Service. It also provides the administration's request of $973 million for the PL–480 Food for Peace Program.

In addition, the measure modifies the eligibility rules regarding automobile ownership and monthly housing costs for food stamp recipients. Current law prohibits food stamp recipients from owning a car worth more than $4,650 or paying monthly housing costs of more than $275. Under the agreement, States could set their own caps for the vehicle allowance and gradually raise the housing cap over 5 years to $340 per month.

I would like to thank the conferees that worked on this conference report. However, I will vote ''no'' on the rule because of several failings in the bill and I will reluctantly vote ''yes'' on the legislation.

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

Ms. KAPTUR. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. HINCHEY) the sponsor of the key amendment that would have prevented drug companies from discriminating against U.S. importers and would have ensured that U.S. importers could purchase drugs on the same terms and conditions as foreign purchasers.

Mr. HINCHEY. Mr. Speaker, first of all, I want to express my profound appreciation to the gentleman from New Mexico (Mr. SKEEN), the chairman of the subcommittee, for the work that he has done and the leadership that he has provided on this initiative, along with the gentlewoman from Ohio (Ms. KAPTUR), the ranking minority member. It has been a profound pleasure to serve on the subcommittee with both of these Members.

Mr. Speaker, this is a good bill in many respects. The agriculture bill here contains increases in farm conservation and rural development programs. It contains important increases in rural housing, business, and utilities programs that are critical to small communities across the country.

In addition, it contains important recognition for the Rural Economic Area Partnership Zone Program. It also includes funding for important agricultural research initiatives.

In addition, it contains a little more than $3 billion in critical emergency assistance for farmers and ranchers who have suffered through another year of bad weather and low prices.

There is also $138 million for apple farmers struggling to overcome loss of markets and devastating weather that have occurred over the last 3 years.

I want to make it clear, that particular provision for specialty crops was originated in this House in the Subcommittee on Agriculture Appropriations and nowhere else. So, for the first time, apple farmers and other growers of specialty crops are going to get recognition for the difficult circumstances under which they operate.

This bill is a good bill. It provides assistance for dairy farmers, $1.6 billion in crop losses for all farms all across the country. All farmers are going to benefit from it.

So if my colleagues are going to vote for this bill, as I am, vote for it for the agriculture and the rural development provisions in the bill, all of which are exemplary and good. Do not vote for it for the provision on prescription drugs. Because the prescription drug provision in this bill is a shell, it is a fake, it is a sham. It will not provide prescription drugs at reduced prices for any American anywhere. It is designed precisely in that way, to prevent any consideration to reduce prices of pharmaceuticals imported from Canada or anywhere else because the bill fails to recognize the ability of the pharmaceutical companies to insert language that will prevent that from happening.

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This is a good bill in many respects. However, it leaves to the next Congress the necessity to deal with the issue of the high cost of prescription drugs in America.

Ms. KAPTUR. Mr. Speaker, I yield myself the balance of my time.

I just wanted to end by pointing out an important clarification here. The gentlewoman from Missouri indicated there was a Supreme Court case or an appeals court case and inferred that it supported her point of view.

Let me say that the Supreme Court declined to review the SmithKline case so the appeals court stands. If the law requires you to use labels, you must. And that is exactly what the Democratic amendment required, exactly what the Waxman amendment required, exactly what the DeLauro amendment required in the subcommittee markup.

Mr. SKEEN. Mr. Speaker, I yield 30 seconds to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, the judge said that they hold that the Hatch-Waxman amendments that already exist to the Food, Drug and Cosmetic Act require the labeling be used, be given by the drug manufacturer to the generic which means then, or to the reimporter in our particular case, and that it is not an infringement of copyright liability and, therefore, the drug company will have to provide the labeling under the discretion of the FDA. The FDA has broad discretion in this area and, therefore, all of that is covered in the language that exists in the bill that we are about to vote to pass.

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

Mr. Speaker, we have heard a good deal about what the bill does do and does not do in terms of two provisions, prescription drug reimportation and trade sanctions. I would like to remind my colleagues that both of these issues more properly belong in an authorization bill, not appropriations. But they are here in our bill and represent some progress in helping our senior citizens get affordable medicines and helping our farmers and ranchers sell more of their products. That is a great marriage.

If Members want to criticize this bill for what is not there, then I would remind them that this bill also does not have campaign finance reform, it does not have managed health care reform, and it does not guarantee peace in the Middle East. What this bill does, among other things, is improve our environmental and water resources, provide food and nutrition for the vulnerable in our society, protect our food and medical supplies, and keep our system of agriculture the best and the strongest in the world.

Oddly enough, that is what this appropriations bill is supposed to do. That is why every Member of this body should recognize the good that this bill will do for their constituents and vote ''aye.''

Mr. GILMAN. Mr. Speaker, while I am troubled by the failure of this measure to include funding for the disaster that befell our onion farmers in 1999, I will support this measure because it provides vitally important assistance to many farmers, growers of speciality

crops and dairy farmers as well as the agricultural communities in my district.

I would also like to express my concerns over provisions in this bill in the Trade Sanctions Reform and Export Enhancement Title relating to Iran and other nations on the list of terrorist nations. We should, in my view, not be modifying our present policies toward Iran and Libya where we have in place a de facto prohibition against government credit for our exports to those countries.

The waiver on the prohibition on financing for commercial exports to Iran, Libya, North Korea or Sudan for national security purposes is, in my view, overly broad. Next year, we need to revisit this issue so we can ensure that the U.S. Taxpayer is not supporting commercial exports to terrorist countries, unless there are urgent humanitarian reasons to do so.

We also need to clarify that in providing licenses for the export of goods or services to countries promoting international terrorism under the current guidelines of the Department of the Treasury, we should keep the procedures in place for the denial of each and every license for any export to a person or group found to be promoting acts of international terrorism.

Mr. KOLBE. Mr. Speaker, I believe overall that the Agriculture Appropriations Conference report is a very good bill. It contains many admirable provisions including language that would allow the reimportation of prescription drugs. Data shows that a single does of a drug that costs a senior citizen $1 in the United States only cost 64 cents in Canada, while in Italy the same drug costs only 51 cents. I support drug reimportation—I am convinced this is one way to reduce the cost of prescription drug prices without imposing price controls or burdensome regulations on drug manufacturers. Indeed, I voted in favor of these provisions when the Agriculture Appropriations bill first passed the House and I am a cosponsor of H.R. 1885, the International Prescription Drug Parity Act, which contains many similar provisions.

Also included is funding for a number of initiatives which I strongly favor, including $1.5 million for pink bollworm control programs, $500,000 for aflatoxin research in Arizona. $5 million for the Water conservation and Western Cotton Laboratory move from Phoenix to the University of Arizona's Maricopa Agriculture Center (MAC), $495,000 for the International Arid Lands Consortium (administered by UA), $369,000 for the Southwest Consortium for Plant Genetics and Water Resources, $200,000 for hesperaloe and other natural products from desert plants research (conducted by UA), and $4,177,000 for shrimp aquaculture research. And I voted for a bill which contains these provisions when it passed the House on July 11, 2000.

However, during conference deliberations on the Agriculture Appropriations bill, an amendment was inserted into the bill that was not considered by an committee in either the House or Senate. This provision has serious repercussions for U.S. industry. Because of my strong opposition to this provision, I will reluctantly vote against this bill today.

Under the amendment adopted in the Agriculture Appropriations conference report, antidumping and countervailing duties which are currently paid by the importing industry would be transferred from the U.S. Treasury Department directly in the petitioning company. This is a major change in our current antidumping and countervailing duty laws with potentially disastrous consequences. Under current law, antidumping or countervailing duties are assessed to offset the dumping or subsidy and paid to the U.S. Treasury. Payment of the duties readjusts the market to replicate conditions as if dumping or subsidization had not occurred. The theory behind this law is to level the playing field between U.S. producers and foreign importers so that each may compete fairly for access to U.S. consumers. The provision inserted into the Agriculture Appropriations bill does much more—it double compensates the petitioner by no only offsetting the alleged injury, but also providing a windfall subsidy to the petitioner.

This provision will encourage other countries to adopt a similar industry subsidy. U.S. exporters facing dumping duties will end up directly subsidizing their competitors instead of paying duties to a foreign government. Because U.S. companies are the biggest targets of AD/CVD actions, this threatens our exports.

Subsidization of industry by any government which is a member of the World Trade Organization violates the WTO Agreement on Subsidies on Countervailing Measures. The U.S. Government supported this Agreement because we sought to eliminate foreign subsidies which undercut the ability of U.S. industry to compete abroad. Payment of AD/CVD duties violates the Agreement which could lead to retaliatory tariffs against innocent U.S. exporters.

The lure of a potential monetary windfall could spur additional litigation under our AD/CVD laws. In order to be eligible for the potential windfall, U.S. industry would be encouraged to join in the filing of AD/CVD petitions. Otherwise, they would not be eligible for any payments which might be made under this new provision. Furthermore, the promise of monetary compensation would take away any incentive to enter into ''suspension agreements'' or settlements whereby a foreign producer agrees not to sell below an agreed price in an antidumping case. More cases means more duties, on the backs of this U.S. industries which depend on steady supplies of products which may subject to AD/CVD.

Because of the serious implications of this ill-considered provision, I am reluctantly voting against the Agriculture Appropriations conference report.

Mr. BLUMENAUER. Mr. Speaker, I reluctantly voted against this bill though there is much in it that merits support. However, the benefits accorded to farmers in this bill are disproportionately skewed to large operations, not to smaller-scale, family farms. If people want to step back and provide benefits for small farms, I will be the first to look at ways that we can do that in a cooperative fashion. But this bill is not targeted. We continue to pour unprecedented sums to agriculture without addressing the apparent failure of the so-called ''Freedom to Farm'' bill.

Several provisions illustrate the lost opportunities. We missed an opportunity with Cuba in this bill. We successfully trade with China. Why can't we pursue a rational trade policy with Cuba? Cuba trade will hasten the departure of Fidel Castro, leader of one of the last remaining bastions of communism.

There is a rider for the sugar industry buried in this conference report that subverts the reform the 1996 Freedom to Farm bill was supposed to usher in. It will do nothing to change the $352 million in loan defaults taxpayers are paying this year, no GAO's estimated $1.9 billion cost of the sugar program to consumers.

As pointed out in an October 1 editorial in the Washington Post, the drug reimportation language in this bill is unlikely to do much to address the problem of affordability of prescription drugs. The five-year time limit on the bill will significantly minimize the effectiveness of this token effort to address the skyrocketing cost of pharmaceuticals. These narrow provisions won't have the impact for our seniors that real solutions to the prescription drug crisis world have.

This bill does not do enough to address the serious problem of hunger in the United States. Even in this time of unprecedented prosperity, many families are hungry. Oregon has one of the highest rates of hunger in the nation. Yet, the conference report provides less funding to food stamp programs, less funding to school breakfast and lunch programs, and less funding to the WIC programs than what was originally allocated in the House and Senate versions of this bill.

We can do better.

Mrs. KELLY. Mr. Speaker, I rise to being attention to one of the concerns I have with this bill. To be specific, I was very troubled to find that the conference report being considered today includes language which restricts funding for the American Heritage Rivers Initiative (AHRI).

When this bill first came to the floor in June, it included language which prohibited funding for the Natural Resources Conservation service (NRCS) from being used for the American Heritage Rivers Initiative. I offered an amendment to strike this language out, and it was adopted with unanimous support from this body.

In light of this body's support for my amendment—and the fact that no such similar language was in the bill passed by the other body—it is difficult to understand why the conferees found it appropriate to include the restrictive language in the conference report. As I have noted on the floor in the past, I understand that some enmity exists for the American Heritage Rivers Initiative by those who feel that the initiative represents an intrusion of the federal government into local affairs. Though I'm confident that an examination of AHRI's record will show that their concerns are entirely unfounded, I will not attempt to dissuade my colleagues from their opinion.

These Members had the opportunity to protect their communities from this phantom threat when the initiative was implemented, having been given the power to veto the involvement of their districts in AHRI. I would like to remind my colleagues that the only communities which remain in the initiative are the ones which have actively chosen to participate, including communities in my district, and so I resent these actions undertaken by Members—behind closed doors—which certainly will have a negative effect only on communities other than their own.

I will support this bill only because so many important programs stand to benefit from its enactment, but I regret the failure of the conferees to abide by the will voted by this body in June. In the future, I hope they will be more respectful of the decisions made by communities in other Member's districts.

Mr. SANFORD. Mr. Speaker, today, I rise in opposition to H.R. 4461, to FY 2001 Agriculture Appropriations Conference Report. I oppose this bill for a few different reasons, but right now I would like to talk about just one. Interestingly, this reason has nothing to do with farming, but rather the issue of an American citizens ability to travel to Cuba.

Mr. Speaker, I opposed today's bill because of the agreement regarding the sales of food and medicine to Cuba, Libya, North Korea, Iran, and Sudan. The agreement permits the sale of food and medicine, but also codifies the current restrictions regarding the American citizens ability to travel to Cuba.

I oppose this agreement for three reasons. Number one is procedure. On July 20th of this year, I offered an amendment that would have prohibited funding for the enforcement of travel restrictions. Essentially, lifting the travel restrictions. The amendment passed the House by a vote of 232 to 186, but unfortunately the amendment was stripped out of the Treasury-Postal Appropriations bill. This agreement would do just the opposite of what the majority of the House supported. By codifying the present travel restrictions, it prohibits this President or any future President from making changes to the current travel regulations. Therefore making it more difficult for Americans to travel to Cuba in the future.

This point is significant, Mr. Speaker, because it has not historically been our nations policy to restrict travel. Actually, our policy has been just the opposite. Whether it was South Africa during apartheid, the Soviet Union under Communism or the People's Republic of China today, our nation has consistently encouraged the notion that person to person diplomacy was in our national interest.

Number two, the Fifth Amendment of the Constitution protects an American citizen's right to travel. In 1956, the Supreme Court first affirmed this right in Kent v. Dulles. The court stated, ''An American who has crossed the ocean is not obliged to form his opinion about our foreign policy merely from what he is told by officials of our government or by a few correspondents of American newspapers. Moreover, his views domestic questions are enriched by seeing how foreigners are trying to solve similar problems. In many different ways direct contract with other countries contributes to sounder decisions at home.''

In 1965, the Supreme Court heard the case of Zemel v. Rusk. The case specifically addressed the question of travel to Cuba. In Zemel v. Rusk, the Court again ruled that the right to travel is guaranteed in the fifth amendment. But the Court went on to find that the restriction on travel to Cuba was constitutional because it was supported by the ''weightiest consideration of national security.'' However, according to a U.S. Defense Intelligence Agency report issued on May 5, 1998, Cuba is no longer a military threat to the United States.''

Number three, I believe we should look the issues of fairness and severity. Let me say that I do support the idea of permitting sales of U.S. foods and medicines to these nations. But, if you weight the pros and cons of the sales versus travel, I don't think this agreement passes the common sense test. Let's look at the four other nations this agreement permits sales to, North Korea, Iran, Sudan, and Libya.

American citizens are permitted to travel to North Korea and Sudan. North Korea is developing missiles believed to be capable of delivering nuclear warheads. After North Korea test fired a three stage rocket in 1998, U.S. intelligence estimates reported that such a missile would have the range to reach Alaska and Guam.

The State Department has reported that Sudan ''continued to serve as a refuge, nexus, and training hub for a number of international terrorist organizations.'' Additionally, the Sudanese government continues to force its own citizens into slavery for opposing the government's ''holy war.''

Presently, State Department regulations prohibit U.S. citizens from traveling to Iran and Libya, but these two countries were still given perferentional treatment compared to Cuba. Iran and Libya will be given access to U.S. credit programs, whereas Cuba will not.

Even though the Administration proliferation reports released this August assert that Iran is ''one of the most active countries seeking to acquire weapons of mass destruction and advanced conventional weapons,'' assisted primarily by Russia, China, and North Korea. And Libya was early this year accused by the United Kingdom of smuggling Chinese Scud missile parts through Gatwick airport, and who the U.S. Department of Defense accused of receiving missile technology training from China.

After reviewing these facts, I have to ask does it make sense for this Congress to support doing business with these nations at the cost of infringing on the rights of American citizens to travel? I don't think it does. Therefore, Mr. Speaker I will be voting against today's bill.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise in support of H.R. 4461, the FY2001 Agriculture Appropriations Act. I would like to thank Chairman SKEEN and the members of the Subcommittee for their leadership in drafting this legislation and I rise in strong support of its passage.

Included in this bill is significant funding for the boll weevil eradication program. Boll weevil eradication has been a federally sponsored initiative for the last twenty-five years which has successfully eradicated the cotton pest from many states. The remaining states with on-going eradication programs include New Mexico, Oklahoma, Texas, Louisiana, Arkansas, Mississippi and Tennessee. While all these states do receive some direct federal grants, it is nowhere near the percentage received by those states where the eradication program has already been completed. Instead, our states are required to call upon cotton growers in the State to self-finance the cost of most of the eradication program. The federal government's percentage of support for these programs has steadily declined over the last few years and today, the federal contribution is only a few percentage points of the cost of the overall program. In lieu of direct federal grants, the Congress has provided these remaining states with access to low interest USDA loans, some grant money, and ''in-kind'' federal assistance. In most instances, the state governments have been required to ''step up to the plate'' and provide significant financial support to replace the lost federal aid.

In Oklahoma, our state legislature created the Oklahoma Boll Weevil Eradication Organization, or OBWEO, as a state agency in 1993 to coordinate the state-wide effort. In 1995, the legislature amended the powers of the OBWEO to enhance its financial capabilities so that OBWEO could apply for and receive USDA low-interest loans, as well as issuing state bonds, the interest from which would be exempt from federal income tax. Shortly thereafter, OBWEO organized the State's growers and began its eradication efforts.

Unfortunately, neither of the two financial tools with which OBWEO was equipped proved to be useful. Due to quirks in USDA loan regulations, OBWEO has never been eligible for USDA loans. Moreover, OBWEO has not been able to issue federal tax-exempt bonds because of a restriction in the Internal Revenue Code regarding ''private activity bonds''. The inability of OBWEO to use the tax-exempt feature has resulted in additional interest costs as well. All told, OBWEO has seen its financing costs increase by almost $2 million, which is a tremendous amount in light of a total program cost of just under $17 million. In other words, OBWEO is experiencing a more than 15% program cost over-run because it cannot get access to loan programs available to other states.

This bill takes the necessary steps to get the eradication program in Oklahoma back on track with that in other states. Furthermore, it provides the necessary resources for the cotton producers nationwide to implement aggressive, successful eradication programs to rid their crops of these destructive pests. Other benefits for the cotton producers across the country include an increase in the limitation on Loan Deficiency Payments (LDPs) and Market Loan Gains (MLGs) to $150,000 for 2000 crops of cotton, grains and oilseeds, $78 million for the federal cost share contribution to boll weevil eradication, and $100 million in lending authority for the eradication program.

Also included in this bill is funding for the Retired Educators for Agricultural Programs, or REAP. REAP is an organization which was established in 1994 to address the diminishing numbers of African American agricultural education teachers in Oklahoma and the scarcity of African American youth enrolled in vocational agriculture and programs such as the Future Farmers of America. Initially, REAP was operating in five counties in Oklahoma. It has since begun to operate in other areas throughout the State.

The mission of REAP is to build a foundation that promotes personal and economic opportunities in agriculture for African American youth through project development and partnerships with educational and other community resources. One of the primary goals of REAP is to emphasize citizenship, economic development, leadership and scholarship to the African American youth involved in the program.

REAP extends its outreach to the parents and community members by means of programs, forums and opportunities to chaperone student activities. The program encourages this participation in the hope that the adults will become better informed, more involved and more supportive of the reasonable and achievable aspirations of their young people.

REAP exemplifies a model that can be easily replicated. It is a program of vision, partnerships and commitment that is timeless in focus and limited only by the parameters of the imagination. Field trips to areas in my district in Southwest Oklahoma have ignited great interest in expanding the program into this area

of our state. Parents and teachers in Lawton, Altus, Frederick and Tipton, assure me that there is a great need for REAP in our area of the State where limited financial resources have precluded service.

Mr. Speaker, REAP is an important program which could be used as a model for similar programs in other states. This program is vital to the further development of rural America. I am honored to have the opportunity to play a role in furthering the efforts of this very important program.

The bill also includes $3.5 billion for emergency assistance to farmers and ranchers who have suffered economic losses associated with weather-related yield and/or quality losses. This alone will not address all the disaster assistance needs of our producers. For instance, in Oklahoma alone, the damage from the summer drought and wildfires is estimated at over $1 billion. However, this is a step in the right direction to providing much-needed assistance for our farmers and ranchers.

Mr. Speaker, I rise today in strong support of this bill and ask my colleagues to join me in supporting our nation's farmers and ranchers by casting their vote in favor of H.R. 4461.

Mr. BURR of North Carolina. Mr. Speaker, I am pleased that many of the agriculture needs of the U.S. are covered in this legislation, yet I need to express my concerns with the reimportation provision.

It is important to remember why the Prescription Drug Marketing Act of 1988 (PDMA) was enacted in the first place. At the time, there was considerable evidence that counterfeit and otherwise adulterated drugs were entering U.S. commerce from abroad. After a lengthy investigation, the Commerce Committee concluded that greater restrictions on pharmaceutical imports into the U.S. were essential to protect the safety of American patients and the integrity of the U.S. drug supply. In response, a bipartisan Congress enacted PDMA.

PDMA was designed to (1) prevent the introduction of prescription drugs that may have been improperly stored, handled, and shipped overseas, and (2) reduce the opportunities for importation of counterfeit and unapproved prescription drugs.

As Vice Chairman of the Commerce Oversight and Investigations (O&I) Subcommittee, I have participated in two hearings on the importation of counterfeit bulk drugs. Currently, even with PDMA, the Food and Drug Administration (FDA), Department of Justice, and U.S. Customs Service are having a very difficult time inspecting overseas drug manufacturing facilities and confiscating counterfeit bulk drugs that enter the U.S. According to a DEA agent, 25% of the drugs coming across the U.S./Mexico border are counterfeit and a majority of the remaining 75% are not from FDA approved sources. If those agencies are having a difficult time with PDMA in place, I dread to see what will happen after Congress destroys PDMA with this reimportation language.

The bottom line in this issue is consumer safety. When my constituents in the 5th District of North Carolina go to their neighborhood pharmacy to pick up their prescriptions, they should not have to think about the quality of the drugs they are purchasing. I did not spend two years modernizing the Food and Drug Administration to sit back and allow my constituents to worry about counterfeit drugs entering the U.S.

There is also an issue of cost within this reimportation debate. Members of Congress who support reimportation believe that this change in law will provide Americans with cheaper pharmaceutical drugs. Unfortunately, there is no guarantee that reimportation will save Americans money.

First of all, the FDA is asking for at least $23 million to start implementing the reimportation provision. Most likely that $23 million will grow to $60 or $90 million very quickly. A witness from the U.S. Customs Service testified at the most recent Commerce O&I Subcommittee hearing that the Customs Service would also need additional money to patrol the reimported drug shipments.

Second, there is no mandate in this legislation that wholesalers and pharmacists have to pass the savings from reimported drugs onto U.S. consumers. Various middlemen, both in the U.S. and abroad, will take in the profits, while consumers will bear the risk. Today, Internet sales remove the middlemen, but not the risk.

The Energy and Commerce Committee lead by Chairman DINGELL pointed out that reimportation may not always translate into lower priced drugs for consumers. On July 10, 1985, Chairman DINGELL said, ''To those of you who would have us believe that prescription drug diversion is just another way to give the consumer a price break, I say, look about you. These are not counterfeit tee shirts or counterfeit Gucci handbags. No consumer can possibly weigh the risk involved in the purchase of medicine which has not been properly stored, or which has been shipped outside channels of commerce where it is properly protected with law.''

Americans' trust of Congress will quickly erode when cost savings are not found through reimportation and people become ill and possibly die due to imported and reimported drugs that are counterfeit or adulterated.

The reimportation language contained in this legislation not only affects the quality of drugs entering the U.S. but it also poses a large threat to international commerce. At the last minute, several members of Congress pushed for language that interferes with contracts between American manufacturers and foreign countries/wholesalers. That language is unconstitutional based on the Fifth Amendment to the U.S. Constitution: ''nor shall private property be taken for public use without just compensation.'' There have been several court decisions that uphold the rights of patent owners and manufacturers to decide to whom they sell their products. The contract language contained in this legislation clearly contradicts those court decisions.

On June 28, 2000, the House passed H.R. 4680, legislation that would provide Medicare beneficiaries with comprehensive, high quality, and affordable drug coverage. I am pleased to be an author of that legislation. I agree that American consumers should have access to low priced pharmaceuticals, but the best way to that access is through drug coverage, not reimportation.

Dr. Jere Goyan, former FDA Commissioner under Jimmy Carter, summarized this issue well: ''I respect the motivation of the members of Congress who support this [reimportation] legislation. They are reading, as am I, stories about high prescription drug prices and people who are unable to pay for the drugs they need. But the solution to this problem lies in better insurance coverage for people who need prescription drugs, not in threatening the quality of medicines for all of us.''

I am pleased that adherence to the FDA's gold standard, Section 505 of the Food, Drug, and Cosmetic Act, has been placed into the reimportation language. Initially, some members of Congress wanted to create a second, less-restrictive standard for pharmaceuticals entering the U.S. By specifically mandating that all drugs imported and reimported into the U.S. must pass Section 505 standards, Congress is establishing an important hurdle for wholesalers and pharmacists to overcome.

Unfortunately, I do not think that the FDA and Customs will be able to check all of the paperwork to ensure that the drugs have been tested and that they passed Section 505 standards. Counterfeit paperwork is easier to produce than counterfeit drugs.

Although I have used the term ''reimportation'' throughout this statement, please understand that Congress is not just talking about reimporting drugs. We are also talking about importing drugs. ''Reimported drugs'' are manufactured in U.S. quality controlled facilities, shipped for sale overseas, and imported back into the U.S. ''Imported drugs'' are made overseas in manufacturing plants that may never be inspected by the FDA, shipped to a foreign county with pill colors, shapes, and labeling for that country, and then imported into the U.S. by U.S. wholesalers and pharmacists. This language will allow imported drugs into the U.S.

I hope that both national and internatonal AIDS groups realize that this language will stop pharmaceutical companies from selling AIDS medications to foreign countries at greatly reduced prices because the bill does not prevent those medications from re-entering the stream of commerce with great financial gian to foreign countries and huge financial losses to pharmaceutical companies.

The last section of the reimportation language is a bill by Representative GUTKNECHT. The FDA reviewed this legislation and, in a letter to Representative DINGELL, expressed opposition to the vagueness of the bill's language. Because the term ''warning notice'' is so poorly defined, the bill will cripple the FDA's ability to contact any importer that has suspicious drugs at a U.S. port of entry. In the letter, the FDA reassures Congress that they could internally address the issu eof personal use letters to seniors. There is no good reason why Representative GUTKNECHT's bill is attached to this legislation.

In conclusion, I am deeply concerned about the safety and efficacy of the drugs that will fill Americans' medicine cabinets if this legislation passes. For decades, the U.S. has set the highest standard in the world for quality prescription drugs. Becasue of this high standard, the U.S. is home to the discovery and manufacturing of the most innovative new therapies in this world. If Congress passes this legislation, we will be destroying the safety and efficacy of drugs consumed by our constituents. We will also be giving pharmaceutical companies every reason to pull their headquarters and manufacturing plants out of the U.S. and into countries with lower labor and manufacturing costs. Why some members of Congress want to both expose Americans to counterfeit and adulterated drugs and drive industry out of the U.S. is truly beyond me. It is for these

reasons that I would vote against the Agriculture Appropriations Conference Report.

I submit the following items to be entered into the RECORD.

1. Letters opposing reimportation from the Chamber of Commerce, National Association of Manufacturers, National Mental Health Association, National Multiple Sclerosis Society, ALS Association, Cystic Fibrosis Foundation, Kidney Cancer Association, Log Cabin AIDS Policy Institute, National Prostrate Cancer Coalition, Pancreatic Cancer Action Network, Pulmonary Hypertension Association, Society for Women's Health Research, Allergy and Asthma Network Mothers of Asthmatics, and

2. A Sept. 20, 2000 letter from Representative BURR, Representative TAUZIN, Representative GREENWOOD, Representative OXLEY, REPRESENTATIVE PICKERING, and Representative EHRLICH to Members of the House and Senate Agriculture Appropriations Subcommittees.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, DC, October 4, 2000.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. MAJORITY LEADER: The U.S. Chamber of Commerce, the world's largest business federation, representing more than three million businesses and organizations of every size, sector and region, strongly opposes legislation that would require American manufacturers to sell unlimited quantities of prescription drug products to any foreign wholesaler. I urge your personal intervention in this very serious matter.

I urge you to reject these so-called ''non-discrimination'' provisions proposed by Congressman HENRY WAXMAN which have been slightly modified for inclusion in the agricultural appropriations conference report as they would set a harmful precedent for all U.S. businesses and industries.

These modified ''non-discrimination'' provisions would pose a significant threat to current commerce and international business practices by attacking manufacturers' ability to freely contract. Furthermore, there has not been a single hearing to study the total impact of these provisions on business operations including the creation of jobs, as well as the U.S. economy.

Finally, permitting the importation to the U.S. of products sold abroad where prices are not determined by market forces sets a terrible precedent. Again, I urge your timely intervention and I urge you and your colleagues to reject the drug reimportation provisions generally and the modified Waxman proposal particularly.

Sincerely,

TOM.

NATIONAL ASSOCIATION OF MANUFACTURERS,
October 4, 2000.

Hon. J. DENNIS HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I write to urgently draw your attention to a pending amendment offered by Rep. Henry Waxman to the prescription drug reimportation language contained in the Agriculture Appropriations bill (H.R. 4461) currently in conference. The NAM strenuously opposes this amendment, which should be promptly rejected.

The NAM has been greatly concerned by the drug reimportation provisions that previously passed the House and Senate—seeing a great threat to consumer safety. These provisions have been improved by their emphasis on the Senate-passed provisions and with the addition of greater consumer safeguards. The resulting language—though still more than the NAM can support—is a more reasonable approach to this popular issue.

The Waxman ''non-discrimination'' amendment is wholly inconsistent with the revised reimportation language and far more dangerous in its own right. What precedent would Congress set for other industries by requiring American pharmaceutical manufacturers to sell to any foreign wholesaler? Patient safety would be compromised by the diminution of domestic supplies and endangered by the prospect of sales to unscrupulous or fly-by-night foreign wholesalers.

We are also troubled that the Waxman language would criminalize manufacturers' failure to sell to any foreign wholesaler. The criminal provisions in the reimportation language are appropriately intended to deter counterfeiting and were never intended to address the business decision of a manufacturer determining where to sell its products.

Again, the NAM urgently requests your assistance in defeating the Waxman amendment.

Sincerely,

MICHAEL E. BAROODY.

NATIONAL MENTAL HEALTH ASSOCIATION,
Alexandria, VA, August 31, 2000.

Hon. THAD COCHRAN,
Chairman, Senate Agriculture, Rural Development, and Related Agencies Subcommittee, Washington, DC.

DEAR CHAIRMAN COCHRAN: As head of the nation's largest and oldest advocacy organization representing millions of individuals with mental illness across the country, I am writing to you regarding the need to maintain meaningful safety standards for pharmaceutical products. This past session of Congress has witnessed unprecedented interest in prescription medicines. I wish to express my concern regarding a couple of the measures that have been advanced in the House and Senate Agriculture Appropriations Bills.

In the House, the Crowley and the Coburn amendments, restricting funds for use in enforcement of the importation and re-importation provisions of the Prescription Drug Marketing Act (PDMA), section 801(d)(1), could substantially increase risks to Americans who rely on prescription medicines. Similarly, the Jeffords amendment, permanently restricting the Food and Drug Administration's ability to regulate pharmaceutical importation, could also place American consumers at risk. While our organization is supportive of affordable pharmaceuticals for all Americans, we are troubled by the potential risks that come with the assumed savings, especially since there are no guarantees provided in these amendments that the savings would even be passed on to the consumers.

In its statement regarding the impact of these amendments on prescription drug safety, the Food and Drug Administration issued this caution:

''These amendments will likely encourage the very sources of adulterated, misbranded and unapproved drugs that were cut off by section 801(d)(1), to begin shipping again. FDA, with its limited resources, would be extremely hard-pressed to do the investigative work necessary to discover and stop these new sources of potential harmful products.''

As the Conference Committee proceeds with its final deliberations on the Agriculture Appropriations Bill, I ask that you carefully weigh these risks that the American public might be incurring compared to the real dollar savings that might be realized. On behalf of our 340 affiliates nationwide, I want to thank you for addressing the delicate issues of prescription drug pricing and safety regulation. I look forward to working with you in the future as Congress continues this debate.

Sincerely,

MICHAEL M. FAENZA, M.S.S.W.,
President & CEO.

NATIONAL MULTIPLE SCLEROSIS SOCIETY,
New York, NY, September 27, 2000.

Hon. JOE SKEEN,
U.S. House of Representatives,
Washington, DC.

DEAR CHAIRMAN SKEEN: I am writing to express the National Multiple Sclerosis Society's concern about legislation that could lead to the importation of unsafe drugs into our country. Earlier this year the House and Senate approved provisions that would weaken the Food and Drug Administration's (FDA) ability to ensure the safety and reliability of drugs entering the United States from foreign countries. For instance, the FY2001 Agriculture Appropriations bill included the Crowley and Coburn amendments that would prohibit the FDA from spending money on any enforcement actions, including testing for safety, that restrict the importation of drugs approved for sale in the United States. We believe the authors of these amendments are genuinely committed to helping reduce the high cost of prescription drugs. However, their approach could jeopardize the health of countless Americans by making them rely upon potentially mislabeled, adulterated, counterfeit, expired or improperly stored medication to treat their conditions. Please ensure that the final Agriculture Appropriations bill does not include any provisions that would hamper the FDA in its commitments to consumer safety.

Eleven former FDA commissioners have said that allowing the importation of drugs would weaken the Prescription Drug Marketing Act (PDMA), which for the past 12 years has helped the FDA protect American consumers from unsafe drugs. The Clinton Administration has called these amendments ''unacceptably flawed'' and said they would ''severely restrict the (FDA's) authority to enforce the law that allows only manufacturers to re-import drugs.'' When asked to comment on the effect of these amendments, the FDA replied:

''These amendments will likely encourage the very sources of adulterated, misbranded and unapproved drugs that were cut off by section 801(d)(1) (of PDMA), to begin shipping again. FDA, with its limited resources, would be extremely hard-pressed to do the investigative work necessary to discover and stop these new sources of potentially harmful products.''

People with multiple sclerosis, as well as people with other chronic diseases, rely heavily upon pharmaceutical products, including highly complex biological medications, to fight their diseases and continue to lead active lives. These products must be carefully monitored for safety and consistency throughout their production, storage and delivery to the patient to ensure safety and full efficacy.

The National Multiple Sclerosis Society, established in 1946, is dedicated to ending the devastating effects of multiple sclerosis. Multiple sclerosis is an often progressive, degenerative disease of the central nervous system that affects one-third of a million Americans. Multiple sclerosis is unpredictable in its course, and can have a devastating medical, personal and financial impact on the people it affects. With over 600,000 members, National Multiple Sclerosis Society is the world's largest voluntary health agency devoted tot he concerns of those affected by multiple sclerosis.

If you have any questions regarding this matter, please contact our Public Policy Office at (202) 408–1500.

Sincerely,

MIKE DUGAN,
General, USAF, Ret., President and CEO.

SEPTEMBER 5, 2000.

To: Members of the House-Senate Conference Committee on the Agriculture Appropriations Bill:

We, the undersigned patient and survivor organizations, are writing to urge you to oppose any drug importation or reimportation proposals, such as the Crowley Amendment and the Coburn Amendment (in the House-passed bill) and the Jeffords Amendment (in the Senate-passed bill).

While we appreciate the concerns of Congress to make prescription drugs more accessible, we are deeply concerned that overturning the Prescription Drug Marketing Act, landmark bipartisan legislation intended to protect consumers from counterfeit, adulterated or impotent medicines, or lowering standards under the Federal Food Drug and Cosmetic Act for imported drugs, will put all people in danger.

We believe these amendments will have a significant impact on FDA's ability to protect the public health and are not an appropriate or acceptable solution to prescription drug access concerns. Access to medication which poses a risk to the individual is worse than no access at all.

Our groups, representing millions of Americans with diseases such as cancer, cardiovascular disease and AIDS, believe that full and open hearings involving all stakeholders must be held prior to adoption of any policy which puts the integrity of medications taken by the American people at risk. Let us not forget that you and your families, as well as we and ours, will all be faced with this risk. It is not worth the price.

Respectfully submitted,

Stevan Gibson, The ALS Association; Suzanne Pattee, JD, Cystic Fibrosis Foundation; Carl F. Dixon, Kidney Cancer Association; James Driscoll, Log Cabin AIDS Policy Institute; Richard N. Atkins, MD, National Prostate Cancer Coalition; Julie Fleshman, Pancreatic Cancer Action Network; Rino Aldrighett, Pulmonary Hypertension Association; and Phyllis Greenberger, Society for Women's Health Research.

ALLERGY AND ASTHMA NETWORK,
MOTHERS OF ASTHMATICS INC.,
Fairfax, VA, September 20, 2000.

Hon. THAD COCHRAN,
Chairman, Senate Agriculture, Rural Development and Related Agencies Subcommittee, Washington, DC.

DEAR CHAIRMAN COCHRAN: I am writing to you to advise you of our opposition to drug importation schemes, such as those commonly known as ''The Coburn Amendment'' and ''The Crowley Amendment'' (both in the U.S. House of Representatives) and ''The Jeffords Amendment'' (in the U.S. Senate).

We fear that these amendments will undermine FDA safety protections which could greatly increase risks to American patients who will be exposed to counterfeit, mismeasured or adulterated pharmaceuticals.

Allergy and Asthma Network—Mothers of Asthmatics, Inc. believe that full and open public hearings involving all the stakeholders, must be held prior to adoption of any scheme which puts the integrity of the U.S. pharmaceutical supply at risk.

I respectfully request that any action on these proposals be deferred until full and complete hearings are held.

Sincerely,

NANCY SANDER,
President.

CONGRESS OF THE UNITED STATES,
Washington, DC, September 20, 2000.

DEAR MEMBERS OF THE HOUSE AND SENATE AGRICULTURE APPROPRIATIONS SUBCOMMITTEES: As Members of the House Commerce Committee, we are writing to express our concern over the amendments relating to pharmaceutical imports that were attached to the Agriculture Appropriations legislation on the House floor. While we share Congress' deep desire to increase patients' access to reasonably priced pharmaceuticals, we believe such a fundamental change in current U.S. law should not be enacted without more thorough consideration of its full potential impact on public health and safety.

In floor debate, the Crowley and Coburn amendments were characterized as simply providing for the personal importation of pharmaceuticals for personal use, primarily from Canada and Mexico. Many thought that the amendments were identical in concept to Representative Gutknecht's legislation that passed the House on June 29, 2000. In reality, the statutory language of the amendments will result in a complete reversal of current U.S. law and policy, as set forth, in part, by the Prescription Drug Marketing Act (PDMA) of 1987, a statute clearly within the jurisdiction of the Commerce Committee.

It is important to remember why PDMA was enacted in the first place. At the time, there was considerable evidence that counterfeit and otherwise adulterated drugs were entering U.S. commerce from abroad. After a lengthy investigation, the Commerce Committee concluded that greater restrictions on pharmaceutical imports into the U.S. were essential to protect the safety of American patients and the integrity of the U.S. drug supply. In response, a bipartisan Congress enacted PDMA.

PDMA and related restrictions in the Food Drug & Cosmetic Act have served their purpose well. While estimates of counterfeit or substandard drugs approach 10 or even 20 percent abroad, the incidence in the U.S. is negligible. Any change in current U.S. law that goes beyond a very narrowly drawn personal use exemption will likely expose Americans to the rates of pharmaceutical counterfeiting found abroad.

The drug importation amendments raise far more complex issues than were properly discussed when the Crowley and Coburn amendments were adopted on the House floor. After closer examination of the amendments and despite our strong desire to address the pharmaceutical access and coverage issue, we do not believe such changes to PDMA represent sound policy or process. Instead of taking such ill-advised legislative action, it is our hope that we can work together on real and workable solutions to the problem at hand without exposing Americans to unnecessary risk.

To strengthen our argument, we have enclosed (1) a booklet that contains letters from 11 FDA commissioners who agree that reimportation is dangerous for U.S. patients and, (2) a list of counterfeit pharmaceuticals recently confiscated in the U.S. Please read these items for a better understanding of the danger U.S. patients will face if the amendments are included in the conference report as passed by the House.

Sincerely,

RICHARD BURR.
W.J. ''BILLY'' TAUZIN.
JAMES GREENWOOD.
MICHAEL OXLEY.
CHARLES PICKERING.
ROBERT EHRLICH.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of the conference report for H.R. 4461, the Agriculture Appropriations bill for Fiscal Year 2001. This bill provides $78.5 billion for agriculture programs, including $3.6 billion for emergency spending to help farmers hurt by disasters and low commodity prices. In the state of Texas, farmers have been enduring drought conditions which make farming more difficult. This legislation will provide the assistance that these farmers need to continue to produce our nation's food supply.

I am also pleased that this legislation includes vital funding for nutritional health research through the human nutrition research service program which is part of the Agriculture Research Service at the United States Department of Agriculture. This bill provides an additional $750,000 to provide a total of $12.9 million for the Children's Nutrition Research Center (CNRC) at Baylor College of Medicine in cooperation with Texas Children's Hospital, located in Houston, Texas. The CNRC is dedicated to defining the nutrient needs of mothers and their children in a controlled environment.

Since its inception in November 1978, the CNRC has focused on critical questions relating to pregnant women and their infants. More than 8,500 volunteers have participated in studies to determine optimal prenatal development, including which nutrients positively impact infant health and human development. These studies have also helped to identify the regulatory controls of body weight and body composition during infancy and childhood. Studies have also shown how dietary habits can contribute to long-term health and the diet-related chronic diseases such as osteoporosis, obesity, hypertension, diabetes, cardiovascular disease, and cancer.

I would like to highlight two recent discoveries made at the CNRC that will help children live healthier, longer lives. A recent study by Dr. Theresa Nicklas at the CNRC demonstrates that few teens have eating habits that mirror the U.S. dietary recommendations for fat and fiber. This study found that only one-third of the 319 teens whose diets were analyzed had a low-fat-high fiber diet. Clearly, parents need to know more about this study so they can provide healthier food for their children. Another CNRC study found how much calcium is needed to help children to grow. This calcium reference data is used by many health care professionals to make recommendations to parents about the appropriate calcium intake for their children. With more information, parents will have the knowledge they need to provide a healthy diet for their children.

With this additional funding, the CRNC can continue its vital work to improve our children's health. I am committed to providing maximum funding for agriculture research programs and am pleased that the Appropriations Committee has increased funding for the human nutrition research. Under the guidance of Baylor College of Medicine, I am certain CNRC will continue to lead the way in the field on nutritional research.

I also want to highlight that I am concerned about one provision in this bill related to reimportation of Food and Drug Administration (FDA) approved prescription drugs for America's consumers. This conference report allows pharmacies and wholesalers to buy

American-made prescription drugs abroad and reimport them into the United States. Since many American-made drugs are sold at lower prices abroad, I strongly support this effort to reduce prescription drug costs for all Americans. However, I am disappointed to learn this bill also includes a provision that allows drug manufacturers to restrict access to their American-made products for those wholesalers and pharmacies which import their drugs. As a result, I am concerned that there will be no reimportation of prescription drugs and consumers will continue to pay high prices for the prescription drugs that they need.

I urge my colleagues to support this legislation that provides funding for important agriculture programs.

Mr. BEREUTER. Mr. Speaker, this Member support's the conference report for H.R. 4461, the FY2001 Agriculture Appropriations bill. In particular, this Member commends the distinguished gentleman from New Mexico (Mr. SKEEN), Chairman of the Agriculture Appropriations Subcommittee and the distinguished gentlelady from Ohio (Ms. KAPTUR), Ranking Member of the Subcommittee for their hard work on this critically important bill.

This conference report contains $3.5 billion in critical emergency disaster relief for agriculture producers. This, of course, is in addition to the $7.1 billion in economic assistance for agriculture producers including $5.5 billion in higher Agricultural Market Transition Act (AMTA) payments as part of the crop insurance reform legislation signed into law earlier this year on June 22, 2000.

The emergency funds in the conference report we are considering today are particularly important to Nebraska farmers, because drought conditions in the Great Plains have substantially lowered production at a time when we have low commodity prices. Included in the $3.5 billion funding amount is $1.6 billion for crop loss disaster assistance, $490 million for livestock assistance, $473 million for dairy assistance and $80 million for the Emergency Conservation Program. Also, the crop loss disaster assistance includes the following three areas: general crop assistance, quality loss assistance, and a category for severe economic disaster assistance. These funds should provide much needed additional help for Nebraska producers.

This Member is pleased that the conference report for H.R. 4461 provides $462,000 for the Midwest Advanced Food Manufacturing Alliance (MAFMA). The Alliance is an association of twelve leading research universities and corporate partners. Its purpose is to develop and facilitate the transfer of new food manufacturing and processing technologies.

The MAFMA awards grants for research projects on a peer review basis. These awards must be supported by an industry partner willing to provide matching funds. In the first six years of funding, MAFMA has directed $2,142,317 toward a research competition at the 12 universities. Projects must receive matching funds. Over the first six years, matching funds of $2,666,129 plus in-kind contributions of $625,407 were received for MAFMA funded projects from 105 companies or organizations. These figures convincingly demonstrate how successful the Alliance has been in leveraging support from the food manufacturing and processing industries.

Mr. Speaker, the future viability and competitiveness of the U.S. agricultural industry depends on its ability to adapt to link between universities and industries for the development of competitive food manufacturing and processing technologies. This will, in turn, ensure that the United States agricultural industry remains competitive in a increasingly competitive global economy.

This Member is also pleased that the conference report includes $200,000 to fund the National Drought Mitigation Center (NDMC) at the University of Nebraska-Lincoln. This project is in its fourth year and has assisted numerous states and cities in developing drought plans and developing drought response teams. Given the nearly unprecedented levels of drought in several parts of our country, this effort is obviously important.

As the drought continues, the NDMC will play an increasingly important role in helping people and institutions develop and implement measures to reduce societal vulnerability to this danger. Most of the NDMC's services are increasing world-wide demands for U.S. exports of intermediate and consumer good exports. In order to meet these changing worldwide demands, agricultural research must also adapt to provide more emphasis on adding value to our basic farm commodities before marketing. The Midwest Advanced Food Manufacturing Alliance can provide the necessary cooperative link between universities and industries for the development of competitive food manufacturing and processing technologies. This will, in turn, ensure that the United States agricultural industry remains competitive in a increasingly competitive global economy.

This Member is also pleased that the conference report includes $200,000 to fund the National Drought Mitigation Center (NDMC) at the University of Nebraska-Lincoln. This project is in its fourth year and has assisted numerous states and cities in developing drought plans and developing drought response teams. Given the nearly unprecedented levels of drought in several parts of our country, this effort is obviously important.

As the drought continues, the NDMC will play an increasingly important role in helping people and institutions develop and implement measures to reduce societal vulnerability to this danger. Most of the NDMC's services are directed to state, Federal, regional and tribal governments that are involved in drought and water supply planning.

In addition, the conference report provides funds for the following ongoing Cooperative State Research, Education, and Extension Service (CSREES) projects at the University of Nebraska-Lincoln:

Food Processing Center	$24,000
Non-food agricultural products	64,000
Sustainable agricultural systems	59,000
Rural Policy Research Institute (RUPRI) (a joint effort with Iowa State University and the University of Missouri)	822,000

Also, this Member is pleased that the conference report for H.R. 4461 includes $100 million to cover any defaults for the Section 538, a rural rental multi-family housing loan guarantee program initiated by legislation written by this Member. The program provides a Federal guarantee on loans made to eligible persons by private lenders. Developers will bring ten percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100 percent Federal guarantee on the loans they make. Unlike the current Section 515 Direct Loan Program, where the full costs are borne by the Federal Government, the only costs to the Federal Government under the Section 538 Guarantee Program will be for administrative costs and potential defaults.

Mr. Speaker, this Member especially appreciates the Conference Committee's support for the Department of Agriculture's 502 very successful and rapidly expanding Unsubsidized Loan Guarantee Program with a $3.7 billion loan authorization support. The program, also initiated by legislation authored by this Member, has been very effective in rural communities by guaranteeing loans made by approved lenders to eligible income households in small communities of up to 20,000 residents in non-metropolitan areas and in rural areas. The program provides guarantees for 30 year fixed-rate mortgages for the purchase of an existing home or the construction of a new home.

Additionally, this Member supports the provision allowing for the reimportation of prescription drugs. I have long been a supporter of legislation that would inject competition into the prescription drug market and believe that this language is an important first step in providing my constituents with the relief they seek in their prescription drug prices. There has been massive international cost-shifting by pharmaceutical companies onto the backs of the American consumer. It is not reasonable that the same Federal Drug Administration (FDA)-approved drug, produced by the same drug company, should cost 30 percent, 40 percent, 60 percent or even 80 percent less in foreign countries than it costs American consumers. This legislative initiative, with consumer safety an important consideration, undoubtedly will need refinement before the lengthy FDA regulatory process is completed to implement these provisions, but this is an important and necessary change.

In closing, Mr. Speaker, this Member urges his colleagues to support the Agriculture appropriations conference report.

Mr. NETHERCUTT. Mr. Speaker, I am proud of the progress we have made this year in our effort to lift unilateral food and medicine sanctions. Title IX of the Fiscal Year 2001 Agriculture Appropriations Conference Report, the Trade Sanctions Reform and Export Enhancement Act, will open up significant new export markets for American farmers. This provision is the result of hard work by many Members and the unfailing support of a broad coalition that refused to let this issue fade into obscurity in the waning days of this session.

The overall purpose of this title is unmistakable—unilateral food and medicine sanctions are eliminated and new procedures are established for the future consideration of such sanctions. As the author of this provision, I would like to briefly outline Congressional intent, to ensure that agencies charged with implementing this legislation fully appreciate the expectations of the Agriculture Appropriations conferees.

In drafting this provision, it was not our intention to derogate from current law or the flexibility provided for in present regulations which do permit limited exports to some unilaterally sanctioned states. Similarly, the intent of conferees is to expand export opportunities for food and medicine beyond that currently provided for in law or regulations. We expect that

regulations implementing this provision will liberalize the current administrative procedures for the export of food and medicine.

A section by section explanation follows:

Section 901—Title

This section contains the title of the Act.

Section 902—Definitions

Definitions in the section are broadly drawn to allow maximum benefit to exporters of agricultural commodities and medicine and medical products. Non-food commodities are included in the definition of ''agricultural commodities'' and as Section 775 further clarifies, for purposes of administering Title IX of this Act, the term ''agricultural commodity'' shall also include fertilizer and organic fertilizer. ''Medical device'' and ''medicine'' should be interpreted reasonably to mean all products commonly understood to be within these categories, as explicitly recognized by the Federal Food, Drug and Cosmetic Act, and including products such as crutches, bandages and other medical supplies.

Section 903—Restriction

This section prohibits the President from imposing unilateral agricultural or medical sanctions without the concurrence of Congress in the form of a joint resolution. The President shall terminate any unilateral agricultural and medical sanction that is in effect as of the date of enactment, though Section 911 provides a 120 day waiting period to allow the implementation of appropriate regulations.

Section 904—Exceptions

This section provides a number of exceptions to Section 903 to ensure that the Administration has sufficient flexibility to impose or continue to impose sanctions in unusual instances. While seven particular exceptions are provided, they are narrowly drawn, in recognition of the conferees' expectation that food and medicine sanctions should only be used in extraordinary circumstances. Further, these exceptions should not be used to impose sanctions permanently, consistent with Section 905. Conferees expect that the President will abide by the spirit of the language and submit for Congressional review all sanctions to be imposed under this section, unless extraordinary circumstances require extremely timely action.

Section 905—Termination of Sanctions

This section provides for a sunset of any food or medicine sanctions imposed under Section 903, not later than 2 years after the date the sanction become effective. Sanctions may be maintained only if the President recommends to Congress a continuation of not more than 2 years, and a joint resolution is enacted in support of this recommendation.

Section 906—State Sponsors of International Terrorism

This section requires licenses for the export of agricultural commodities, medicine or medical devices to Cuba or to the government of a country that has been determined to be a state sponsor of international terrorism, or any other entity in such country. These licenses shall be provided for a period of not less than 12 months and shall be no more restrictive than license exceptions administered by the Department of Commerce or general licenses administered by the Department of Treasury. While this section provides the Administration with flexibility to determine licensing requirements, it is the expectation of conferees that presumption in favor of sales will fall on the side of exporters, consistent with the title of the act, to support enhanced exports. Consistent with this expectation, it is the understanding of the author that the Department of Commerce would be the lead agency for all exports and related transactions under this title, all of which would be subject to a general licensing arrangement. In the case of exports to Cuba, it is the understanding of author that current restrictions on shipping to Cuba will continue to be waived for licensed exports. Exports to the Government of Syria and the Government of North Korea are expected from the licensing requirements of this section, and to the extent a private sector emerges in either country, these entities should receive the same treatment.

The section also requires that procedures be in place to deny exports to any entity within such country promoting international terrorism. This language is only intended to give the Administration narrow discretion in the granting of licenses for exports to specific sub-entities that are directly involved in the promotion of terrorism.

Finally, the section requires quarterly and biennial reports on licensing activities to determine the effectiveness of licensing arrangements.

Section 907—Congressional Procedures

This section requires that a report submitted by the President under Section 903 or 905 shall be submitted to the appropriate committee or committees of the House of Representatives and the Senate. A joint resolution in support of this report may not be reported before the eighth session day of Congress after the introduction of the joint resolution.

Section 908—Prohibition on United States Assistance and Financing

Section 908(a)(1) prohibits the use of United States government assistance and financing for exports to Cuba. However, consistent with the overall intent of the measure, this prohibition is not intended to modify any provision of law relating to assistance to Cuba. The provision also restricts the use of government assistance for commercial exports to Iran, Libya, North Korea, and Sudan, unless the President waives the restrictions for national security or humanitarian reasons. In recent months, the Administration has taken several steps to liberalize these and other restrictions on agricultural trade with Iran, Libya, North Korea, and Sudan. As such, it will be in the best interest of U.S. agricultural producers and our balance of trade if the President uses the waiver authority in subsection (a)(3) to promptly waive these restrictions before the current sanctions are lifted 120 days after enactment of this bill. If the President's waiver authority is not so promptly exercised, the restrictions in subsection (a)(1) could act to restrict exports of agricultural commodities, medicines, and medical devices to these countries more than under current law. This is certainly not the intent of this legislation.

Specifically with regard to Cuba, subsection (b) of section 908 prohibits the financing of U.S. agricultural exports to Cuba by any United States person. However, in order to accommodate sales of agricultural commodities to Cuba, subsection (b) specifically authorizes Cuban buyers to pay U.S. sellers by cash in advance, or by utilizing financing through third country financial institutions.

While they cannot extend financing to Cuban buyers, U.S. financial institutions are specifically authorized to confirm or advise letters of credit related to the sale that are issued by third country financial institutions. Under this procedure, third country financial institutions can assume the Cuban risk associated with these transactions and issue letters of credit free of Cuban risk to be confirmed by U.S. banks. The provision of such a ''firewall'' against sanctioned country risk is consistent with the role played by third country banks in transactions with other countries subject to U.S. sanctions.

U.S. financial institutions may act as exporters' collection and payment agents, confirm the third country letters of credit, and guarantee payment to the U.S. exporter. The provision of such export-related financial services by U.S. financial institutions (commercial banks, cooperatives, and others) will allow U.S. farmers, their cooperatives, and exporters to be assured that they will be paid for exported commodities.

Subsection (b)(3) of section 908 requires the President to issue such regulations as are necessary to carry out this section. In addition to waiving the restrictions on assistance as appropriate under subsection (a)(3), these regulations need to facilitate the export of agricultural commodities, medicine, and medical devices. In particular, the regulations need to accommodate these specifically authorized exports by waiving the restrictions with respect to vessels engaged in trade with Cuba found at 31 C.F.R. 515.207.

Section 909—Prohibition on Additional Imports from Cuba

Section 909 reiterates 31 C.F.R. 515.204 prohibiting from entry into the United States any merchandise that is of Cuban origin, has been transported through Cuba, or is derived from any article produced in Cuba.

Section 910—Requirements Relating to Certain Travel-Related Transactions With Cuba

This section requires the Secretary of Treasury to promulgate regulations to authorize travel to, from, or within Cuba for the commercial export sale of agricultural commodities. Aside from this expansion in permissible travel transactions, tourist activities in Cuba are not authorized.

Section 911—Effective Date

This title shall take effect on the date of enactment and apply thereafter in any fiscal year. Unilateral agricultural or medical sanctions in effect as of the date of enactment shall be lifted 120 days after enactment.

Mr. CANNON. Mr. Speaker, I am pleased to support the FY 01 Department of Defense bill. Passage of this legislation is vital to our military readiness and security. I want to extend my utmost appreciation to our Chairman for his work on this legislation and to the staff that contributed countless hours to ensure its completion. In addition to the crucial ongoing military operations included in this bill, there is a provision that will significantly aid the Moab, Utah community in my district of southeastern Utah.

We have our colleagues speak on this provision and I just want to add my support to its inclusion. For years, the Grand County Council and the people of Moab, Utah have been working to get the federal government to clean up the ten and a half million ton pile of uranium mill tailings that was the byproduct of our extensive military buildup during the Cold War.

With the help of many of our colleagues from downstream states, including members of this Committee such as JIM HANSEN, DUNCAN HUNTER, and BOB STUMP, we were able to include language to ensure that clean up and removal of this pile will begin and be completed in a timely, safe and scientific manner. This committee has done an excellent job in addressing concerns of the many stakeholders and I know that my constituents are anxious to see the long awaited clean up begin.

Again, I want to thank Mr. SPENCE for his work and I wish I had the opportunity to personally thank Mr. Bateman. Utah shall forever

be indebted to the gentleman from Virginia for his commitment to help preserve, protect and clean up one of our most beautiful areas of the country.

Mr. FRELINGHUYSEN. Mr. Speaker, I want to discuss for a moment the provisions in the Conference Report on the Agriculture Appropriations Act for Fiscal Year 2001 that deal with ''drug reimportation.''

First and foremost, I want the record to reflect that I, like my colleagues on both sides of the aisle, support a comprehensive plan to provide prescription medicines at more affordable prices to our senior citizens under Medicare. When Medicare was first created in 1965, prescription medicines were not a major part of our health care delivery system. Thanks to all the incredible medical breakthroughs over the past decades since the inception of the Medicare program, we now have medicines that can successfully treat thousands of the most serious illnesses and provide relief to millions of citizens suffering from illness. It is time to modernize Medicare to reflect the fact that prescription medicines are a major part of health care for all of our citizens, especially older men and women.

This hastily written legislation that will open our borders to imported drugs, however well intentioned, cannot be considered an adequate substitute for a comprehensive prescription drug coverage for our seniors under Medicare. These reimportation provisions are bad public policy: potentially endangering U.S. citizens by exposing them to ''reimported'' medicines that may be bogus or fake, outdated and untested. Secondly, it should be clear that nothing in these provisions change existing patent laws. In fact, the United States led the negotiations of the WTO Agreement on Trade-Related Intellectual Property Rights (TRIPs), which gives a patent owner of a product exclusive rights to make, use or import a patented product. No one else can do so without permission for the term of the patent and nothing in this bill should be construed otherwise.

Most important, I remain particularly concerned that this legislation might very well undermine our nation's Food and Drug Administration ''gold standard'' for ensuring the quality and safety of all medicines used by U.S. citizens and other consumers around the world.

In that respect, I am pleased by the fact that the FDA must overcome necessary safety hurdles before this legislation is implemented. For instance, the drug reimportation provisions of this conference report, specifically section 745, will not go into effect until two important actions are taken. First, the Secretary of Health and Human Services must demonstrate to the Congress that loosening current regulation of reimportation of prescription drugs will not place American consumers at risk. I want to emphasize that the demonstration of safety by the Secretary should be no ''pro forma'' paper exercise, but a real showing, with facts and figures, in the form of a report to Congress, that the kind of importation envisioned by these provisions is safe for consumers. If the Secretary cannot make this demonstration, these provisions cannot be implemented. Second, the Secretary must also demonstrate that individual consumers will realize a significant cost reduction from this legislation, making their drug purchases significantly more affordable for them, before it can be implemented.

Now that Congress has acted, it is up to the FDA and the next Administration to ensure this policy can save consumers money, without threatening the world's highest standard of safety of America's medicines for our consumers.

Mr. HALL of Ohio. Mr. Speaker, I rise to add my voice to those who will be speaking about this rule and the Agriculture Appropriations bill. But unfortunately there will be many voices that are not heard today—the voices of the 31 million Americans who are threatened by hunger even in the midst of our unprecedented prosperity.

I wish I did not have to bother my colleagues by talking about hunger again. I wish that I could be here announcing that we had mustered the political and spiritual will and finally eradicated hunger. I wish that we could turn our collective attention to other pressing problems. Unfortunately, Mr. Speaker, I have to stand on this floor yet again to urge this body to do better on issues of hunger.

That said, I want to thank my colleagues, Representatives YOUNG, SKEEN, OBEY, WALSH, DELAURO and HINCHEY for their work in the conference committee to make sure that the hungry were not forgotten. Specifically, they worked to include provisions of the Hunger Relief Act in this bill. I especially want to thank Ranking Member KAPTUR and Representative EMERSON for their efforts on behalf of the hungry.

It is a triumph that food stamp recipients will now be able to own a reliable car and pay high shelter costs. I want to particularly commend the coalition of anti-hunger groups that came together in gathering support for this bill—Bread For the World, RESULTS, FRAC, America's Second Harvest, the Food Policy Working Group, the National Immigration Law Center and the other 1,400 groups that endorsed the Hunger Relief Act. I especially want to thank Lynette Engelhardt Stott and Barbara Howell of Bread For the World, Ellen Teller and Ellen Vollinger of FRAC and Derek Miller of RESULTS for their tireless efforts in bringing us to this point.

While I am happy that these provisions are included, I am disappointed that we did not include the other titles of the bill that would have restored food stamp eligibility to legal immigrants and provided additional resources for our country's food banks through the TEFAP program. TEFAP provides the network of feeding programs around the nation with a reliable supply of nutritious commodities. It also directly benefits our farmers and food processors by providing them with an additional market for their products. I am still hopeful that those items will be included in our final omnibus bill.

This bill also provides $34.1 billion for domestic nutrition programs including food stamps, the school lunch and breakfast programs, WIC, Meals on Wheels and other commodity assistance programs. This is $2 billion less than the president requested and almost $1 billion less than what we provided last year. While most of that savings is due to a drop in food stamp participation, that does not mean that there has been a corresponding drop in hunger and food insecurity.

Additionally, the underlying bill provides almost $1 billion in humanitarian food aid for those in need overseas. While this equals the request and exceeds last year's total, it is still woefully inadequate in meeting the needs of the hungry around the world. I am proud that the United States, through the Food for Peace Program, was able to help avert famine in Ethiopia. I just visited the Horn of Africa last month and was glad I did not see as many children starving as would have without our timely assistance. I am also pleased to report that our food aid has prevented more people from dying of famine in North Korea and that Japan and South Korea are finally acting to assist their neighbor in need.

As we all know, this measure also provides for the sale of food and medicine to Cuba and other rogue nations. I am thrilled that Congress is reaffirming the belief that food should never be used as a weapon. President Reagan said it best, ''a hungry child knows no politics.'' We should continue to uphold that principle and this provision moves us closer to that goal.

The other controversial measure in this bill involves the reimportation of prescription drugs. Many of my colleagues will address our sides' specific concerns with this provision. But allow me to conclude with a couple of stories that I have shared before but that illustrate the importance of this issue and all that I have said today.

A few months ago, I met Darryl and Martha Wagner in Appalachian Ohio. They depend on Social Security and retirement for their meager $1,000 per month. She has cancer and her treatment and medication consume much of their income. Her doctor was concerned about whether she was getting enough to eat. By the time a food pantry outreach worker reached them, neither had eaten anything for three days. They had tried to do everything by the book and they were still hungry.

Another woman from southeastern Ohio, Priscilla Stevens, has lupus and MS and is required to take 26 medications every day. She receives only $258 each month and relies on Medicaid for her very life. I never got a chance to meet Tom Nelson in West Virginia. He died from a heart attack last year. You see, he had high blood pressure and needed medication to keep it under control. He had to choose between filling his refrigerator and filling his prescription. Sadly, he made the wrong choice when he decided to skip his drugs and eat instead.

Mr. Speaker, I am sorry that I have to keep talking about issues of hunger. This bill makes some strides toward fighting hunger. But we could do so much more, especially now. I look forward to the day when Congress makes ending hunger a top priority.

Mr. STARK. Mr. Speaker, I rise to address the reimportation provisions of the FY 2001 agriculture appropriations legislation that is before the House today. In recent weeks, these provisions have been the subject of considerable controversy: Some Members have asserted that allowing wholesalers to reimport FDA-approved pharmaceuticals will essentially solve the problem of overpricing, while others say the practice will expose U.S. consumers to unsafe products. Some argue that the legislation is so riddled with loopholes as to be useless, while others believe the final compromise is workable.

The bill is an attempt to address obscenely high drug prices. But it is far too limited in its approach, because it assumes that wholesalers reimporting prescription drugs will do so at prices that are affordable for the 15 million seniors and disabled Americans who do not have any form of insurance to cover the cost of their medications.

This is a flawed assumption. There is no guarantee that the ''middlemen'' in this bill will actually pass along substantial drug discounts to consumers who need them. And the bill's loopholes will allow pharmaceutical companies to keep drug prices inflated through restrictive contracts and control of FDA-required labels.

What seniors clearly need above all else is a Medicare drug benefit. Democrats support legislation, H.R. 4770, to guarantee comprehensive drug coverage to any senior who wants to sign up. It guarantees that all prescriptions written by any qualified physician can be filled at any pharmacy of the beneficiary's choice at a price that is affordable. We can pass such a bill this year. It is a travesty that the Republican leadership refuses to do so.

In fact, Republicans have gone to enormous lengths to block efforts to enact a Medicare drug benefit. Instead, they push a temporary state program that would help only the poorest, and private ''drug-only'' plans that insurers say they will never sell to seniors.

Meanwhile, the pharmaceutical industry and its phony front groups are spending millions to try to ensure that no legislation providing affordable prescription drugs to seniors is seriously considered. Regrettably, these efforts have served to seriously weaken the reimportation provisions in H.R. 4461 that we are voting on today.

If all we're going to accomplish is a relaxation of reimportation restrictions, there is still a better solution than the one before us today. I introduced last month, the Medicare Prescription Drug Internet Access Act of 2000 (H.R. 5142). It would allow beneficiaries to purchase safe, FDA-approved medications from U.S. and international suppliers at the lowest possible prices through an Internet site administered by Medicare. This means that Medicare beneficiaries would have guaranteed access to lower drug prices from a safe, certified-reliable source.

Here's how it works: All a beneficiary, doctor, or a pharmacy serving a beneficiary would need to do is click on Medicare's home page and type in a prescription. The result would be a display of the five lowest prices for the medicine in question and its availability from domestic and international suppliers. Beneficiaries would choose one and submit their prescription to the Internet pharmacy, receiving their medicine at the price selected through the mail, by express delivery, or at their local retail pharmacy.

The only medicine that Internet pharmacies contracting with Medicare would be able to sell is FDA-approved medicine manufactured in FDA-approved facilities. Internet pharmacies, under this bill, would only be able to import prescription medicine from approved companies that have been inspected by the FDA.

As an added precaution, Internet pharmacies would be required to display a Medicare Seal of Approval, which serves to authenticate the website. The seal would directly link to a secure webpage operated by the Medicare contractor to verify the Internet pharmacy's legitimacy.

These precautions would address problems that exist today with phony websites pawning counterfeit medicine to unsuspecting people. This bill addresses the issue of so-called ''rogue'' websites. It establishes a uniform set of criteria to which contracting Internet pharmacies must adhere or face criminal and financial consequences. Among other criteria, Internet pharmacies would have to be licensed in all 50 states as a pharmacy, fully comply with State and Federal laws, and only dispense medicine with a valid prescription through a licensed practitioner.

The bill I have just described will not be enacted this year. Nor is it a full-blown solution for the problems created by eroding insurance coverage for prescription drugs and accelerating drug price increases. Again, revising reimportation rules is one way to make prescription drugs more widely available at affordable prices. But today's bill falls far short of what is necessary to attain that goal. And, it ignores the real need of America's seniors—a Medicare drug benefit that is available and affordable for all.

Mr. GREENWOOD. Mr. Speaker, I rise today in support of the Agriculture Appropriations bill, but want to specifically address the provisions regarding reimportation of prescription drugs, section 745 and 746. As a Member of the Commerce Committee, which has jurisdiction over this issue, I am glad two provisions were included to ensure the safety of consumers, and that savings are passed along to customers.

First, we must be sure that nothing in these provisions compromises the health or safety or the American public in any way. Section 745 requires the Secretary of Health and Human Services to demonstrate in a written report to Congress that implementation of the amendment will pose no risk to the public, before the legislation can become effective. This demonstration requirement is no paper tiger. We expect the Secretary to make detailed factual findings and to submit a report supporting the demonstration, if indeed the Secretary can make it at all. The demonstration must be based on a detailed explanation that the Food and Drug Administration has the resources to enforce all of the requirements of the Federal Food, Drug, and Cosmetic Act against each and every one of these drug products as they arrive at our borders. If FDA cannot do this, the demonstration cannot be made, and these provisions cannot be implemented.

Through the hard work of the House Commerce Committee in previous Congresses, we have established a precedent for ensuring that Americans have access to safe and effective prescription drugs. Any attempt to under-mine this system by lowering these standards is not acceptable.

Second, this legislation sets a condition that before it is implemented, the Secretary must demonstrate that it will result in a cost reduction to American consumers. If the result of reimportation profits only middlemen, and not individual consumers, we will have done little to extend affordable prescriptions to our constituents.

In my view, these two determinations are bare minimum essentials that must be in place before this legislation is implemented. We must be vigilant in ensuring that American consumers are not threatened or put at risk in any way by the prescription drugs that come into this country under these provisions.

Mr. STUPAK. Mr. Speaker, I rise in support of the Conference Report on the Agriculture Appropriations bill for Fiscal Year 2001. I would like to commend the conferees and all the appropriators for their hard work on this bill, and to thank them for funding several important projects in my district.

This legislation recognizes the threat bovine tuberculosis poses to Michigan and provides funds to begin eradicating the disease in Michigan and throughout the country. Bovine tuberculosis is wreaking havoc on dairy and beef cattle in my state. Already, 10 Michigan herds have tested positive for the disease as have several deer and other animals. To complicate matters, USDA responded by downgrading Michigan's bovine TB status. Because of this downgrade, Michigan's economy is expected to lose $156 million during the next ten years.

While much work remains to be done, I am encouraged by the funding provided in this legislation to combat bovine TB in Michigan. It is my hope that this effort will begin the process of restoring Michigan to bovine TB-free status. I am committed to helping the farmers of my district and I hope that this research and reimbursement funding will bring them much-needed relief.

Secondly, I support this legislation because it provides funding for the Forestry Incentives Program. While this earmark is small, equaling the spending for Fiscal Year 2000, the Administration had not requested funds in its Fiscal Year 2001 budget nor had the House appropriated funds in its Agriculture spending bill. The Forestry Incentives Program provides cost-share funds to private landowners for tree planting and timber stand improvement. Through these efforts, we are able to keep our forests healthy and sustainable.

Finally, I am pleased that the conferees retained a portion of the important increase in funding to the USDA senior meal reimbursements that had been added by the Stupak-Boehlert amendment to the House Agriculture appropriations bill. Our amendment provided $160 million for USDA's Nutrition Program for the Elderly, a $20 million increase over the amount provided in the bill. Senior meal providers and the countless seniors that depend on senior meals will be greatly benefitted by the $10 million increase that the conferees retained. This increase will halt the steady decline of the USDA meal reimbursements that have gone down to their current rate of $.54 per meal for fiscal year 2000, a drop of eight cents since 1993.

The increase in USDA reimbursements is essential, and will benefit every senior meal provider in every town, city and state in the form of more money for each meal provided. I urge the House to continue in the future the effort to increase this crucial aid to senior meal providers. I am also submitting for the record letters in support of the increase in funding from the National Association of Nutrition and Aging Services Programs, the Meals on Wheels Association of America, and the Senior Citizens League. These organizations were invaluable in moving this issue forward. I would also like to thank National Council of Senior Citizens and the National Association of State Units on Aging for their work on promoting our amendment.

I submit the following letters into the RECORD.

MEALS ON WHEELS
ASSOCIATION OF AMERICA,
Alexandria, VA, October 11, 2000.

Hon. BART STUPAK,
Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE STUPAK: On behalf of the Meals On Wheels Association of America's (MOWAA) nearly 900 member programs

nationwide and the hundreds of thousands of older Americans whom they serve, I want to thank and commend you and Representative Sherwood Boehlert for sponsoring an amendment to H.R. 4461, the Department of Agriculture Appropriations bill, to provide an additional $20 million in funding for the Nutrition Program for the Elderly (NPE). We were delighted when the House passed your amendment, and we are pleased that the Conferees agreed to include $10 million of that increase in the final Conference bill.

As you are aware, Congress appropriated $150 million for the program in fiscal year 1996, but the appropriation was reduced by $10 million to $140 million in FY 1997, and it has remained at that level for several fiscal years. The Conferees' actions, when approved by both chambers, will bring funding for the program back to the FY 1996 level.

Few programs can boast the importance to the elderly, as well as the overwhelming success, that the Elderly Nutrition Program can. Senior nutrition programs have become the lifeline for millions of older Americans. There are few communities within the country where a senior nutrition program does not exist. These meal programs are as diverse as the communities in which they are located and the individuals they serve. At the same time, they share a common commitment to serving the nutritional needs of a growing number of older Americans. They also share a common problem—extremely limited resources. The funds and commodities furnished through the Department of Agriculture's NPE are vital to these programs. The $10 million increase over current levels is critically important in enabling these programs to continue serving the needs of our frailest and neediest citizens.

As you are aware, USDA Nutrition Program for the Elderly funds are provided to meal programs according to a per meal reimbursement rate. The rate has dropped over the past years from $.6206 in FY 1993 to $.5404 in the current fiscal year. Without a substantial increase in the appropriation level, the rate can be expected to continue to drop.

To put the issue in perspective, let me furnish an example from one rural meal program. A rural program that served 225,000 meals annually, and which received 20 percent of its budget from USDA funds, lost funding for 2,000 meals as a result of the per meal reimbursement reduction of a mere $.0007 in one fiscal year (from $.5864 in FY 1996 to $.5857 in FY 1997). Those 2,000 meals, of course, represent critical and life-sustaining nutrition for at-risk seniors. And the experience of that one meal program was multiplied thousands of times over across the nation. You can imagine the impact that the $.0802 reduction from FY 1993 to FY 2000 has had on meal programs—and needy, hungry seniors—throughout the country.

Because America's elderly population continues to be fastest growing segment of the population, demands on nutrition programs for the elderly are increasing. The most comprehensive national study to be conducted in recent years found that 41 percent of home-delivered meal programs had waiting lists. The relatively small investment of an additional $10 million that your amendment made possible will pay substantial dividends in helping target malnutrition and isolation in the elderly, improving their nutritional and health status and enabling many seniors to stay in their homes.

The Meals On Wheels Association of America urges the full House to approve conference bill, which will increase funding for the USDA Nutrition Program for the Elderly by $10 million over the FY 2000 level. We thank you again on behalf of all our member programs and the many needy seniors for whom this increase will mean a hot, nutritious meal, perhaps the only food of the day.

Sincerely,

MARGOT L. CLARK,
President.

SENIOR CITIZENS LEAGUE,
Alexandria, VA, October 11, 2000.

Hon. BART STUPAK,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE STUPAK: On behalf of the 1.5 million members and supporters of The Senior Citizens League (TSCL), many whom are dependent on various senior meal programs for their livelihood, are grateful to you and Rep. SHERWOOD BOEHLERT for your efforts to increase the per-meal reimbursement rate. This action was absolutely necessary to insure the continued availability of nutritional and health programs for older Americans who desperately need them for survival.

Your actions have sent a strong message to America's elderly that Congress recognizes and reacts to their needs. TSCL doubts that without your persistence on the topic, the situation being faced by senior meal providers would have been recognized, much less acted upon. Many thanks from TSCL and, in particular, the 4,690 TSCL members who reside in Michigan's 1st Congressional District, for your personal efforts and the contributions of your outstanding staff.

Sincerely,

MICHAEL F. OUELLETTE,
Director of Legislative Affairs.

NATIONAL ASSOCIATION OF NUTRITION AND AGING SERVICES PROGRAMS,
Washington, DC, October 11, 2000.

Hon. BART STUPAK,
House of Representatives, RHOB, Washington, DC.

DEAR CONGRESSMAN STUPAK: The National Association of Nutrition and Aging Services Programs (NANASP), representing the interests of congregate and home delivered meal programs for the elderly in your state and across the nation, supports the Conference Report to accompany H.R. 4461.

We wish, in particular, to commend the Conference Committee for maintaining the provision to increase funding for the USDA's Elderly Feeding Program (NPE) by $10 million. By increasing the funding for the program, you prevent disruption to meal programs that prove so vital to seniors and provide a little stability on the local level, which is important to the meal providers.

NANASP also commends you, Congressman Stupak, for taking leadership on this issue. We would have preferred the $20 million increase offered by your amendment and hope we can work with you next year to revisit this matter. We know that you recognize this as a strong investment in maintaining the good health of this nation's seniors. Nutrition is a preventive service that keeps seniors in their homes and communities rather than facing more costly institutionalization.

We thank you and Conference Committee for recognizing the value and effectiveness of this program and hope it will be provided this modest increase for FY 2001.

Sincerely,

JAN BONINE,
President.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I support this conference agreement and its Continued Dumping Offset provision. The language in the amendment is the same as that in H.R. 842, a bill introduced by my distinguished colleague from Ohio, Mr. REGULA, and to which I and 63 other members of the House are currently cosponsors.

The rationale behind the amendment is simple: Where internationally recognized unfair trade practices cause harm to our producers and workers, effective relief is promised. The amendment included in the conference package would reduce the adverse effect of continued dumping or subsidization by distributing the monies finally assessed to the injured industry. It is hoped that the knowledge that continued unfair trade practices will result in monies going to the injured and encourage those engaging in the continued unfair trade practices to trade fairly.

In my district and my state, I have witnessed first-hand what can happen to companies and jobs when unfair trade practices distort the market conditions. In one important industry, bearings, continued dumping has gone on uninterrupted for more than a decade. Companies who operate under constant conditions of depressed prices are not able to maintain investments, employment levels or compensation levels even if they are highly competitive at the beginning of the process. Similar experiences exist for many other industries where continued dumping or subsidization has gone on.

I urge my Republican and Democratic colleagues to support this conference agreement and the Continued Dumping Offset provision.

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

The SPEAKER pro tempore (Mr. NUSSLE). All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 75, not voting 18, as follows:

[Roll No. 525]

YEAS—340

Abercrombie	Brady (TX)	Deutsch
Aderholt	Brown (FL)	Diaz-Balart
Allen	Brown (OH)	Dickey
Armey	Bryant	Dicks
Baca	Burton	Dixon
Bachus	Buyer	Dooley
Baird	Callahan	Doolittle
Baker	Calvert	Doyle
Baldacci	Camp	Dreier
Baldwin	Canady	Duncan
Ballenger	Cannon	Dunn
Barcia	Capps	Edwards
Barr	Capuano	Ehlers
Barrett (NE)	Cardin	Ehrlich
Barrett (WI)	Castle	Emerson
Bartlett	Chambliss	Engel
Barton	Clay	English
Bass	Clayton	Etheridge
Becerra	Clement	Evans
Bentsen	Collins	Everett
Bereuter	Combest	Ewing
Berry	Condit	Farr
Biggert	Cook	Fattah
Bilbray	Cooksey	Fletcher
Bilirakis	Costello	Foley
Bishop	Coyne	Forbes
Blagojevich	Cramer	Ford
Bliley	Cubin	Fossella
Blunt	Cummings	Fowler
Boehlert	Cunningham	Frost
Bonilla	Danner	Gallegly
Bonior	Davis (FL)	Ganske
Bono	Deal	Gekas
Borski	DeFazio	Gephardt
Boswell	DeGette	Gibbons
Boucher	Delahunt	Gilchrest
Boyd	DeLauro	Gillmor
Brady (PA)	DeLay	Gilman

Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inslee
Isakson
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Knollenberg
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Morella
Murtha
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scott
Serrano
Sessions
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—75

Ackerman
Andrews
Berkley
Berman
Blumenauer
Boehner
Carson
Chabot
Chenoweth-Hage
Clyburn
Coburn
Conyers
Cox
Crane
Crowley
Davis (IL)
Davis (VA)
DeMint
Dingell
Doggett
Filner
Frelinghuysen
Gejdenson
Goss
Hefley
Hoekstra
Hostettler
Istook
Jackson (IL)
Johnson, Sam
Kasich
Kleczka
Kolbe
Lantos
Largent
Lee
Lofgren
Markey
McCrery
McDermott
McKinney
Metcalf
Miller, George
Moran (VA)
Nadler
Napolitano
Olver
Owens
Paul
Payne
Pelosi
Rangel
Rohrabacher
Roukema
Royce
Salmon
Sanford
Scarborough
Schaffer
Schakowsky
Sensenbrenner
Shadegg
Shays
Sherman
Stark
Sununu
Tancredo
Tierney
Toomey
Towns
Upton
Waters
Waxman
Weiner
Weldon (FL)

NOT VOTING—18

Archer
Burr
Campbell
Coble
Eshoo
Frank (MA)
Franks (NJ)
Hunter
Klink
McCollum
McIntosh
Meehan
Miller (FL)
Myrick
Neal
Pastor
Spratt
Wise

1752

Messrs. MCDERMOTT, RANGEL, OLVER, CROWLEY and TIERNEY changed their vote from ''yea'' to ''nay.''

Mrs. JONES of Ohio and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NOTICE

Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.

CONFERENCE REPORT ON H.R. 4392, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2001

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 4392) to authorize appropriations for fiscal year 2001 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–969)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4392), to authorize appropriations for fiscal year 2001 for intelligence and intelligence-related activities of the United States Government, the community Management Account and the Central Intelligence Agency Retirement and disability System, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Intelligence Authorization Act for Fiscal Year 2001''.

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

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Community management account.
Sec. 105. Transfer authority of the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Intelligence Community

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Sense of the Congress on intelligence community contracting.
Sec. 304. Prohibition on unauthorized disclosure of classified information.
Sec. 305. Authorization for travel on any common carrier for certain intelligence collection personnel.
Sec. 306. Update of report on effects of foreign espionage on United States trade secrets.
Sec. 307. POW/MIA analytic capability within the intelligence community.
Sec. 308. Applicability to lawful United States intelligence activities of Federal laws implementing international treaties and agreements.
Sec. 309. Limitation on handling, retention, and storage of certain classified materials by the Department of State.
Sec. 310. Designation of Daniel Patrick Moynihan Place.
Sec. 311. National Security Agency voluntary separation.

Subtitle B—Diplomatic Telecommunications Service Program Office (DTS-PO)

Sec. 321. Reorganization of Diplomatic Telecommunications Service Program Office.
Sec. 322. Personnel.
Sec. 323. Diplomatic Telecommunications Service Oversight Board.
Sec. 324. General provisions.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Modifications to Central Intelligence Agency's central services program.
Sec. 402. Technical corrections.
Sec. 403. Expansion of Inspector General actions requiring a report to Congress.
Sec. 404. Detail of employees to the National Reconnaissance Office.
Sec. 405. Transfers of funds to other agencies for acquisition of land.
Sec. 406. Eligibility of additional employees for reimbursement for professional liability insurance.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Contracting authority for the National Reconnaissance Office.
Sec. 502. Role of Director of Central Intelligence in experimental personnel program for certain scientific and technical personnel.
Sec. 503. Measurement and signature intelligence.

TITLE VI—COUNTERINTELLIGENCE MATTERS

Sec. 601. Short title.
Sec. 602. Orders for electronic surveillance under the Foreign Intelligence Surveillance Act of 1978.
Sec. 603. Orders for physical searches under the Foreign Intelligence Surveillance Act of 1978.
Sec. 604. Disclosure of information acquired under the Foreign Intelligence Surveillance Act of 1978 for law enforcement purposes.
Sec. 605. Coordination of counterintelligence with the Federal Bureau of Investigation.
Sec. 606. Enhancing protection of national security at the Department of Justice.
Sec. 607. Coordination requirements relating to the prosecution of cases involving classified information.
Sec. 608. Severability.

TITLE VII—DECLASSIFICATION OF INFORMATION

Sec. 701. Short title.
Sec. 702. Findings.
Sec. 703. Public Interest Declassification Board.
Sec. 704. Identification, collection, and review for declassification of information of archival value or extraordinary public interest.
Sec. 705. Protection of national security information and other information.
Sec. 706. Standards and procedures.
Sec. 707. Judicial review.
Sec. 708. Funding.
Sec. 709. Definitions.
Sec. 710. Sunset.

TITLE VIII—DISCLOSURE OF INFORMATION ON JAPANESE IMPERIAL GOVERNMENT

Sec. 801. Short title.
Sec. 802. Designation.
Sec. 803. Requirement of disclosure of records.
Sec. 804. Expedited processing of requests for Japanese Imperial Government records.
Sec. 805. Effective date.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2001 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The National Reconnaissance Office.
(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2001, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 4392 of the One Hundred Sixth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2001 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 2001 the sum of $163,231,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee shall remain available until September 30, 2002.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized 313 full-time personnel as of September 30, 2001. Personnel serving in such elements may be permanent employees of the Community Management Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there are also authorized to be appropriated for the Community Management Account for fiscal year 2001 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2002.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 2001, there are hereby authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2001, any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than 1 year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $34,100,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2002, and funds provided for procurement purposes shall remain available until September 30, 2003.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. TRANSFER AUTHORITY OF THE DIRECTOR OF CENTRAL INTELLIGENCE.

(a) LIMITATION ON DELEGATION OF AUTHORITY OF DEPARTMENTS TO OBJECT TO TRANSFERS.—Section 104(d)(2) of the National Security Act of 1947 (50 U.S.C. 403–4(d)(2)) is amended—

(1) by inserting ''(A)'' after ''(2)'';

(2) by redesignating subparagraphs (A), (B), (C), (D), and (E) as clauses (i), (ii), (iii), (iv), and (v), respectively;

(3) in clause (v), as so redesignated, by striking ''the Secretary or head'' and inserting ''subject to subparagraph (B), the Secretary or head''; and

(4) by adding at the end the following new subparagraph:

''(B)(i) Except as provided in clause (ii), the authority to object to a transfer under subparagraph (A)(v) may not be delegated by the Secretary or head of the department involved.

''(ii) With respect to the Department of Defense, the authority to object to such a transfer may be delegated by the Secretary of Defense, but only to the Deputy Secretary of Defense.

''(iii) An objection to a transfer under subparagraph (A)(v) shall have no effect unless submitted to the Director of Central Intelligence in writing.''.

(b) LIMITATION ON DELEGATION OF DUTIES OF DIRECTOR OF CENTRAL INTELLIGENCE.—Section 104(d)(1) of such Act (50 U.S.C. 403–4(d)(1)) is amended—

(1) by inserting ''(A)'' after ''(1)''; and

(2) by adding at the end the following new subparagraph:

''(B) The Director may only delegate any duty or authority given the Director under this subsection to the Deputy Director of Central Intelligence for Community Management.''.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2001 the sum of $216,000,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Intelligence Community

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. SENSE OF THE CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of the Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 304. PROHIBITION ON UNAUTHORIZED DISCLOSURE OF CLASSIFIED INFORMATION.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended—

(1) by redesignating section 798A as section 798B; and

(2) by inserting after section 798 the following new section 798A:

''§ 798A. Unauthorized disclosure of classified information

''(a) PROHIBITION.—Whoever, being an officer or employee of the United States, a former or retired officer or employee of the United States, any other person with authorized access to classified information, or any other person formerly with authorized access to classified information, knowingly and willfully discloses, or attempts to disclose, any classified information acquired as a result of such person's authorized access to classified information to a person (other than an officer or employee of the United States) who is not authorized access to such classified information, knowing that the person is not authorized access to such classified information, shall be fined under this title, imprisoned not more than 3 years, or both.

''(b) CONSTRUCTION OF PROHIBITION.—Nothing in this section shall be construed to establish criminal liability for disclosure of classified information in accordance with applicable law to the following:

''(1) Any justice or judge of a court of the United States established pursuant to article III of the Constitution of the United States.

''(2) The Senate or House of Representatives, or any committee or subcommittee thereof, or joint committee thereof, or any Member of Congress.

''(3) A person or persons acting on behalf of a foreign power (including an international organization) if the disclosure—

''(A) is made by an officer or employee of the United States who has been authorized to make the disclosure; and

''(B) is within the scope of such officer's or employee's duties.

''(4) Any other person authorized to receive the classified information.

''(c) DEFINITIONS.—In this section:

''(1) The term 'authorized', in the case of access to classified information, means having authority or permission to have access to the classified information pursuant to the provisions of a statute, Executive order, regulation, or directive of the head of any department or agency who is empowered to classify information, an order of any United States court, or a provision of any Resolution of the Senate or Rule of the House of Representatives which governs release of classified information by such House of Congress.

''(2) The term 'classified information' means information or material properly classified and clearly marked or represented, or that the person knows or has reason to believe has been properly classified by appropriate authorities, pursuant to the provisions of a statute or Executive order, as requiring protection against unauthorized disclosure for reasons of national security.

''(3) The term 'officer or employee of the United States' means the following:

''(A) An officer or employee (as those terms are defined in sections 2104 and 2105 of title 5).

''(B) An officer or enlisted member of the Armed Forces (as those terms are defined in section 101(b) of title 10).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by striking the item relating to section 798A and inserting the following new items:

''798A. Unauthorized disclosure of classified information.

''798B. Temporary extension of section 794.''.

SEC. 305. AUTHORIZATION FOR TRAVEL ON ANY COMMON CARRIER FOR CERTAIN INTELLIGENCE COLLECTION PERSONNEL.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended by adding at the end the following new section:

''TRAVEL ON ANY COMMON CARRIER FOR CERTAIN INTELLIGENCE COLLECTION PERSONNEL

''SEC. 116. (a) IN GENERAL.—Notwithstanding any other provision of law, the Director of Central Intelligence may authorize travel on any common carrier when such travel, in the discretion of the Director—

''(1) is consistent with intelligence community mission requirements, or

''(2) is required for cover purposes, operational needs, or other exceptional circumstances necessary for the successful performance of an intelligence community mission.

''(b) AUTHORIZED DELEGATION OF DUTY.—The Director may only delegate the authority granted by this section to the Deputy Director of Central Intelligence, or with respect to employees of the Central Intelligence Agency the Director may delegate such authority to the Deputy Director for Operations.''.

(b) CLERICAL AMENDMENT.—The table of contents for the National Security Act of 1947 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Travel on any common carrier for certain intelligence collection personnel.''.

SEC. 306. UPDATE OF REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON UNITED STATES TRADE SECRETS.

Not later than 270 days after the date of the enactment of this Act, the Director of Central Intelligence shall submit to Congress a report that updates and revises, as necessary, the report prepared by the Director pursuant to section 310 of the Intelligence Authorization Act for Fiscal Year 2000 (Public Law 106–120; 113 Stat. 1606).

SEC. 307. POW/MIA ANALYTIC CAPABILITY WITHIN THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.), as amended by section 305(a), is further amended by adding at the end the following:

''POW/MIA ANALYTIC CAPABILITY

''SEC. 117. (a) REQUIREMENT.—(1) The Director of Central Intelligence shall, in consultation with the Secretary of Defense, establish and maintain in the intelligence community an analytic capability with responsibility for intelligence in support of the activities of the United States relating to individuals who, after December 31, 1990, are unaccounted for United States personnel.

''(2) The analytic capability maintained under paragraph (1) shall be known as the 'POW/MIA analytic capability of the intelligence community'.

''(b) UNACCOUNTED FOR UNITED STATES PERSONNEL.—In this section, the term 'unaccounted for United States personnel' means the following:

''(1) Any missing person (as that term is defined in section 1513(1) of title 10, United States Code).

''(2) Any United States national who was killed while engaged in activities on behalf of the United States and whose remains have not been repatriated to the United States.''.

(b) CLERICAL AMENDMENT.—The table of contents for the National Security Act of 1947, as amended by section 305(b), is further amended by inserting after the item relating to section 116 the following new item:

''Sec. 117. POW/MIA analytic capability.''.

SEC. 308. APPLICABILITY TO LAWFUL UNITED STATES INTELLIGENCE ACTIVITIES OF FEDERAL LAWS IMPLEMENTING INTERNATIONAL TREATIES AND AGREEMENTS.

(a) IN GENERAL.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new title:

''TITLE X—ADDITIONAL MISCELLANEOUS PROVISIONS

''APPLICABILITY TO UNITED STATES INTELLIGENCE ACTIVITIES OF FEDERAL LAWS IMPLEMENTING INTERNATIONAL TREATIES AND AGREEMENTS

''SEC. 1001. (a) IN GENERAL.—No Federal law enacted on or after the date of the enactment of the Intelligence Authorization Act for Fiscal Year 2001 that implements a treaty or other international agreement shall be construed as making unlawful an otherwise lawful and authorized intelligence activity of the United States Government or its employees, or any other person to the extent such other person is carrying out such activity on behalf of, and at the direction of, the United States, unless such Federal law specifically addresses such intelligence activity.

''(b) AUTHORIZED INTELLIGENCE ACTIVITIES.—An intelligence activity shall be treated as authorized for purposes of subsection (a) if the intelligence activity is authorized by an appropriate official of the United States Government, acting within the scope of the official duties of that official and in compliance with Federal law and any applicable Presidential directive.''.

(b) CLERICAL AMENDMENT.—The table of contents for the National Security Act of 1947 is amended by inserting at the end the following new items:

''TITLE X—ADDITIONAL MISCELLANEOUS PROVISIONS

''Sec. 1001. Applicability to United States intelligence activities of Federal laws implementing international treaties and agreements.''.

SEC. 309. LIMITATION ON HANDLING, RETENTION, AND STORAGE OF CERTAIN CLASSIFIED MATERIALS BY THE DEPARTMENT OF STATE.

(a) CERTIFICATION REGARDING FULL COMPLIANCE WITH REQUIREMENTS.—The Director of Central Intelligence shall certify to the appropriate committees of Congress whether or not each covered element of the Department of State is in full compliance with all applicable directives of the Director of Central Intelligence relating to the handling, retention, or storage of covered classified material.

(b) LIMITATION ON CERTIFICATION.—The Director of Central Intelligence may not certify a covered element of the Department of State as being in full compliance with the directives referred to in subsection (a) if the covered element is currently subject to a waiver of compliance with respect to any such directive.

(c) REPORT ON NONCOMPLIANCE.—Whenever the Director of Central Intelligence determines that a covered element of the Department of State is not in full compliance with any directive referred to in subsection (a), the Director shall promptly notify the appropriate committees of Congress of such determination.

(d) EFFECTS OF CERTIFICATION OF NON-FULL COMPLIANCE.—(1) Subject to subsection (e), effective as of January 1, 2001, a covered element of the Department of State may not retain or store covered classified material unless the Director has certified under subsection (a) as of such date that the covered element is in full compliance with the directives referred to in subsection (a).

(2) If the prohibition in paragraph (1) takes effect in accordance with that paragraph, the prohibition shall remain in effect until the date on which the Director certifies under subsection (a) that the covered element involved is in full compliance with the directives referred to in that subsection.

(e) WAIVER BY DIRECTOR OF CENTRAL INTELLIGENCE.—(1) The Director of Central Intelligence may waive the applicability of the prohibition in subsection (d) to an element of the Department of State otherwise covered by such prohibition if the Director determines that the waiver is in the national security interests of the United States.

(2) The Director shall submit to appropriate committees of Congress a report on each exercise of the waiver authority in paragraph (1).

(3) Each report under paragraph (2) with respect to the exercise of authority under paragraph (1) shall set forth the following:

(A) The covered element of the Department of State addressed by the waiver.

(B) The reasons for the waiver.

(C) The actions that will be taken to bring such element into full compliance with the directives referred to in subsection (a), including a schedule for completion of such actions.

(D) The actions taken by the Director to protect any covered classified material to be handled, retained, or stored by such element pending achievement of full compliance of such element with such directives.

(f) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means the following:

(A) The Select Committee on Intelligence and the Committee on Foreign Relations of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committee on International Relations of the House of Representatives.

(2) The term ''covered classified material'' means any material classified at the Sensitive Compartmented Information (SCI) level.

(3) The term ''covered element of the Department of State'' means each element of the Department of State that handles, retains, or stores covered classified material.

(4) The term ''material'' means any data, regardless of physical form or characteristic, including written or printed matter, automated information systems storage media, maps, charts, paintings, drawings, films, photographs, engravings, sketches, working notes, papers, reproductions of any such things by any means or process, and sound, voice, magnetic, or electronic recordings.

(5) The term ''Sensitive Compartmented Information (SCI) level'', in the case of classified material, means a level of classification for information in such material concerning or derived from intelligence sources, methods, or analytical processes that requires such information to be handled within formal access control systems established by the Director of Central Intelligence.

SEC. 310. DESIGNATION OF DANIEL PATRICK MOYNIHAN PLACE.

(a) FINDINGS.—Congress finds that—

(1) during the second half of the twentieth century, Senator Daniel Patrick Moynihan promoted the importance of architecture and urban planning in the Nation's Capital, particularly with respect to the portion of Pennsylvania Avenue between the White House and the United States Capitol (referred to in this subsection as the ''Avenue'');

(2) Senator Moynihan has stressed the unique significance of the Avenue as conceived by Pierre Charles L'Enfant to be the ''grand axis'' of the Nation's Capital as well as a symbolic representation of the separate yet unified branches of the United States Government;

(3) through his service to the Ad Hoc Committee on Federal Office Space (1961–1962), as a member of the President's Council on Pennsylvania Avenue (1962–1964), and as vice-chairman of the President's Temporary Commission on Pennsylvania Avenue (1965–1969), and in his various capacities in the executive and legislative branches, Senator Moynihan has consistently and creatively sought to fulfill President Kennedy's recommendation of June 1, 1962, that the Avenue not become a ''solid phalanx of public and private office buildings which close down completely at night and on weekends,'' but that it be ''lively, friendly, and inviting, as well as dignified and impressive'';

(4)(A) Senator Moynihan helped draft a Federal architectural policy, known as the ''Guiding Principles for Federal Architecture,'' that recommends a choice of designs that are ''efficient and economical'' and that provide ''visual testimony to the dignity, enterprise, vigor, and stability'' of the United States Government; and

(B) the Guiding Principles for Federal Architecture further state that the ''development of an official style must be avoided. Design must flow from the architectural profession to the Government, and not vice versa.'';

(5) Senator Moynihan has encouraged—

(A) the construction of new buildings along the Avenue, such as the Ronald Reagan Building and International Trade Center; and

(B) the establishment of an academic institution along the Avenue, namely the Woodrow Wilson International Center for Scholars, a living memorial to President Wilson; and

(6) as Senator Moynihan's service in the Senate concludes, it is appropriate to commemorate his legacy of public service and his commitment to thoughtful urban design in the Nation's Capital.

(b) DESIGNATION.—The parcel of land located in the northwest quadrant of Washington, District of Columbia, and described in subsection (c) shall be known and designated as ''Daniel Patrick Moynihan Place''.

(c) BOUNDARIES.—The parcel of land described in this subsection is the portion of Woodrow Wilson Plaza (as designated by Public Law 103–284 (108 Stat. 1448)) that is bounded—

(1) on the west by the eastern facade of the Ronald Reagan Building and International Trade Center;

(2) on the east by the western facade of the Ariel Rios Building;

(3) on the north by the southern edge of the sidewalk abutting Pennsylvania Avenue; and

(4) on the south by the line that extends west to the facade of the Ronald Reagan Building and International Trade Center, from the point where the west facade of the Ariel Rios Building intersects the north end of the west hemicycle of that building.

(d) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the parcel of land described in subsection (c) shall be deemed to be a reference to Daniel Patrick Moynihan Place.

(e) MARKERS.—The Administrator of General Services shall erect appropriate gateways or other markers in Daniel Patrick Moynihan Place so denoting that place.

SEC. 311. NATIONAL SECURITY AGENCY VOLUNTARY SEPARATION ACT.

(a) IN GENERAL.—Title III of the National Security Act of 1947 (50 U.S.C. 405 et seq.) is amended by inserting at the beginning the following new section 301:

''NATIONAL SECURITY AGENCY VOLUNTARY SEPARATION

''SEC. 301. (a) SHORT TITLE.—This section may be cited as the 'National Security Agency Voluntary Separation Act'.

''(b) DEFINITIONS.—For purposes of this section—

''(1) the term 'Director' means the Director of the National Security Agency; and

''(2) the term 'employee' means an employee of the National Security Agency, serving under an appointment without time limitation, who has been currently employed by the National Security Agency for a continuous period of at least 12 months prior to the effective date of the program established under subsection (c), except that such term does not include—

''(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government; or

''(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A).

''(c) ESTABLISHMENT OF PROGRAM.—Notwithstanding any other provision of law, the Director, in his sole discretion, may establish a program under which employees may, after October 1, 2000, be eligible for early retirement, offered separation pay to separate from service voluntarily, or both.

''(d) EARLY RETIREMENT.—An employee who—

''(1) is at least 50 years of age and has completed 20 years of service; or

''(2) has at least 25 years of service,

may, pursuant to regulations promulgated under this section, apply and be retired from the National Security Agency and receive benefits in accordance with chapter 83 or 84 of title 5, United States Code, if the employee has not less than 10 years of service with the National Security Agency.

''(e) AMOUNT OF SEPARATION PAY AND TREATMENT FOR OTHER PURPOSES.—

''(1) AMOUNT.—Separation pay shall be paid in a lump sum and shall be equal to the lesser of—

''(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

''(B) $25,000.

''(2) TREATMENT.—Separation pay shall not—

''(A) be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

''(B) be taken into account for the purpose of determining the amount of any severance pay to which an individual may be entitled under section 5595 of title 5, United States Code, based on any other separation.

''(f) REEMPLOYMENT RESTRICTIONS.—An employee who receives separation pay under such program may not be reemployed by the National Security Agency for the 12-month period beginning on the effective date of the employee's separation. An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Restructuring Act of 1994 (Public Law 103–236; 108 Stat. 111) and accepts employment with the Government of the United States within 5 years after the date of the separation on which payment of the separation pay is based shall be required to repay the entire amount of the separation pay to the National Security Agency. If the employment is with an Executive agency (as defined by section 105 of title 5, United States Code), the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with the judicial branch, the Director of the Administrative Office of the

United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

''(g) BAR ON CERTAIN EMPLOYMENT.—

''(1) BAR.—An employee may not be separated from service under this section unless the employee agrees that the employee will not—

''(A) act as agent or attorney for, or otherwise represent, any other person (except the United States) in any formal or informal appearance before, or, with the intent to influence, make any oral or written communication on behalf of any other person (except the United States) to the National Security Agency; or

''(B) participate in any manner in the award, modification, or extension of any contract for property or services with the National Security Agency,

during the 12-month period beginning on the effective date of the employee's separation from service.

''(2) PENALTY.—An employee who violates an agreement under this subsection shall be liable to the United States in the amount of the separation pay paid to the employee pursuant to this section multiplied by the proportion of the 12-month period during which the employee was in violation of the agreement.

''(h) LIMITATIONS.—Under this program, early retirement and separation pay may be offered only—

''(1) with the prior approval of the Director;

''(2) for the period specified by the Director; and

''(3) to employees within such occupational groups or geographic locations, or subject to such other similar limitations or conditions, as the Director may require.

''(i) REGULATIONS.—Before an employee may be eligible for early retirement, separation pay, or both, under this section, the Director shall prescribe such regulations as may be necessary to carry out this section.

''(j) REPORTING REQUIREMENTS.—

''(1) NOTIFICATION.—The Director may not make an offer of early retirement, separation pay, or both, pursuant to this section until 15 days after submitting to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report describing the occupational groups or geographic locations, or other similar limitations or conditions, required by the Director under subsection (h), and includes the proposed regulations issued pursuant to subsection (i).

''(2) ANNUAL REPORT.—The Director shall submit to the President and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate an annual report on the effectiveness and costs of carrying out this section.

''(k) REMITTANCE OF FUNDS.—In addition to any other payment that is required to be made under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the National Security Agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund, an amount equal to 15 percent of the final basic pay of each employee to whom a voluntary separation payment has been or is to be paid under this section. The remittance required by this subsection shall be in lieu of any remittance required by section 4(a) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 8331 note).''.

(b) CLERICAL AMENDMENT.—The table of contents for title III of the National Security Act of 1947 is amended by inserting at the beginning the following new item:

''Sec. 301. National Security Agency voluntary separation.''.

Subtitle B—Diplomatic Telecommunications Service Program Office (DTS-PO)

SEC. 321. REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

(a) REORGANIZATION.—Effective 60 days after the date of the enactment of this Act, the Diplomatic Telecommunications Service Program Office (DTS-PO) established pursuant to title V of Public Law 102–140 shall be reorganized in accordance with this subtitle.

(b) PURPOSE AND DUTIES OF DTS-PO.—The purpose and duties of DTS-PO shall be to carry out a program for the establishment and maintenance of a diplomatic telecommunications system and communications network (hereinafter in this subtitle referred to as ''DTS'') capable of providing multiple levels of service to meet the wide ranging needs of all United States Government agencies and departments at diplomatic facilities abroad, including national security needs for secure, reliable, and robust communications capabilities.

SEC. 322. PERSONNEL.

(a) ESTABLISHMENT OF POSITION OF CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—Effective 60 days after the date of the enactment of this Act, there is established the position of Chief Executive Officer of the Diplomatic Telecommunications Service Program Office (hereinafter in this subtitle referred to as the ''CEO'').

(2) QUALIFICATIONS.—

(A) IN GENERAL.—The CEO shall be an individual who—

(i) is a communications professional;

(ii) has served in the commercial telecommunications industry for at least 7 years;

(iii) has an extensive background in communications system design, maintenance, and support and a background in organizational management; and

(iv) submits to a background investigation and possesses the necessary qualifications to obtain a security clearance required to meet the highest United States Government security standards.

(B) LIMITATIONS.—The CEO may not be an individual who was an officer or employee of DTS-PO prior to the date of the enactment of this Act.

(3) APPOINTMENT AUTHORITY.—The CEO of DTS-PO shall be appointed by the Director of the Office of Management and Budget.

(4) FIRST APPOINTMENT.—

(i) DEADLINE.—The first appointment under this subsection shall be made not later than May 1, 2001.

(ii) LIMITATION ON USE OF FUNDS.—Of the funds available for DTS-PO on the date of the enactment of this Act, not more than 75 percent of such funds may be obligated or expended until a CEO is appointed under this subsection and assumes such position.

(iii) MAY NOT BE AN OFFICER OR EMPLOYEE OF FEDERAL GOVERNMENT.—The individual first appointed as CEO under this subtitle may not have been an officer or employee of the Federal government during the 1 year period immediately preceding such appointment.

(5) VACANCY.—In the event of a vacancy in the position of CEO or during the absence or disability of the CEO, the Director of the Office of Management and Budget may designate an officer or employee of DTS-PO to perform the duties of the position as the acting CEO.

(6) AUTHORITIES AND DUTIES.—

(A) IN GENERAL.—The CEO shall have responsibility for day-to-day management and operations of DTS, subject to the supervision of the Diplomatic Telecommunication Service Oversight Board established under this subtitle.

(B) SPECIFIC AUTHORITIES.—In carrying out the responsibility for day-to-day management and operations of DTS, the CEO shall, at a minimum, have—

(i) final decision-making authority for implementing DTS policy; and

(ii) final decision-making authority for managing all communications technology and security upgrades to satisfy DTS user requirements.

(C) CERTIFICATION REGARDING SECURITY.—The CEO shall certify to the appropriate congressional committees that the operational and communications security requirements and practices of DTS conform to the highest security requirements and practices required by any agency utilizing the DTS.

(D) REPORTS TO CONGRESS.—

(i) SEMIANNUAL REPORTS.—Beginning on August 1, 2001, and every 6 months thereafter, the CEO shall submit to the appropriate congressional committees of jurisdiction a report regarding the activities of DTS-PO during the preceding 6 months, the current capabilities of DTS-PO, and the priorities of DTS-PO for the subsequent 6 month period. Each report shall include a discussion about any administrative, budgetary, or management issues that hinder the ability of DTS-PO to fulfill its mandate.

(ii) OTHER REPORTS.—In addition to the report required by clause (i), the CEO shall keep the appropriate congressional committees of jurisdiction fully and currently informed with regard to DTS-PO activities, particularly with regard to any significant security infractions or major outages in the DTS.

(b) ESTABLISHMENT OF POSITIONS OF DEPUTY EXECUTIVE OFFICER.—

(1) IN GENERAL.—There shall be 2 Deputy Executive Officers of the Diplomatic Telecommunications Service Program Office, each to be appointed by the President.

(2) DUTIES.—The Deputy Executive Officers shall perform such duties as the CEO may require.

(c) TERMINATION OF POSITIONS OF DIRECTOR AND DEPUTY DIRECTOR.—Effective upon the first appointment of a CEO pursuant to subsection (a), the positions of Director and Deputy Director of DTS-PO shall terminate.

(d) EMPLOYEES OF DTS-PO.—

(1) IN GENERAL.—DTS-PO is authorized to have the following employees: a CEO established under subsection (a), 2 Deputy Executive Officers established under subsection (b), and not more than 4 other employees.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The CEO and other officers and employees of DTS-PO may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(3) AUTHORITY OF DIRECTOR OF OMB TO PRESCRIBE PAY OF EMPLOYEES.—The Director of the Office of Management and Budget shall prescribe the rates of basic pay for positions to which employees are appointed under this section on the basis of their unique qualifications.

(e) STAFF OF FEDERAL AGENCIES.—

(1) IN GENERAL.—Upon request of the CEO, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to DTS-PO to assist it in carrying out its duties under this subtitle.

(2) CONTINUATION OF SERVICE.—An employee of a Federal department or agency who was performing services on behalf of DTS-PO prior to the effective date of the reorganization under this subtitle shall continue to be detailed to DTS-PO after that date, upon request.

SEC. 323. DIPLOMATIC TELECOMMUNICATIONS SERVICE OVERSIGHT BOARD.

(a) OVERSIGHT BOARD ESTABLISHED.—

(1) IN GENERAL.—There is hereby established the Diplomatic Telecommunications Service Oversight Board (hereinafter in this subtitle referred to as the ''Board'') as an instrumentality of the United States with the powers and authorities herein provided.

(2) STATUS.—The Board shall oversee and monitor the operations of DTS-PO and shall be

accountable for the duties assigned to DTS-PO under this subtitle.

(3) MEMBERSHIP.—

(A) IN GENERAL.—The Board shall consist of 3 members as follows:

(i) The Deputy Director of the Office of Management and Budget.

(ii) 2 members to be appointed by the President.

(B) CHAIRPERSON.—The chairperson of the Board shall be the Deputy Director of the Office of Management and Budget.

(C) TERMS.—Members of the Board appointed by the President shall serve at the pleasure of the President.

(D) QUORUM REQUIRED.—A quorum shall consist of all members of the Board and all decisions of the Board shall require a majority vote.

(4) PROHIBITION ON COMPENSATION.—Members of the Board may not receive additional pay, allowances, or benefits by reason of their service on the Board.

(5) DUTIES AND AUTHORITIES.—The Board shall have the following duties and authorities with respect to DTS-PO:

(A) To review and approve overall strategies, policies, and goals established by DTS-PO for its activities.

(B) To review and approve financial plans, budgets, and periodic financing requests developed by DTS-PO.

(C) To review the overall performance of DTS-PO on a periodic basis, including its work, management activities, and internal controls, and the performance of DTS-PO relative to approved budget plans.

(D) To require from DTS-PO any reports, documents, and records the Board considers necessary to carry out its oversight responsibilities.

(E) To evaluate audits of DTS-PO.

(6) LIMITATION ON AUTHORITY.—The CEO shall have the authority, without any prior review or approval by the Board, to make such determinations as the CEO considers appropriate and take such actions as the CEO considers appropriate with respect to the day-to-day management and operation of DTS-PO and to carry out the reforms of DTS-PO authorized by section 305 of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (section 305 of appendix G of Public Law 106–113).

SEC. 324. GENERAL PROVISIONS.

(a) REPORT TO CONGRESS.—Not later than March 1, 2001, the Director of the Office of Management and Budget shall submit to the appropriate congressional committees of jurisdiction a report which includes the following elements with respect to DTS-PO:

(1) Clarification of the process for the CEO to report to the Board.

(2) Details of the CEO's duties and responsibilities.

(3) Details of the compensation package for the CEO and other employees of DTS-PO.

(4) Recommendations to the Overseas Security Policy Board (OSPB) for updates.

(5) Security standards for information technology.

(6) The upgrade precedence plan for overseas posts with national security interests.

(7) A spending plan for the additional funds provided for the operation and improvement of DTS for fiscal year 2001.

(b) NOTIFICATION REQUIREMENTS.—The notification requirements of sections 502 and 505 of the National Security Act of 1947 shall apply to DTS-PO and the Board.

(c) PROCUREMENT AUTHORITY OF DTS-PO.—The procurement authorities of any of the users of DTS shall be available to the DTS-PO.

(d) DEFINITION OF APPROPRIATE CONGRESSIONAL COMMITTEES OF JURISDICTION.—As used in this subtitle, the term ''appropriate congressional committees of jurisdiction'' means the Committee on Appropriations, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate and the Committee on Appropriations, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

(e) STATUTORY CONSTRUCTION.—Nothing in this subtitle shall be construed to negate or to reduce the statutory obligations of any United States department or agency head.

(f) AUTHORIZATION OF APPROPRIATIONS FOR DTS-PO.—For each of the fiscal years 2002 through 2006, there are authorized to be appropriated directly to DTS-PO such sums as may be necessary to carry out the management, oversight, and security requirements of this subtitle.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MODIFICATIONS TO CENTRAL INTELLIGENCE AGENCY'S CENTRAL SERVICES PROGRAM.

(a) DEPOSITS IN CENTRAL SERVICES WORKING CAPITAL FUND.—Subsection (c)(2) of section 21 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(c)(2)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (H); and

(2) by inserting after subparagraph (E) the following new subparagraphs:

''(F) Receipts from individuals in reimbursement for utility services and meals provided under the program.

''(G) Receipts from individuals for the rental of property and equipment under the program.''.

(b) CLARIFICATION OF COSTS RECOVERABLE UNDER PROGRAM.—Subsection (e)(1) of that section is amended in the second sentence by inserting ''other than structures owned by the Agency'' after ''depreciation of plant and equipment''.

(c) FINANCIAL STATEMENTS OF PROGRAM.—Subsection (g)(2) of that section is amended in the first sentence by striking ''annual audits under paragraph (1)'' and inserting the following: ''financial statements to be prepared with respect to the program. Office of Management and Budget guidance shall also determine the procedures for conducting annual audits under paragraph (1).''.

SEC. 402. TECHNICAL CORRECTIONS.

(a) CLARIFICATION REGARDING REPORTS ON EXERCISE OF AUTHORITY.—Section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended—

(1) in subsection (d)(1), by striking subparagraph (E) and inserting the following new subparagraph (E):

''(E) a description of the exercise of the subpoena authority under subsection (e)(5) by the Inspector General during the reporting period; and''; and

(2) in subsection (e)(5), by striking subparagraph (E).

(b) TERMINOLOGY WITH RESPECT TO GOVERNMENT AGENCIES.—Section 17(e)(8) of such Act (50 U.S.C. 403q(e)(8)) is amended by striking ''Federal'' each place it appears and inserting ''Government''.

SEC. 403. EXPANSION OF INSPECTOR GENERAL ACTIONS REQUIRING A REPORT TO CONGRESS.

Section 17(d)(3) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q(d)(3)) is amended by striking all that follows after subparagraph (A) and inserting the following:

''(B) an investigation, inspection, or audit carried out by the Inspector General should focus on any current or former Agency official who—

''(i) holds or held a position in the Agency that is subject to appointment by the President, by and with the advise and consent of the Senate, including such a position held on an acting basis; or

''(ii) holds or held the position in the Agency, including such a position held on an acting basis, of—

''(I) Executive Director;

''(II) Deputy Director for Operations;

''(III) Deputy Director for Intelligence;

''(IV) Deputy Director for Administration; or

''(V) Deputy Director for Science and Technology;

''(C) a matter requires a report by the Inspector General to the Department of Justice on possible criminal conduct by a current or former Agency official described or referred to in subparagraph (B);

''(D) the Inspector General receives notice from the Department of Justice declining or approving prosecution of possible criminal conduct of any of the officials described in subparagraph (B); or

''(E) the Inspector General, after exhausting all possible alternatives, is unable to obtain significant documentary information in the course of an investigation, inspection, or audit,

the Inspector General shall immediately notify and submit a report on such matter to the intelligence committees.''.

SEC. 404. DETAIL OF EMPLOYEES TO THE NATIONAL RECONNAISSANCE OFFICE.

The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end the following new section:

''DETAIL OF EMPLOYEES

''SEC. 22. The Director may—

''(1) detail any personnel of the Agency on a reimbursable basis indefinitely to the National Reconnaissance Office without regard to any limitation under law on the duration of details of Federal Government personnel; and

''(2) hire personnel for the purpose of any detail under paragraph (1).''.

SEC. 405. TRANSFERS OF FUNDS TO OTHER AGENCIES FOR ACQUISITION OF LAND.

(a) IN GENERAL.—Section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f) is amended by adding at the end the following new subsection:

''(c) TRANSFERS FOR ACQUISITION OF LAND.—(1) Sums appropriated or otherwise made available to the Agency for the acquisition of land that are transferred to another department or agency for that purpose shall remain available for 3 years.

''(2) The Director shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives an annual report on the transfers of sums described in paragraph (1).''.

(b) CONFORMING STYLISTIC AMENDMENTS.—That section is further amended—

(1) in subsection (a), by inserting ''IN GENERAL.—'' after ''(a)''; and

(2) in subsection (b), by inserting ''SCOPE OF AUTHORITY FOR EXPENDITURE.—'' after ''(b)''.

(c) APPLICABILITY.—Subsection (c) of section 5 of the Central Intelligence Agency Act of 1949, as added by subsection (a) of this section, shall apply with respect to amounts appropriated or otherwise made available for the Central Intelligence Agency for fiscal years after fiscal year 2000.

SEC. 406. ELIGIBILITY OF ADDITIONAL EMPLOYEES FOR REIMBURSEMENT FOR PROFESSIONAL LIABILITY INSURANCE.

(a) IN GENERAL.—Notwithstanding any provision of title VI, section 636 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (5 U.S.C. prec. 5941 note), the Director of Central Intelligence may—

(1) designate as qualified employees within the meaning of subsection (b) of that section appropriate categories of employees not otherwise covered by that subsection; and

(2) use appropriated funds available to the Director to reimburse employees within categories so designated for one-half of the costs incurred by such employees for professional liability insurance in accordance with subsection (a) of that section.

(b) REPORTS.—The Director of Central Intelligence shall submit to the Select Committee on Intelligence of the Senate and the Permanent

Select Committee of Intelligence of the House of Representatives a report on each designation of a category of employees under paragraph (1) of subsection (a), including the approximate number of employees covered by such designation and an estimate of the amount to be expended on reimbursement of such employees under paragraph (2) of that subsection.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. CONTRACTING AUTHORITY FOR THE NATIONAL RECONNAISSANCE OFFICE.

(a) IN GENERAL.—The National Reconnaissance Office (''NRO'') shall negotiate, write, execute, and manage contracts for launch vehicle acquisition or launch that affect or bind the NRO and to which the United States is a party.

(b) EFFECTIVE DATE.—This section shall apply to any contract described in subsection (a) that is entered into after the date of the enactment of this Act.

(c) RETROACTIVITY.—This section shall not apply to any contract described in subsection (a) in effect as of the date of the enactment of this Act.

SEC. 502. ROLE OF DIRECTOR OF CENTRAL INTELLIGENCE IN EXPERIMENTAL PERSONNEL PROGRAM FOR CERTAIN SCIENTIFIC AND TECHNICAL PERSONNEL.

If the Director of Central Intelligence requests that the Secretary of Defense exercise any authority available to the Secretary under section 1101(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 5 U.S.C. 3104 note) to carry out a program of special personnel management authority at the National Imagery and Mapping Agency and the National Security Agency in order to facilitate recruitment of eminent experts in science and engineering at such agencies, the Secretary shall respond to such request not later than 30 days after the date of such request.

SEC. 503. MEASUREMENT AND SIGNATURE INTELLIGENCE.

(a) STUDY OF OPTIONS.—The Director of Central Intelligence shall, in coordination with the Secretary of Defense, conduct a study of the utility and feasibility of various options for improving the management and organization of measurement and signature intelligence, including—

(1) the option of establishing a centralized tasking, processing, exploitation, and dissemination facility for measurement and signature intelligence;

(2) options for recapitalizing and reconfiguring the current systems for measurement and signature intelligence; and

(3) the operation and maintenance costs of the various options.

(b) REPORT.—Not later than April 1, 2001, the Director and the Secretary shall jointly submit to the appropriate committees of Congress a report on their findings as a result of the study required by subsection (a). The report shall set forth any recommendations that the Director and the Secretary consider appropriate.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

TITLE VI—COUNTERINTELLIGENCE MATTERS

SEC. 601. SHORT TITLE.

This title may be cited as the ''Counterintelligence Reform Act of 2000''.

SEC. 602. ORDERS FOR ELECTRONIC SURVEILLANCE UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) REQUIREMENTS REGARDING CERTAIN APPLICATIONS.—Section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) is amended by adding at the end the following new subsection:

''(e)(1)(A) Upon written request of the Director of the Federal Bureau of Investigation, the Secretary of Defense, the Secretary of State, or the Director of Central Intelligence, the Attorney General shall personally review under subsection (a) an application under that subsection for a target described in section 101(b)(2).

''(B) Except when disabled or otherwise unavailable to make a request referred to in subparagraph (A), an official referred to in that subparagraph may not delegate the authority to make a request referred to in that subparagraph.

''(C) Each official referred to in subparagraph (A) with authority to make a request under that subparagraph shall take appropriate actions in advance to ensure that delegation of such authority is clearly established in the event such official is disabled or otherwise unavailable to make such request.

''(2)(A) If as a result of a request under paragraph (1) the Attorney General determines not to approve an application under the second sentence of subsection (a) for purposes of making the application under this section, the Attorney General shall provide written notice of the determination to the official making the request for the review of the application under that paragraph. Except when disabled or otherwise unavailable to make a determination under the preceding sentence, the Attorney General may not delegate the responsibility to make a determination under that sentence. The Attorney General shall take appropriate actions in advance to ensure that delegation of such responsibility is clearly established in the event the Attorney General is disabled or otherwise unavailable to make such determination.

''(B) Notice with respect to an application under subparagraph (A) shall set forth the modifications, if any, of the application that are necessary in order for the Attorney General to approve the application under the second sentence of subsection (a) for purposes of making the application under this section.

''(C) Upon review of any modifications of an application set forth under subparagraph (B), the official notified of the modifications under this paragraph shall modify the application if such official determines that such modification is warranted. Such official shall supervise the making of any modification under this subparagraph. Except when disabled or otherwise unavailable to supervise the making of any modification under the preceding sentence, such official may not delegate the responsibility to supervise the making of any modification under that preceding sentence. Each such official shall take appropriate actions in advance to ensure that delegation of such responsibility is clearly established in the event such official is disabled or otherwise unavailable to supervise the making of such modification.''.

(b) PROBABLE CAUSE.—Section 105 of that Act (50 U.S.C. 1805) is amended—

(1) by redesignating subsections (b), (c), (d), (e), (f), and (g) as subsections (c), (d), (e), (f), (g), and (h), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

''(b) In determining whether or not probable cause exists for purposes of an order under subsection (a)(3), a judge may consider past activities of the target, as well as facts and circumstances relating to current or future activities of the target.''; and

(3) in subsection (d), as redesignated by paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (c)(1)''.

SEC. 603. ORDERS FOR PHYSICAL SEARCHES UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) REQUIREMENTS REGARDING CERTAIN APPLICATIONS.—Section 303 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1823) is amended by adding at the end the following new subsection:

''(d)(1)(A) Upon written request of the Director of the Federal Bureau of Investigation, the Secretary of Defense, the Secretary of State, or the Director of Central Intelligence, the Attorney General shall personally review under subsection (a) an application under that subsection for a target described in section 101(b)(2).

''(B) Except when disabled or otherwise unavailable to make a request referred to in subparagraph (A), an official referred to in that subparagraph may not delegate the authority to make a request referred to in that subparagraph.

''(C) Each official referred to in subparagraph (A) with authority to make a request under that subparagraph shall take appropriate actions in advance to ensure that delegation of such authority is clearly established in the event such official is disabled or otherwise unavailable to make such request.

''(2)(A) If as a result of a request under paragraph (1) the Attorney General determines not to approve an application under the second sentence of subsection (a) for purposes of making the application under this section, the Attorney General shall provide written notice of the determination to the official making the request for the review of the application under that paragraph. Except when disabled or otherwise unavailable to make a determination under the preceding sentence, the Attorney General may not delegate the responsibility to make a determination under that sentence. The Attorney General shall take appropriate actions in advance to ensure that delegation of such responsibility is clearly established in the event the Attorney General is disabled or otherwise unavailable to make such determination.

''(B) Notice with respect to an application under subparagraph (A) shall set forth the modifications, if any, of the application that are necessary in order for the Attorney General to approve the application under the second sentence of subsection (a) for purposes of making the application under this section.

''(C) Upon review of any modifications of an application set forth under subparagraph (B), the official notified of the modifications under this paragraph shall modify the application if such official determines that such modification is warranted. Such official shall supervise the making of any modification under this subparagraph. Except when disabled or otherwise unavailable to supervise the making of any modification under the preceding sentence, such official may not delegate the responsibility to supervise the making of any modification under that preceding sentence. Each such official shall take appropriate actions in advance to ensure that delegation of such responsibility is clearly established in the event such official is disabled or otherwise unavailable to supervise the making of such modification.''.

(b) PROBABLE CAUSE.—Section 304 of that Act (50 U.S.C. 1824) is amended—

(1) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) In determining whether or not probable cause exists for purposes of an order under subsection (a)(3), a judge may consider past activities of the target, as well as facts and circumstances relating to current or future activities of the target.''.

SEC. 604. DISCLOSURE OF INFORMATION ACQUIRED UNDER THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978 FOR LAW ENFORCEMENT PURPOSES.

(a) INCLUSION OF INFORMATION ON DISCLOSURE IN SEMIANNUAL OVERSIGHT REPORT.—Section 108(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1808(a)) is amended—

(1) by inserting ''(1)'' after ''(a)''; and

(2) by adding at the end the following new paragraph:

''(2) Each report under the first sentence of paragraph (1) shall include a description of—

''(A) each criminal case in which information acquired under this Act has been passed for law enforcement purposes during the period covered by such report; and

''(B) each criminal case in which information acquired under this Act has been authorized for use at trial during such reporting period.''.

(b) REPORT ON MECHANISMS FOR DETERMINATIONS OF DISCLOSURE OF INFORMATION FOR LAW ENFORCEMENT PURPOSES.—(1) The Attorney General shall submit to the appropriate committees of Congress a report on the authorities and procedures utilized by the Department of Justice for determining whether or not to disclose information acquired under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) for law enforcement purposes.

(2) In this subsection, the term ''appropriate committees of Congress'' means the following:

(A) The Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

(B) The Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives.

SEC. 605. COORDINATION OF COUNTERINTELLIGENCE WITH THE FEDERAL BUREAU OF INVESTIGATION.

(a) TREATMENT OF CERTAIN SUBJECTS OF INVESTIGATION.—Subsection (c) of section 811 of the Intelligence Authorization Act for Fiscal Year 1995 (50 U.S.C. 402a) is amended—

(1) in paragraphs (1) and (2), by striking ''paragraph (3)'' and inserting ''paragraph (5)'';

(2) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (5), (6), (7), and (8), respectively;

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3)(A) The Director of the Federal Bureau of Investigation shall submit to the head of the department or agency concerned a written assessment of the potential impact of the actions of the department or agency on a counterintelligence investigation.

''(B) The head of the department or agency concerned shall—

''(i) use an assessment under subparagraph (A) as an aid in determining whether, and under what circumstances, the subject of an investigation under paragraph (1) should be left in place for investigative purposes; and

''(ii) notify in writing the Director of the Federal Bureau of Investigation of such determination.

''(C) The Director of the Federal Bureau of Investigation and the head of the department or agency concerned shall continue to consult, as appropriate, to review the status of an investigation covered by this paragraph, and to reassess, as appropriate, a determination of the head of the department or agency concerned to leave a subject in place for investigative purposes.''; and

(4) in paragraph (5), as so redesignated, by striking ''paragraph (1) or (2)'' and inserting ''paragraph (1), (2), or (3)''.

(b) TIMELY PROVISION OF INFORMATION AND CONSULTATION ON ESPIONAGE INVESTIGATIONS.—Paragraph (2) of that subsection is further amended—

(1) by inserting ''in a timely manner'' after ''through appropriate channels''; and

(2) by inserting ''in a timely manner'' after ''are consulted''.

(c) INTERFERENCE WITH FULL FIELD ESPIONAGE INVESTIGATIONS.—That subsection is further amended by inserting after paragraph (3), as amended by subsection (a) of this section, the following new paragraph (4):

''(4)(A) The Federal Bureau of Investigation shall notify appropriate officials within the executive branch, including the head of the department or agency concerned, of the commencement of a full field espionage investigation with respect to an employee within the executive branch.

''(B) A department or agency may not conduct a polygraph examination, interrogate, or otherwise take any action that is likely to alert an employee covered by a notice under subparagraph (A) of an investigation described in that subparagraph without prior coordination and consultation with the Federal Bureau of Investigation.''.

SEC. 606. ENHANCING PROTECTION OF NATIONAL SECURITY AT THE DEPARTMENT OF JUSTICE.

(a) AUTHORIZATION FOR INCREASED RESOURCES TO FULFILL NATIONAL SECURITY MISSION OF THE DEPARTMENT OF JUSTICE.—There are authorized to be appropriated to the Department of Justice for the activities of the Office of Intelligence Policy and Review to help meet the increased personnel demands to combat terrorism, process applications to the Foreign Intelligence Surveillance Court, participate effectively in counter-espionage investigations, provide policy analysis on national security issues, and enhance secure computer and telecommunications facilities—

(1) $7,000,000 for fiscal year 2001;

(2) $7,500,000 for fiscal year 2002; and

(3) $8,000,000 for fiscal year 2003.

(b) AVAILABILITY OF FUNDS.—(1) No funds authorized to be appropriated by subsection (a) for the Office of Intelligence Policy and Review for fiscal years 2002 and 2003 may be obligated or expended until the date on which the Attorney General submits the report required by paragraph (2) for the year involved.

(2)(A) The Attorney General shall submit to the committees of Congress specified in subparagraph (B) an annual report on the manner in which the funds authorized to be appropriated by subsection (a) for the Office of Intelligence Policy and Review will be used by that Office—

(i) to improve and strengthen its oversight of Federal Bureau of Investigation field offices in the implementation of orders under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.); and

(ii) to streamline and increase the efficiency of the application process under that Act.

(B) The committees of Congress referred to in this subparagraph are the following:

(i) The Select Committee on Intelligence and the Committee on the Judiciary of the Senate.

(ii) The Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives.

(3) In addition to the report required by paragraph (2), the Attorney General shall also submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report that addresses the issues identified in the semiannual report of the Attorney General to such committees under section 108(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1808(a)) that was submitted in April 2000, including any corrective actions with regard to such issues. The report under this paragraph shall be submitted in classified form.

(4) Funds made available pursuant to subsection (a), in any fiscal year, shall remain available until expended.

(c) REPORT ON COORDINATING NATIONAL SECURITY AND INTELLIGENCE FUNCTIONS WITHIN THE DEPARTMENT OF JUSTICE.—The Attorney General shall report to the committees of Congress specified in subsection (b)(2)(B) within 120 days on actions that have been or will be taken by the Department to—

(1) promote quick and efficient responses to national security issues;

(2) centralize a point-of-contact within the Department on national security matters for external entities and agencies; and

(3) coordinate the dissemination of intelligence information within the appropriate components of the Department and the formulation of policy on national security issues.

SEC. 607. COORDINATION REQUIREMENTS RELATING TO THE PROSECUTION OF CASES INVOLVING CLASSIFIED INFORMATION.

The Classified Information Procedures Act (18 U.S.C. App.) is amended by inserting after section 9 the following new section:

''COORDINATION REQUIREMENTS RELATING TO THE PROSECUTION OF CASES INVOLVING CLASSIFIED INFORMATION

''SEC. 9A. (a) BRIEFINGS REQUIRED.—The Assistant Attorney General for the Criminal Division and the appropriate United States attorney, or the designees of such officials, shall provide briefings to the senior agency official, or the designee of such official, with respect to any case involving classified information that originated in the agency of such senior agency official.

''(b) TIMING OF BRIEFINGS.—Briefings under subsection (a) with respect to a case shall occur—

''(1) as soon as practicable after the Department of Justice and the United States attorney concerned determine that a prosecution or potential prosecution could result; and

''(2) at such other times thereafter as are necessary to keep the senior agency official concerned fully and currently informed of the status of the prosecution.

''(c) SENIOR AGENCY OFFICIAL DEFINED.—In this section, the term 'senior agency official' has the meaning given that term in section 1.1 of Executive Order No. 12958.''.

SEC. 608. SEVERABILITY.

If any provision of this title (including an amendment made by this title), or the application thereof, to any person or circumstance, is held invalid, the remainder of this title (including the amendments made by this title), and the application thereof, to other persons or circumstances shall not be affected thereby.

TITLE VII—DECLASSIFICATION OF INFORMATION

SEC. 701. SHORT TITLE.

This title may be cited as the ''Public Interest Declassification Act of 2000''.

SEC. 702. FINDINGS.

Congress makes the following findings:

(1) It is in the national interest to establish an effective, coordinated, and cost-effective means by which records on specific subjects of extraordinary public interest that do not undermine the national security interests of the United States may be collected, retained, reviewed, and disseminated to Congress, policymakers in the executive branch, and the public.

(2) Ensuring, through such measures, public access to information that does not require continued protection to maintain the national security interests of the United States is a key to striking the balance between secrecy essential to national security and the openness that is central to the proper functioning of the political institutions of the United States.

SEC. 703. PUBLIC INTEREST DECLASSIFICATION BOARD.

(a) ESTABLISHMENT.—There is established within the executive branch of the United States a board to be known as the ''Public Interest Declassification Board'' (in this title referred to as the ''Board'').

(b) PURPOSES.—The purposes of the Board are as follows:

(1) To advise the President, the Assistant to the President for National Security Affairs, the Director of the Office of Management and Budget, and such other executive branch officials as the Board considers appropriate on the systematic, thorough, coordinated, and comprehensive identification, collection, review for declassification, and release to Congress, interested agencies, and the public of declassified records and materials (including donated historical materials) that are of archival value, including records and materials of extraordinary public interest.

(2) To promote the fullest possible public access to a thorough, accurate, and reliable documentary record of significant United States national security decisions and significant United States national security activities in order to—

(A) support the oversight and legislative functions of Congress;

(B) support the policymaking role of the executive branch;

(C) respond to the interest of the public in national security matters; and

(D) promote reliable historical analysis and new avenues of historical study in national security matters.

(3) To provide recommendations to the President for the identification, collection, and review for declassification of information of extraordinary public interest that does not undermine the national security of the United States, to be undertaken in accordance with a declassification program that has been established or may be established by the President by Executive order.

(4) To advise the President, the Assistant to the President for National Security Affairs, the Director of the Office of Management and Budget, and such other executive branch officials as the Board considers appropriate on policies deriving from the issuance by the President of Executive orders regarding the classification and declassification of national security information.

(c) MEMBERSHIP.—(1) The Board shall be composed of nine individuals appointed from among citizens of the United States who are preeminent in the fields of history, national security, foreign policy, intelligence policy, social science, law, or archives, including individuals who have served in Congress or otherwise in the Federal Government or have otherwise engaged in research, scholarship, or publication in such fields on matters relating to the national security of the United States, of whom—

(A) five shall be appointed by the President;

(B) one shall be appointed by the Speaker of the House of Representatives;

(C) one shall be appointed by the majority leader of the Senate;

(D) one shall be appointed by the minority leader of the Senate; and

(E) one shall be appointed by the minority leader of the House of Representatives.

(2)(A) Of the members initially appointed to the Board by the President—

(i) three shall be appointed for a term of four years;

(ii) one shall be appointed for a term of three years; and

(iii) one shall be appointed for a term of two years.

(B) The members initially appointed to the Board by the Speaker of the House of Representatives or by the majority leader of the Senate shall be appointed for a term of three years.

(C) The members initially appointed to the Board by the minority leader of the House of Representatives or the Senate shall be appointed for a term of two years.

(D) Any subsequent appointment to the Board shall be for a term of three years.

(3) A vacancy in the Board shall be filled in the same manner as the original appointment. A member of the Board appointed to fill a vacancy before the expiration of a term shall serve for the remainder of the term.

(4) A member of the Board may be appointed to a new term on the Board upon the expiration of the member's term on the Board, except that no member may serve more than three full terms on the Board.

(d) CHAIRPERSON; EXECUTIVE SECRETARY.—(1)(A) The President shall designate one of the members of the Board as the Chairperson of the Board.

(B) The term of service as Chairperson of the Board shall be two years.

(C) A member serving as Chairperson of the Board may be redesignated as Chairperson of the Board upon the expiration of the member's term as Chairperson of the Board, except that no member shall serve as Chairperson of the Board for more than six years.

(2) The Director of the Information Security Oversight Office shall serve as the Executive Secretary of the Board.

(e) MEETINGS.—The Board shall meet as needed to accomplish its mission, consistent with the availability of funds. A majority of the members of the Board shall constitute a quorum.

(f) STAFF.—Any employee of the Federal Government may be detailed to the Board, with the agreement of and without reimbursement to the detailing agency, and such detail shall be without interruption or loss of civil, military, or foreign service status or privilege.

(g) SECURITY.—(1) The members and staff of the Board shall, as a condition of appointment to or employment with the Board, hold appropriate security clearances for access to the classified records and materials to be reviewed by the Board or its staff, and shall follow the guidance and practices on security under applicable Executive orders and Presidential or agency directives.

(2) The head of an agency shall, as a condition of granting access to a member of the Board, the Executive Secretary of the Board, or a member of the staff of the Board to classified records or materials of the agency under this title, require the member, the Executive Secretary, or the member of the staff, as the case may be, to—

(A) execute an agreement regarding the security of such records or materials that is approved by the head of the agency; and

(B) hold an appropriate security clearance granted or recognized under the standard procedures and eligibility criteria of the agency, including any special access approval required for access to such records or materials.

(3) The members of the Board, the Executive Secretary of the Board, and the members of the staff of the Board may not use any information acquired in the course of their official activities on the Board for nonofficial purposes.

(4) For purposes of any law or regulation governing access to classified information that pertains to the national security of the United States, and subject to any limitations on access arising under section 706(b), and to facilitate the advisory functions of the Board under this title, a member of the Board seeking access to a record or material under this title shall be deemed for purposes of this subsection to have a need to know the contents of the record or material.

(h) COMPENSATION.—(1) Each member of the Board shall receive compensation at a rate not to exceed the daily equivalent of the annual rate of basic pay payable for positions at ES–1 of the Senior Executive Service under section 5382 of title 5, United States Code, for each day such member is engaged in the actual performance of duties of the Board.

(2) Members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of the duties of the Board.

(i) GUIDANCE; ANNUAL BUDGET.—(1) On behalf of the President, the Assistant to the President for National Security Affairs shall provide guidance on policy to the Board.

(2) The Executive Secretary of the Board, under the direction of the Chairperson of the Board and the Board, and acting in consultation with the Archivist of the United States, the Assistant to the President for National Security Affairs, and the Director of the Office of Management and Budget, shall prepare the annual budget of the Board.

(j) SUPPORT.—The Information Security Oversight Office may support the activities of the Board under this title. Such support shall be provided on a reimbursable basis.

(k) PUBLIC AVAILABILITY OF RECORDS AND REPORTS.—(1) The Board shall make available for public inspection records of its proceedings and reports prepared in the course of its activities under this title to the extent such records and reports are not classified and would not be exempt from release under the provisions of section 552 of title 5, United States Code.

(2) In making records and reports available under paragraph (1), the Board shall coordinate the release of such records and reports with appropriate officials from agencies with expertise in classified information in order to ensure that such records and reports do not inadvertently contain classified information.

(l) APPLICABILITY OF CERTAIN ADMINISTRATIVE LAWS.—The provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the activities of the Board under this title. However, the records of the Board shall be governed by the provisions of the Federal Records Act of 1950.

SEC. 704. IDENTIFICATION, COLLECTION, AND REVIEW FOR DECLASSIFICATION OF INFORMATION OF ARCHIVAL VALUE OR EXTRAORDINARY PUBLIC INTEREST.

(a) BRIEFINGS ON AGENCY DECLASSIFICATION PROGRAMS.—(1) As requested by the Board, or by the Select Committee on Intelligence of the Senate or the Permanent Select Committee on Intelligence of the House of Representatives, the head of any agency with the authority under an Executive order to classify information shall provide to the Board, the Select Committee on Intelligence of the Senate, or the Permanent Select Committee on Intelligence of the House of Representatives, on an annual basis, a summary briefing and report on such agency's progress and plans in the declassification of national security information. Such briefing shall cover the declassification goals set by statute, regulation, or policy, the agency's progress with respect to such goals, and the agency's planned goals and priorities for its declassification activities over the next two fiscal years. Agency briefings and reports shall give particular attention to progress on the declassification of records and materials that are of archival value or extraordinary public interest to the people of the United States.

(2)(A) The annual briefing and report under paragraph (1) for agencies within the Department of Defense, including the military departments and the elements of the intelligence community, shall be provided on a consolidated basis.

(B) In this paragraph, the term ''elements of the intelligence community'' means the elements of the intelligence community specified or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

(b) RECOMMENDATIONS ON AGENCY DECLASSIFICATION PROGRAMS.—(1) Upon reviewing and discussing declassification plans and progress with an agency, the Board shall provide to the head of the agency the written recommendations of the Board as to how the agency's declassification program could be improved. A copy of each recommendation shall also be submitted to the Assistant to the President for National Security Affairs and the Director of the Office of Management and Budget.

(2) Consistent with the provisions of section 703(k), the Board's recommendations to the head of an agency under paragraph (1) shall become public 60 days after such recommendations are sent to the head of the agency under that paragraph.

(c) RECOMMENDATIONS ON SPECIAL SEARCHES FOR RECORDS OF EXTRAORDINARY PUBLIC INTEREST.—(1) The Board shall also make recommendations to the President regarding proposed initiatives to identify, collect, and review for declassification classified records and materials of extraordinary public interest.

(2) In making recommendations under paragraph (1), the Board shall consider the following:

(A) The opinions and requests of Members of Congress, including opinions and requests expressed or embodied in letters or legislative proposals.

(B) The opinions and requests of the National Security Council, the Director of Central Intelligence, and the heads of other agencies.

(C) The opinions of United States citizens.

(D) The opinions of members of the Board.

(E) The impact of special searches on systematic and all other on-going declassification programs.

(F) The costs (including budgetary costs) and the impact that complying with the recommendations would have on agency budgets, programs, and operations.

(G) The benefits of the recommendations.

(H) The impact of compliance with the recommendations on the national security of the United States.

(d) PRESIDENT'S DECLASSIFICATION PRIORITIES.—(1) Concurrent with the submission to Congress of the budget of the President each fiscal year under section 1105 of title 31, United States Code, the Director of the Office of Management and Budget shall publish a description of the President's declassification program and priorities, together with a listing of the funds requested to implement that program.

(2) Nothing in this title shall be construed to substitute or supersede, or establish a funding process for, any declassification program that has been established or may be established by the President by Executive order.

SEC. 705. PROTECTION OF NATIONAL SECURITY INFORMATION AND OTHER INFORMATION.

(a) IN GENERAL.—Nothing in this title shall be construed to limit the authority of the head of an agency to classify information or to continue the classification of information previously classified by that agency.

(b) SPECIAL ACCESS PROGRAMS.—Nothing in this title shall be construed to limit the authority of the head of an agency to grant or deny access to a special access program.

(c) AUTHORITIES OF DIRECTOR OF CENTRAL INTELLIGENCE.—Nothing in this title shall be construed to limit the authorities of the Director of Central Intelligence as the head of the intelligence community, including the Director's responsibility to protect intelligence sources and methods from unauthorized disclosure as required by section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6)).

(d) EXEMPTIONS TO RELEASE OF INFORMATION.—Nothing in this title shall be construed to limit any exemption or exception to the release to the public under this title of information that is protected under subsection (b) of section 552 of title 5, United States Code (commonly referred to as the ''Freedom of Information Act''), or section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act'').

(e) WITHHOLDING INFORMATION FROM CONGRESS.—Nothing in this title shall be construed to authorize the withholding of information from Congress.

SEC. 706. STANDARDS AND PROCEDURES.

(a) LIAISON.—(1) The head of each agency with the authority under an Executive order to classify information and the head of each Federal Presidential library shall designate an employee of such agency or library to act as liaison to the Board for purposes of this title.

(2) The Board may establish liaison and otherwise consult with such other historical and advisory committees as the Board considers appropriate for purposes of this title.

(b) LIMITATIONS ON ACCESS.—(1)(A) Except as provided in paragraph (2), if the head of an agency or the head of a Federal Presidential library determines it necessary to deny or restrict access of the Board, or of the agency or library liaison to the Board, to information contained in a record or material, in whole or in part, the head of the agency or the head of the library shall promptly notify the Board in writing of such determination.

(B) Each notice to the Board under subparagraph (A) shall include a description of the nature of the records or materials, and a justification for the determination, covered by such notice.

(2) In the case of a determination referred to in paragraph (1) with respect to a special access program created by the Secretary of Defense, the Director of Central Intelligence, or the head of any other agency, the notification of denial of access under paragraph (1), including a description of the nature of the Board's request for access, shall be submitted to the Assistant to the President for National Security Affairs rather than to the Board.

(c) DISCRETION TO DISCLOSE.—At the conclusion of a declassification review, the head of an agency may, in the discretion of the head of the agency, determine that the public's interest in the disclosure of records or materials of the agency covered by such review, and still properly classified, outweighs the Government's need to protect such records or materials, and may release such records or materials in accordance with the provisions of Executive Order 12958 or any successor order to such Executive Order.

(d) DISCRETION TO PROTECT.—At the conclusion of a declassification review, the head of an agency may, in the discretion of the head of the agency, determine that the interest of the agency in the protection of records or materials of the agency covered by such review, and still properly classified, outweighs the public's need for access to such records or materials, and may deny release of such records or materials in accordance with the provisions of Executive Order 12958 or any successor order to such Executive Order.

(e) REPORTS.—(1)(A) Except as provided in paragraph (2), the Board shall annually submit to the appropriate congressional committees a report on the activities of the Board under this title, including summary information regarding any denials to the Board by the head of an agency or the head of a Federal Presidential library of access to records or materials under this title.

(B) In this paragraph, the term ''appropriate congressional committees'' means the Select Committee on Intelligence and the Committee on Governmental Affairs of the Senate and the Permanent Select Committee on Intelligence and the Committee on Government Reform of the House of Representatives.

(2) Notwithstanding paragraph (1), notice that the Board has been denied access to records and materials, and a justification for the determination in support of the denial, shall be submitted by the agency denying the access as follows:

(A) In the case of the denial of access to a special access program created by the Secretary of Defense, to the Committees on Armed Services and Appropriations of the Senate and to the Committees on Armed Services and Appropriations of the House of Representatives.

(B) In the case of the denial of access to a special access program created by the Director of Central Intelligence, or by the head of any other agency (including the Department of Defense) if the special access program pertains to intelligence activities, or of access to any information and materials relating to intelligence sources and methods, to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

(C) In the case of the denial of access to a special access program created by the Secretary of Energy or the Administrator for Nuclear Security, to the Committees on Armed Services and Appropriations and the Select Committee on Intelligence of the Senate and to the Committees on Armed Services and Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 707. JUDICIAL REVIEW.

Nothing in this title limits the protection afforded to any information under any other provision of law. This title is not intended and may not be construed to create any right or benefit, substantive or procedural, enforceable against the United States, its agencies, its officers, or its employees. This title does not modify in any way the substantive criteria or procedures for the classification of information, nor does this title create any right or benefit subject to judicial review.

SEC. 708. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to carry out the provisions of this title amounts as follows:

(1) For fiscal year 2001, $650,000.

(2) For each fiscal year after fiscal year 2001, such sums as may be necessary for such fiscal year.

(b) FUNDING REQUESTS.—The President shall include in the budget submitted to Congress for each fiscal year under section 1105 of title 31, United States Code, a request for amounts for the activities of the Board under this title during such fiscal year.

SEC. 709. DEFINITIONS.

In this title:

(1) AGENCY.—(A) Except as provided in subparagraph (B), the term ''agency'' means the following:

(i) An Executive agency, as that term is defined in section 105 of title 5, United States Code.

(ii) A military department, as that term is defined in section 102 of such title.

(iii) Any other entity in the executive branch that comes into the possession of classified information.

(B) The term does not include the Board.

(2) CLASSIFIED MATERIAL OR RECORD.—The terms ''classified material'' and ''classified record'' include any correspondence, memorandum, book, plan, map, drawing, diagram, pictorial or graphic work, photograph, film, microfilm, sound recording, videotape, machine readable records, and other documentary material, regardless of physical form or characteristics, that has been determined pursuant to Executive order to require protection against unauthorized disclosure in the interests of the national security of the United States.

(3) DECLASSIFICATION.—The term ''declassification'' means the process by which records or materials that have been classified are determined no longer to require protection from unauthorized disclosure to protect the national security of the United States.

(4) DONATED HISTORICAL MATERIAL.—The term ''donated historical material'' means collections of personal papers donated or given to a Federal Presidential library or other archival repository under a deed of gift or otherwise.

(5) FEDERAL PRESIDENTIAL LIBRARY.—The term ''Federal Presidential library'' means a library operated and maintained by the United States Government through the National Archives and Records Administration under the applicable provisions of the Federal Records Act of 1950.

(6) NATIONAL SECURITY.—The term ''national security'' means the national defense or foreign relations of the United States.

(7) RECORDS OR MATERIALS OF EXTRAORDINARY PUBLIC INTEREST.—The term ''records or materials of extraordinary public interest'' means records or materials that—

(A) demonstrate and record the national security policies, actions, and decisions of the United States, including—

(i) policies, events, actions, and decisions which led to significant national security outcomes; and

(ii) the development and evolution of significant United States national security policies, actions, and decisions;

(B) will provide a significantly different perspective in general from records and materials publicly available in other historical sources; and

(C) would need to be addressed through ad hoc record searches outside any systematic declassification program established under Executive order.

(8) RECORDS OF ARCHIVAL VALUE.—The term ''records of archival value'' means records that have been determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the Federal Government.

SEC. 710. EFFECTIVE DATE; SUNSET.

(a) EFFECTIVE DATE.—This title shall take effect on the date that is 120 days after the date of the enactment of this Act.

(b) SUNSET.—The provisions of this title shall expire four years after the date of the enactment of this Act, unless reauthorized by statute.

TITLE VIII—DISCLOSURE OF INFORMATION ON JAPANESE IMPERIAL GOVERNMENT

SEC. 801. SHORT TITLE.

This title may be cited as the ''Japanese Imperial Government Disclosure Act of 2000''.

SEC. 802. DESIGNATION.

(a) DEFINITIONS.—In this section:

(1) AGENCY.—The term ''agency'' has the meaning given such term under section 551 of title 5, United States Code.

(2) INTERAGENCY GROUP.—The term ''Interagency Group'' means the Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group established under subsection (b).

(3) JAPANESE IMPERIAL GOVERNMENT RECORDS.—The term ''Japanese Imperial Government records'' means classified records or portions of records that pertain to any person with respect to whom the United States Government, in its sole discretion, has grounds to believe ordered, incited, assisted, or otherwise participated in the experimentation on, and persecution of, any person because of race, religion, national origin, or political opinion, during the period beginning September 18, 1931, and ending on December 31, 1948, under the direction of, or in association with—

(A) the Japanese Imperial Government;

(B) any government in any area occupied by the military forces of the Japanese Imperial Government;

(C) any government established with the assistance or cooperation of the Japanese Imperial Government; or

(D) any government which was an ally of the Japanese Imperial Government.

(4) RECORD.—The term ''record'' means a Japanese Imperial Government record.

(b) ESTABLISHMENT OF INTERAGENCY GROUP.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the President shall designate the Working Group established under the Nazi War Crimes Disclosure Act (Public Law 105–246; 5 U.S.C. 552 note) to also carry out the purposes of this title with respect to Japanese Imperial Government records, and that Working Group shall remain in existence for 3 years after the date on which this title takes effect. Such Working Group is redesignated as the ''Nazi War Crimes and Japanese Imperial Government Records Interagency Working Group''.

(2) MEMBERSHIP.—Section 2(b)(2) of such Act is amended by striking ''3 other persons'' and inserting ''4 other persons who shall be members of the public, of whom 3 shall be persons appointed under the provisions of this Act in effect on October 8, 1998.''.

(c) FUNCTIONS.—Not later than 1 year after the date of the enactment of this Act, the Interagency Group shall, to the greatest extent possible consistent with section 803—

(1) locate, identify, inventory, recommend for declassification, and make available to the public at the National Archives and Records Administration, all classified Japanese Imperial Government records of the United States;

(2) coordinate with agencies and take such actions as necessary to expedite the release of such records to the public; and

(3) submit a report to Congress, including the Committee on Government Reform and the Permanent Select Committee on Intelligence of the House of Representatives, and the Committee on the Judiciary and the Select Committee on Intelligence of the Senate, describing all such records, the disposition of such records, and the activities of the Interagency Group and agencies under this section.

(d) FUNDING.—There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

SEC. 803. REQUIREMENT OF DISCLOSURE OF RECORDS.

(a) RELEASE OF RECORDS.—Subject to subsections (b), (c), and (d), the Japanese Imperial Government Records Interagency Working Group shall release in their entirety Japanese Imperial Government records.

(b) EXEMPTIONS.—An agency head may exempt from release under subsection (a) specific information, that would—

(1) constitute an unwarranted invasion of personal privacy;

(2) reveal the identity of a confidential human source, or reveal information about an intelligence source or method when the unauthorized disclosure of that source or method would damage the national security interests of the United States;

(3) reveal information that would assist in the development or use of weapons of mass destruction;

(4) reveal information that would impair United States cryptologic systems or activities;

(5) reveal information that would impair the application of state-of-the-art technology within a United States weapon system;

(6) reveal United States military war plans that remain in effect;

(7) reveal information that would impair relations between the United States and a foreign government, or undermine ongoing diplomatic activities of the United States;

(8) reveal information that would impair the current ability of United States Government officials to protect the President, Vice President, and other officials for whom protection services are authorized in the interest of national security;

(9) reveal information that would impair current national security emergency preparedness plans; or

(10) violate a treaty or other international agreement.

(c) APPLICATIONS OF EXEMPTIONS.—

(1) IN GENERAL.—In applying the exemptions provided in paragraphs (2) through (10) of subsection (b), there shall be a presumption that the public interest will be served by disclosure and release of the records of the Japanese Imperial Government. The exemption may be asserted only when the head of the agency that maintains the records determines that disclosure and release would be harmful to a specific interest identified in the exemption. An agency head who makes such a determination shall promptly report it to the committees of Congress with appropriate jurisdiction, including the Committee on the Judiciary and the Select Committee on Intelligence of the Senate and the Committee on Government Reform and the Permanent Select Committee on Intelligence of the House of Representatives.

(2) APPLICATION OF TITLE 5.—A determination by an agency head to apply an exemption provided in paragraphs (2) through (9) of subsection (b) shall be subject to the same standard of review that applies in the case of records withheld under section 552(b)(1) of title 5, United States Code.

(d) RECORDS RELATED TO INVESTIGATIONS OR PROSECUTIONS.—This section shall not apply to records—

(1) related to or supporting any active or inactive investigation, inquiry, or prosecution by the Office of Special Investigations of the Department of Justice; or

(2) solely in the possession, custody, or control of the Office of Special Investigations.

SEC. 804. EXPEDITED PROCESSING OF REQUESTS FOR JAPANESE IMPERIAL GOVERNMENT RECORDS.

For purposes of expedited processing under section 552(a)(6)(E) of title 5, United States Code, any person who was persecuted in the manner described in section 802(a)(3) and who requests a Japanese Imperial Government record shall be deemed to have a compelling need for such record.

SEC. 805. EFFECTIVE DATE.

The provisions of this title shall take effect on the date that is 90 days after the date of the enactment of this Act.

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER J. GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD L. BOEHLERT,
C.F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
SANFORD D. BISHOP, Jr.,
NORMAN SISISKY,
GARY A. CONDIT,
TIM ROEMER,
ALCEE L. HASTINGS,

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
IKE SKELTON,

Managers on the Part of the House.

RICHARD C. SHELBY,
RICHARD G. LUGAR,
JON KYL,
JAMES INHOFE,
ORRIN G. HATCH,
PAT ROBERTS,
CONNIE MACK,

From the Committee on Armed Services:

JOHN WARNER,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4392) to authorize appropriations for fiscal year 2001 for intelligence and the intelligence-related activities of the United States government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The managers agree that the congressionally directed actions described in the House

bill, the Senate amendment, the respective committee reports, and classified annexes accompanying H.R. 4392 and S. 2507, should be undertaken to the extent that such congressionally directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 4392.

REPORT OF THE NATIONAL COMMISSION ON TERRORISM

Pursuant to Public Law 105–277, the National Commission on Terrorism, chaired by former Ambassador L. Paul Bremer III, submitted its report to Congress in June 2000. The managers commend the Commission for its effort and contribution on this critical issue.

Many of the Commission's findings strongly support positions Congress has taken. The Commission report reinforces the assessment by Congress of the scope and evolving nature of the international terrorist threat. The Commission further highlights the managers' view that good intelligence is one of the best tools against international terrorism, and that there is an urgent need to rebuild the NSA.

The Commission determined that some policies and other restrictions are hindering efforts to counter terrorism. For example, the Commission highlighted—with concern—the complex manner in which the Justice Department implements the Foreign Intelligence Surveillance Act (FISA). It noted, however, that the Attorney General managed to streamline the Department's processes for considering FISA warrants-still in a manner fully consistent with the law-in order to address the myriad terrorist threats during the millennium period. The Commission noted that the United States government was much more effective in pursuing terrorists during that period. The managers appreciate the Commission's support for the efforts of all involved in countering the millennium threats.

The Commission recommended the elimination of the 1995 DCI guidelines requiring approvals from CIA headquarters before terrorist informants who have human rights violations in their background can be recruited. The rationale stated by the Commissioners was that it should be understood by all in the Intelligence Community that aggressive recruitment of human intelligence sources is one of the highest priorities. The managers share this priority, and will continue to examine the implementation of these important guidelines. The managers are concerned, however, that there may be intangible impediments to recruitment of such terrorist informants. For instance, there may be some in CIA headquarters who believe that Congress and the American public will not support a CIA relationship with a ''terrorist organization insider,'' or close associates of terrorists, even though such persons may often be in the best or only position to provide valuable counterterrorism intelligence. The managers applaud the determined effort of the CIA to ensure that all case officers understand the commitment of the Agency to the recruitment of persons with access to information on terrorist organizations or access to the organizations themselves. The managers also insist that appropriate recruitment of such sources receives the continued and necessary support from CIA management at all levels.

Unquestionably, a robust and effective intelligence effort will, from time to time, require U.S. interaction with extremely dangerous and truly unsavory characters. After all, it is an unfortunate matter of fact that individuals with reputable backgrounds rarely yield the key intelligence leads that are critical to the counterterrorist efforts of the United States.

The managers strongly support an aggressive counterterrorism program, and urge all intelligence officers to continue their heroic efforts to deter terrorist activities against U.S. citizens and interests at home and around the world.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION FOR APPROPRIATIONS

Section 101 of the conference report lists the departments, agencies, and other elements of the United States government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 2001. Section 101 is identical to section 101 of the House bill and section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 2001 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The classified annex provides the details of the Schedule. Section 102 is identical to section 102 of the House bill and section 102 of the Senate amendment.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 2001 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only if necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit wholesale increases in personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs that are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account (CMA) of the Director of Central Intelligence (DCI) and sets the personnel end-strength for the Intelligence Community management staff for fiscal year 2001.

Subsection (a) authorizes appropriations of $163, 231,000 for fiscal year 2001 for the activities of the CMA of the DCI. This amount includes funds identified for the Advanced Research and Development Committee and the Advanced Technology Group, which shall remain available until September 30, 2002.

Subsection (b) authorizes 313 full-time personnel for the Community Management Staff for fiscal year 2001 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States government.

Subsection (c) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2002.

Subsection (d) requires that, except as provided in Section 113 of the National Security Act of 1947, or for temporary situations of less than one year, personnel from another element of the United States government be detailed to an element of the CMA on a reimbursable basis.

Subsection (e) authorizes $34,100,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). Subsection (e) requires the DCI to transfer these funds to the Department of Justice to be used for NDIC activities under the authority of the Attorney General and subject to section 103(d)(1) of the National Security Act. Subsection (e) is similar to subsection (e) of the House bill and subsection (e) of the Senate amendment.

The managers note that since Fiscal Year 1997 the Community Management Account has included authorization for appropriations for the National Drug Intelligence Center (NDIC). Over that time, the funding level for the NDIC has remained unchanged. The committees periodically have expressed concern about the effectiveness of NDIC and its ability to fulfill the role for which it was created. The managers are encouraged, however, by the NDIC's recent improved performance and by the refocused role for the organization, which was outlined in the Administration's General Counterdrug Intelligence Plan earlier this year. The managers agree to provide $7.1 million over the requested amount for the NDIC and instruct the Director of the NDIC to provide a spending plan to the intelligence committees and to the appropriations committees within 90 days of enactment of this Act.

SEC. 105. TRANSFER AUTHORITY OF THE DIRECTOR OF CENTRAL INTELLIGENCE

Section 105 is identical to Section 105 of the House bill. The Senate amendment had no similar provision. The Senate recedes.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to Section 201 of the Senate amendment and section 201 of the House bill.

TITLE III—GENERAL PROVISIONS

Subtitle A—Intelligence Community

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the Senate amendment and section 301 of the House bill.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the Senate amendment and section 302 of the House bill.

SEC. 303. SENSE OF THE CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

Section 303 is identical to section 303 of the House bill. The Senate amendment had no similar provision. The Senate recedes to the House provision.

SEC. 304. PROHIBITION ON UNAUTHORIZED DISCLOSURE OF CLASSIFIED INFORMATION

Section 304 is identical to section 303 of the Senate amendment. The House bill had no similar provision. The House recedes.

Unauthorized disclosures of sensitive intelligence information are of great concern. Such disclosures, regardless of whether they involve an intelligence ''success'' or ''failure,'' can compromise irreplaceable sources and methods, and in some cases, can directly endanger lives.

The managers note that the current Executive Order governing classified national security information (E.O. 12958) requires that, in order to classify information, the original classifying authority must determine that unauthorized disclosure of the information reasonably could be expected to result in damage to the national security and the original classification authority must be able to identify or describe the damage. The managers further note that the current Executive Order specifically prohibits the classification of information in order to conceal violations of law, inefficiency, or administrative error or to prevent embarrassment to the government.

It is the intent of the managers that the government may meet its burden of proof under this statute by proving that the information was classified under the applicable statute or Executive Order. The government should not be required to prove that damage to the national security actually has or will result from the unauthorized disclosure. Subsection (c)(2) is not intended by the managers to create a defense based on a technical error in the classification markings, or the lack thereof, or to create a right of the defendant to dispute the propriety of the President's classification decision. The managers believe that requiring the government to prove that the classified information is or has been properly classified under an applicable statute or Executive Order strikes the appropriate balance between protecting only that information that would damage the national security if disclosed and not creating a burden of proof that is so great that the government could never meet its burden without having to disclose unnecessarily additional classified information.

SEC. 305. AUTHORIZATION FOR TRAVEL ON ANY COMMON CARRIER

Section 305 is similar to Section 304 of the House bill. The Senate amendment had no similar provision. The Senate recedes, with amendment.

Section 4(b)(3) of the CIA Act of 1949, as amended, provides the DCI with authority to promulgate regulations governing travel requirements for CIA officers and other federal government employees or members of the Armed Services detailed to the CIA.

Subject to regulation, CIA employees and detailees to the CIA may be permitted to use non-American-flag airlines when it is determined to be essential to satisfy mission requirements. The managers believe that this type of flexibility is necessary for other personnel of the Intelligence Community carrying out intelligence community mission requirements, given the nature of the work of the Intelligence Community. This provision is not intended to supersede the CIA's current regulation relating to this matter. Rather, it is a complementary provision meant to ensure an appropriate level of latitude to the Intelligence Community to carry out the critically important activities in pursuit and defense of the national security.

SEC. 306. UPDATE OF REPORT ON EFFECTS OF FOREIGN ESPIONAGE ON U.S.

Section 306 is similar to Section 306 of the House bill. The Senate amendment had no similar provision. The Senate recedes, with technical amendment.

SEC. 307 POW/MIA ANALYTIC CAPABILITY IN THE INTELLIGENCE COMMUNITY

Section 307 is similar to Section 304 of the Senate amendment. The House bill had no similar provision. The House recedes, with technical modifications.

SEC. 308. APPLICABILITY TO LAWFUL UNITED STATES INTELLIGENCE ACTIVITIES OF FEDERAL LAWS IMPLEMENTING INTERNATIONAL TREATIES AND AGREEMENTS

Section 308 is identical to Sec. 305 of the Senate amendment. The House had no similar provision. The House recedes.

The managers note that section 308 applies only to intelligence activities of the United States. By its clear terms, this provision deals solely with the application of U.S. law to U.S. intelligence activities. Unquestionably, it does not address the issue of the lawfulness of such activities under the laws of foreign countries. It is also not meant to suggest that a person violating the laws of the United States may claim any authorization from a foreign government as justification for a violation of a U.S. law, or as a defense in a prosecution for such violation.

SEC. 309. LIMITS ON HANDLING, RETENTION, AND STORAGE OF CERTAIN CLASSIFIED MATERIALS BY THE DEPARTMENT OF STATE

Section 309 is identical to Section 306 of the Senate amendment. The House addressed this issue in the classified annex to the report accompanying the bill H.R. 4392, but had no similar statutory proposal. The House recedes.

SEC. 310. DESIGNATION OF DANIEL PATRICK MOYNIHAN PLACE

Section 310 is nearly identical to Section 309 of the Senate amendment. The House had no similar provision. The House recedes, with technical amendments. The managers agreed to technical modifications pertaining to the exact description and location of the parcel of land in Washington, D.C., to be designated in honor of the retiring senior Senator from the State of New York.

SEC. 311. NATIONAL SECURITY AGENCY VOLUNTARY SEPARATION PAY ACT

Neither the House bill nor the Senate amendment contained similar provisions.

Section 311 establishes the ''National Security Agency Voluntary Separation Act.'' This provision grants to the Director of the National Security Agency (NSA) the authority to establish a program for early retirement and voluntary separation pay for NSA employees. The provision allows the Director to either offer early retirement for employees who are at least 50 years of age and have 20 years of service, or who have at least 25 years of service, regardless of age. The Director is also permitted to offer $25,000 in separation pay to eligible applicants. The Director is empowered to deny an employee's application for benefit under this section.

The NSA is in a unique period of transition, the success of which will affect the overall capabilities of the Intelligence Community for the next several decades. The Director of Central Intelligence has claimed that the modernization of NSA is his number one priority. There are several aspects to the NSA modernization effort that range from overhauling technical collection, to restructuring acquisition, to new personnel programs, including major outsourcing initiatives. The Director needs the flexibility to institute whatever personnel changes he deems necessary if NSA modernization is to be successful. This provision will give him that needed flexibility. This section is modeled after the CIA Voluntary Separation Pay Act (Public Law 103–36).

The managers understand that such authority could be seen as setting a precedent, and that other agencies may wish to have such authorities as well. In the managers' view, the situation at NSA is unique, not only in the enormity of the task of modernization, but also in the direct impact on national security should NSA modernization fail. Therefore, the managers believe that this is a necessary step to take for the specific circumstance confronting the NSA.

Subtitle B—Diplomatic Telecommunications Service Program Office (DTS–PO)

SEC. 321. REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE

Section 321 reorganizes the Diplomatic Telecommunications Service Program Office (DTS–PO). The managers agree that the current DTS–PO management and Diplomatic Telecommunication Service (DTS) operations structure is fundamentally flawed and believe that a new construct for managing the DTS is necessary. They further agree that retaining the current DTS–PO organization, but with a new management approach, is the best means for improving DTS support to all U.S. government users. Funding has been authorized in this legislation for the purposes of overhauling the DTS–PO management and correcting communications and security deficiencies within the DTS.

The current organizational structure requires that both the DTS–PO Director and Deputy Director concur on technical, funding, and operational issues before actions can be taken. This management-by-consensus approach abrogates the authority of the Director to make final decisions. It is clear to the managers that this management approach is not working, and that the parent organizations inherently lack the ability, and the will, to work together to resolve their mutual DTS issues of concern. Further, it is clear to the managers that the Office of Management and Budget has been frustrated in its obligations to ensure that executive branch organizations work together. Of significant concern is that, as currently operated, DTS–PO has exhibited substantial interruptions in service and presents serious security concerns for the protection of sensitive government communications. Because of these concerns, the managers, and the Chairmen and Ranking Minority Members of the other committees of jurisdiction, believe that a new management structure for DTS–PO is required and decidedly overdue. Similarly, they are of the view that a transition to a more modern and effective telecommunications system, based on commercial best-business practices, is warranted.

SEC. 322. CHIEF EXECUTIVE OFFICER AND OTHER DTS–PO PERSONNEL

Section 322 establishes the position of Chief Executive Officer (CEO) and a DTS board of directors. The CEO is to be ultimately responsible for the management of the DTS–PO and operation of the DTS. The managers direct the OMB to recruit and hire a communications professional from outside the DTS–PO and the U.S. government for appointment as the CEO. This appointment is to be made no later than May 1, 2001. The CEO is granted the authorities necessary for managing, ensuring funding for, and operating the DTS, the DTS–PO, and their personnel. It is the managers' intent that the CEO will be the final decision authority for implementing necessary changes to the DTS, and for managing all communications, technology, and security upgrades to satisfy DTS United States user requirements. The managers further direct the CEO to certify that the operational and security requirements and practices of DTS conform to the highest security requirements and practices required

by any U.S. government agency utilizing the DTS.

Consistent with Section 305 of the ''Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001'' (section 305 of appendix G of Public Law 106–113), the CEO shall: (1) ensure that those enhancements of, and the provision of service for, telecommunications capabilities that involve the national security interests of the United States receive the highest prioritization; (2) confirm the termination of all leases for satellite systems located at posts in criteria countries, unless all maintenance and servicing of the satellite system is undertaken by United States citizens who have received appropriate security clearances; and (3) implement a system of charges for utilization of bandwidth by all participating agencies, and institute a comprehensive charge-back system to recover all, or substantially all, of the other costs of telecommunications services provided through the DTS to each agency.

Beginning August 1, 2001, and every six months thereafter, the CEO shall submit a report to the oversight committees regarding the activities of DTS–PO during the preceding six months, the current capabilities of DTS–PO, and the priorities of DTS–PO for the subsequent six month period. The semi-annual report shall include a discussion of any administrative, budgetary, legislative, or management issues that hinder the ability of DTS–PO to fulfill its mandate.

Upon the appointment of a CEO on May 1, 2001, the current positions of Director and Deputy Director of DTS–PO shall be eliminated. To assist the CEO, and to perform such duties as the CEO may require, there shall be two Deputy Executive Officers. The DTS–PO management staff will consist of not more than four other employees. The Director of the Office of Management and Budget (OMB) shall prescribe the rates of basic pay for the CEO, the two Deputy Executive Officers, and any other DTS–PO employees.

SEC. 323. DIPLOMATIC TELECOMMUNICATIONS SERVICE OVERSIGHT BOARD

Section 323 establishes a Diplomatic Telecommunications Service Oversight Board (''the Board''). The Board shall perform an oversight function with respect to DTS, DTS–PO, and the CEO. Specifically, the Board shall be empowered to review and approve: overall strategies, policies and goals established by DTS–PO; financial plans, budgets and periodic financing requests developed by DTS–PO; overall performance relative to approved budget plans; any DTS–PO reports, documents, and records; and audits of DTS–PO. The CEO will be responsible to this three-member board, which will be chaired by the Deputy Director of OMB. The two other board members shall be appointed by the President, as indicated in the classified annex to this bill. Decisions and directives of the Board shall require a majority vote of the Board. Although the Board will exercise oversight of, and provide management direction to, the CEO, the managers have authorized the CEO to control the day-to-day management and operations of DTS–PO and the DTS.

SEC. 324. REPORTING REQUIREMENTS AND GENERAL PROVISIONS

Section 324 requires that the Director of the OMB submit a report to the oversight committees not later than March 1, 2001. This report shall provide details on steps taken by the executive branch to restructure DTS–PO's management, to enhance the security practices of agencies participating in the DTS, and to develop a spending plan for the additional funds provided for the operation and improvement of DTS for fiscal year 2001.

The managers have determined that the most flexible procurement authority available to DTS–PO users shall be available to the DTS–PO. The notification requirements of sections 502, 504, and 505 of the National Security Act of 1947, as amended (50 U.S.C. 413a, 414, and 415, respectively) shall apply to DTS–PO, the CEO, and the Board.

It is the intent of Congress that the CEO shall have total and immediate insight into the complete operations of current and future DTS–PO and DTS operations. The managers expect the Secretary of State and the head of the other agency users to ensure this access. Likewise, Congress intends that the CEO can request the assistance of the Inspectors General of any agency user of the DTS and DTS–PO. The CEO should receive all reports from the IGs that relate to security of applicable overseas facilities and the DTS.

It is the intent of Congress that the Secretary of State, and the head of any other agency user of DTS, shall support the decisions and recommendations of the CEO in keeping with the current operation and transition of the DTS system. The CEO is expected to report any difficulties or obstacles presented by the agency users of the DTS in the implementation of these provisions.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MODIFICATIONS TO CENTRAL INTELLIGENCE AGENCY'S CENTRAL SERVICE PROGRAM

Section 401 is similar to Section 401 of the House bill and Section 403 of the Senate Amendment. The Senate recedes, with a technical modification.

There is concern among the managers relating to the costs levied by the Central Services Program upon the Langley Children's Center. These costs, for various and miscellaneous items or services provided by the Central Services Program to the non-profit Center, seem overly burdensome. The Center is of great utility to the dedicated and hard-working parents employed by the CIA. It is the expectation of the managers that the Central Services Program, in an effort to recoup costs, would not impose costs that would have an adverse impact on the continuity of the services provided by the Langley Children's Center.

SEC. 402. TECHNICAL CORRECTIONS

The House bill and the Senate amendment contained similar provisions. The Senate recedes to the House, with technical modifications.

SEC. 403. EXPANSION OF INSPECTOR GENERAL ACTIONS REQUIRING A REPORT TO CONGRESS

Section 403 is similar to Section 401 of the Senate amendment. The House had no similar provision. The House recedes, with technical modifications.

The conferees intend that this additional reporting requirement identified in the new Section 17(d)(3)(B) will arise when an investigation, inspection, or audit carried out by the Inspector General focuses upon the official identified in (i) or (ii), specifically, as opposed to an investigation, inspection, or audit of the office that the official heads, with only incidental references to the official.

SEC. 404. DETAIL OF EMPLOYEES TO THE NATIONAL RECONNAISSANCE OFFICE

Section 404 is identical to Section 404 of the Senate amendment. The House had no similar provision. The House recedes. The managers request that the DCI supply the intelligence committees with a report to be submitted annually, beginning October 1, 2001, that includes the number of detailees assigned pursuant to this provision and a description of the positions filled by the detailees.

SEC. 405. TRANSFERS OF FUNDS TO OTHER AGENCIES FOR ACQUISITION OF LAND

Section 405 is similar to Section 405 of the Senate amendment. The House had no similar provision. The House recedes, with a technical amendment.

SEC. 406. ELIGIBILITY OF ADDITIONAL EMPLOYEES FOR REIMBURSEMENT FOR PROFESSIONAL LIABILITY INSURANCE

Section 406 is identical to Section 406 of the Senate amendment. The House had no similar provision. The House recedes.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. CONTRACTING AUTHORITY FOR THE NATIONAL RECONNAISSANCE OFFICE

Section 501 is similar to Section 502 of the House bill. The Senate amendment had no similar provision. The Senate recedes, with a technical amendment.

SEC. 502. ROLE OF DIRECTOR OF CENTRAL INTELLIGENCE IN EXPERIMENTAL PERSONNEL PROGRAM FOR CERTAIN SCIENTIFIC AND TECHNICAL PERSONNEL

Section 502 is identical to Section 502 of the Senate amendment. The House had no similar provision. The House recedes.

SEC. 503. MEASUREMENT AND SIGNATURE INTELLIGENCE

Section 503 is identical to Section 506 of the Senate amendment. The House had no similar provision. The House recedes.

TITLE VI—COUNTERINTELLIGENCE MATTERS

THE ''COUNTERINTELLIGENCE REFORM ACT OF 2000''

Title VI includes Title VI of the Senate amendment. This language is similar to S. 2089, introduced on February 24, 2000. The bill was reported by the Senate Select Committee on Intelligence on July 20, 2000 (S. Report No. 106–352). The Senate Judiciary Committee had previously acted favorably upon the bill. The House had no similar provision. The House recedes, with minor modifications.

Title VI, as passed by the Senate on October 2, 2000, included a limitation on the obligation and expenditure of funds authorized to be appropriated for fiscal year 2001 for the Office of Intelligence Policy and Review (OIPR) within the Department of Justice until two reports were submitted to the appropriate committees. These reports were to describe the use to which the funds would be put in order to improve the efficiency of the FBI and the OIPR in the application and implementation process under the Foreign Intelligence Surveillance Act. In anticipation of passage of the Senate amendment, the Department of Justice submitted a draft version of the required reports to the congressional committees. Given the prompt response, the limitation for the obligation and expenditure of fiscal year 2001 funds is removed. The managers have left in place, however, the similar limitation on funds for fiscal years 2002 and 2003, pending the receipt of the recurring annual report required by section 606(b)(2).

TITLE VII—DECLASSIFICATION OF INFORMATION

''THE PUBLIC INTEREST DECLASSIFICATION ACT''

Title VII includes Title VIII of the Senate amendment. This title was based on the bills H.R. 3152 and S. 1801, introduced in the House and Senate in the 106th Congress, respectively. The House had no similar provision. The House recedes, with technical amendments.

Section 701 states that the title may be cited as the ''Public Interest Declassification Act of 2000.'' Section 702 makes findings concerning the importance of public access to information that does not require continued

protection to maintain the national security interests of the United States. Section 703 establishes a nine-person board to advise the President and other senior executive branch officials on classification and declassification policies, particularly on policies concerning the systematic, thorough, coordinated, and comprehensive review for declassification of records and materials that are of archival value, including records and materials of extraordinary public interest. The Board is also charged with promoting the fullest possible public access to a thorough, accurate, and reliable documentary record of significant US national security decisions and significant US national security activities.

Section 704 sets forth the requirement that heads of agencies with the authority to classify information must brief the Board on an annual basis, at the request of the Board or the intelligence oversight committees, on such agency's declassification policies and practices. The Board is to provide the agency with its recommendations on how the agency's declassification program could be improved. The Board is also responsible for making recommendations to the President on initiatives to identify, collect, and review for declassification classified records and materials of extraordinary public interest. The section also requires the Director of the Office of Management and Budget to publish a description of the President's declassification program and priorities, together with a listing of funds requested to implement that program, concurrent with the submission to Congress of the President's budget each fiscal year.

Sections 705, 706, and 707 set forth the standards governing access to and protection of national security information and other information covered under this title. Section 708 provides an authorization of appropriations for the Board. Section 709 sets forth definitions of the terms used in Title VII. The effective date of Title VII is 120 days after the date of enactment of the Act. The provisions of the title expire four years after the date of enactment of the Act.

TITLE VIII—DISCLOSURE OF INFORMATION ON JAPANESE IMPERIAL GOVERNMENT

THE ''NAZI WAR CRIMES AND JAPANESE IMPERIAL GOVERNMENT DISCLOSURE ACT OF 2000''

Title VIII is similar to title VII of the Senate amendment, which was identical to the language of H.R. 3561 and S. 1902. The House had no similar provision. The House recedes, with modifications.

The modifications require that the interagency working group established pursuant to the Nazi War Crimes Disclosure Act of 1999 (P.L. 105–246) be expanded and assigned the responsibility of also carrying out the requirements of this title. The managers decided this was the most cost-effective approach, rather than establishing a new interagency working group.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER J. GOSS,
JERRY LEWIS,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD L. BOEHLERT,
C.F. BASS,
JIM GIBBONS,
RAY LAHOOD,
HEATHER WILSON,
JULIAN C. DIXON,
SANFORD D. BISHOP, Jr.,
NORMAN SISISKY,
GARY A. CONDIT,
TIM ROEMER,
ALCEE L. HASTINGS,

From the Committee on Armed Services, for consideration of defense tactical intelligence and related activities:

FLOYD SPENCE,
BOB STUMP,
IKE SKELTON,
Managers on the Part of the House.

RICHARD C. SHELBY,
RICHARD G. LUGAR,
JON KYL,
JAMES INHOFE,
ORRIN G. HATCH,
PAT ROBERTS,
CONNIE MACK,

From the Committee on Armed Services:

JOHN WARNER,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 2415, BANKRUPTCY REFORM ACT OF 2000

Mr. GEKAS (during the Special Order of Mr. SCHAFFER) submitted the following conference report and statement on the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes:

CONFERENCE REPORT (H. REPT. 106–970)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2415), an Act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. ENACTMENT OF BANKRUPTCY REFORM ACT OF 2000.

The provisions of S. 3186 of the 106th Congress, as introduced on October 11, 2000, are hereby enacted into law.

SEC. 2. PUBLICATION OF ACT.

In publishing this Act in slip form and in the United States Statutes at Large pursuant to section 112 of title 1, United States Code, the Archivist of the United States shall include after the date of approval an appendix setting forth the provisions referred to in section 1.

And the Senate agree to the same.

HENRY HYDE,
GEORGE W. GEKAS,
DICK ARMEY,
Managers on the Part of the House.

JESSE HELMS,
RICHARD G. LUGAR,
ROD GRAMS,
JOE BIDEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2415) an Act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment.

The conference agreement would enact the provision of S. 3186 of the 106th Congress, as introduced on October 11, 2000. The text of that bill follows:

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

(a) SHORT TITLE.—This Act may be cited as the ''Bankruptcy Reform Act of 2000''.

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

Sec. 100. Short title; references; table of contents.

TITLE I—NEEDS-BASED BANKRUPTCY

Sec. 101. Conversion.
Sec. 102. Dismissal or conversion.
Sec. 103. Sense of Congress and study.
Sec. 104. Notice of alternatives.
Sec. 105. Debtor financial management training test program.
Sec. 106. Credit counseling.
Sec. 107. Schedules of reasonable and necessary expenses.

TITLE II—ENHANCED CONSUMER PROTECTION

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Sec. 201. Promotion of alternative dispute resolution.
Sec. 202. Effect of discharge.
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Sec. 211. Definition of domestic support obligation.
Sec. 212. Priorities for claims for domestic support obligations.
Sec. 213. Requirements to obtain confirmation and discharge in cases involving domestic support obligations.
Sec. 214. Exceptions to automatic stay in domestic support obligation proceedings.
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Sec. 216. Continued liability of property.
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Sec. 221. Amendments to discourage abusive bankruptcy filings.
Sec. 222. Sense of Congress.
Sec. 223. Additional amendments to title 11, United States Code.
Sec. 224. Protection of retirement savings in bankruptcy.
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Sec. 226. Definitions.
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TITLE III—DISCOURAGING BANKRUPTCY ABUSE

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Sec. 314. Debt incurred to pay nondischargeable debts.
Sec. 315. Giving creditors fair notice in chapters 7 and 13 cases.
Sec. 316. Dismissal for failure to timely file schedules or provide required information.
Sec. 317. Adequate time to prepare for hearing on confirmation of the plan.
Sec. 318. Chapter 13 plans to have a 5-year duration in certain cases.
Sec. 319. Sense of Congress regarding expansion of rule 9011 of the Federal Rules of Bankruptcy Procedure.
Sec. 320. Prompt relief from stay in individual cases.
Sec. 321. Chapter 11 cases filed by individuals.
Sec. 322. Limitation.
Sec. 323. Excluding employee benefit plan participant contributions and other property from the estate.
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Sec. 325. United States trustee program filing fee increase.
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Sec. 432. Definitions.
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TITLE VIII—ANCILLARY AND OTHER CROSS-BORDER CASES

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Sec. 901. Treatment of certain agreements by conservators or receivers of insured depository institutions.
Sec. 902. Authority of the corporation with respect to failed and failing institutions.
Sec. 903. Amendments relating to transfers of qualified financial contracts.
Sec. 904. Amendments relating to disaffirmance or repudiation of qualified financial contracts.
Sec. 905. Clarifying amendment relating to master agreements.
Sec. 906. Federal Deposit Insurance Corporation Improvement Act of 1991.
Sec. 907. Bankruptcy Code amendments.
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Sec. 1102. Disposal of patient records.
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Sec. 1226. Compensating trustees.
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TITLE I—NEEDS—BASED BANKRUPTCY

SEC. 101. CONVERSION.

Section 706(c) of title 11, United States Code, is amended by inserting ''or consents to'' after ''requests''.

SEC. 102. DISMISSAL OR CONVERSION.

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

''§ 707. Dismissal of a case or conversion to a case under chapter 11 or 13'';

and

(2) in subsection (b)—

(A) by inserting ''(1)'' after ''(b)'';

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking ''but not at the request or suggestion of'' and inserting ''trustee, bankruptcy administrator, or'';

(II) by inserting '', or, with the debtor's consent, convert such a case to a case under chapter 11 or 13 of this title,'' after ''consumer debts''; and

(III) by striking ''a substantial abuse'' and inserting ''an abuse''; and

(ii) by striking the next to last sentence; and

(C) by adding at the end the following:

''(2)(A)(i) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall presume abuse exists if the debtor's current monthly income reduced by the amounts determined under clauses (ii), (iii), and (iv), and multiplied by 60 is not less than the lesser of—

''(I) 25 percent of the debtor's nonpriority unsecured claims in the case, or $6,000, whichever is greater; or

''(II) $10,000.

''(ii)(I) The debtor's monthly expenses shall be the debtor's applicable monthly expense amounts specified under the National Standards and Local Standards, and the debtor's actual monthly expenses for the categories specified as Other Necessary Expenses issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent. Notwithstanding any other provision of this clause, the monthly expenses of the debtor shall not include any payments for debts. In addition, the debtor's monthly expenses shall include the debtor's reasonably necessary expenses incurred to maintain the safety of the debtor and the family of the debtor from family violence as identified under section 309 of the Family Violence Prevention and Services Act (42 U.S.C. 10408), or other applicable Federal law. The expenses included in the debtor's monthly expenses described in the preceding sentence shall be kept confidential by the court. In addition, if it is demonstrated that it is reasonable and necessary, the debtor's monthly expenses may also include an additional allowance for food and clothing of up to 5 percent of the food and clothing categories as specified by the National Standards issued by the Internal Revenue Service.

''(II) In addition, the debtor's monthly expenses may include, if applicable, the continuation of actual expenses paid by the debtor that are reasonable and necessary for care and support of an elderly, chronically ill, or disabled household member or member of the debtor's immediate family (including parents, grandparents, and siblings of the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case) who is not a dependent and who is unable to pay for such reasonable and necessary expenses.

''(III) In addition, for a debtor eligible for chapter 13, the debtor's monthly expenses may include the actual administrative expenses of administering a chapter 13 plan for the district in which the debtor resides, up to an amount of 10 percent of the projected plan payments, as determined under schedules issued by the Executive Office for United States Trustees.

''(IV) In addition, the debtor's monthly expenses may include the actual expenses for each dependent child under the age of 18 years up to $1,500 per year per child to attend a private elementary or secondary school, if the debtor provides documentation of such expenses and a detailed explanation of why such expenses are reasonable and necessary.

''(iii) The debtor's average monthly payments on account of secured debts shall be calculated as—

''(I) the sum of—

''(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; and

''(bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain possession of the debtor's primary residence, motor vehicle, or other property necessary for the support of the debtor and the debtor's dependents, that serves as collateral for secured debts; divided by

''(II) 60.

''(iv) The debtor's expenses for payment of all priority claims (including priority child support and alimony claims) shall be calculated as—

''(I) the total amount of debts entitled to priority; divided by

''(II) 60.

''(B)(i) In any proceeding brought under this subsection, the presumption of abuse may only be rebutted by demonstrating special circumstances that justify additional expenses or adjustments of current monthly income for which there is no reasonable alternative.

''(ii) In order to establish special circumstances, the debtor shall be required to—

''(I) itemize each additional expense or adjustment of income; and

''(II) provide—

''(aa) documentation for such expense or adjustment to income; and

''(bb) a detailed explanation of the special circumstances that make such expenses or adjustment to income necessary and reasonable.

''(iii) The debtor shall attest under oath to the accuracy of any information provided to demonstrate that additional expenses or adjustments to income are required.

''(iv) The presumption of abuse may only be rebutted if the additional expenses or adjustments to income referred to in clause (i) cause the product of the debtor's current monthly income reduced by the amounts determined under clauses (ii), (iii), and (iv) of subparagraph (A) when multiplied by 60 to be less than the lesser of—

''(I) 25 percent of the debtor's nonpriority unsecured claims, or $6,000, whichever is greater; or

''(II) $10,000.

''(C) As part of the schedule of current income and expenditures required under section 521, the debtor shall include a statement of the debtor's current monthly income, and the calculations that determine whether a presumption arises under subparagraph (A)(i), that shows how each such amount is calculated.

''(3) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter in a case in which the presumption in subparagraph (A)(i) of such paragraph does not apply or has been rebutted, the court shall consider—

''(A) whether the debtor filed the petition in bad faith; or

''(B) the totality of the circumstances (including whether the debtor seeks to reject a personal services contract and the financial need for such rejection as sought by the debtor) of the debtor's financial situation demonstrates abuse.

''(4)(A) The court shall order the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting a motion brought under section 707(b), including reasonable attorneys' fees, if—

''(i) a trustee appointed under section 586(a)(1) of title 28 or from a panel of private trustees maintained by the bankruptcy administrator brings a motion for dismissal or conversion under this subsection; and

''(ii) the court—

''(I) grants that motion; and

''(II) finds that the action of the counsel for the debtor in filing under this chapter violated rule 9011 of the Federal Rules of Bankruptcy Procedure.

''(B) If the court finds that the attorney for the debtor violated rule 9011 of the Federal Rules of Bankruptcy Procedure, at a minimum, the court shall order—

''(i) the assessment of an appropriate civil penalty against the counsel for the debtor; and

''(ii) the payment of the civil penalty to the trustee, the United States trustee, or the bankruptcy administrator.

''(C) In the case of a petition, pleading, or written motion, the signature of an attorney shall constitute a certification that the attorney has—

''(i) performed a reasonable investigation into the circumstances that gave rise to the petition, pleading, or written motion; and

''(ii) determined that the petition, pleading, or written motion—

''(I) is well grounded in fact; and

''(II) is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and does not constitute an abuse under paragraph (1).

''(D) The signature of an attorney on the petition shall constitute a certification that the attorney has no knowledge after an inquiry that the information in the schedules filed with such petition is incorrect.

''(5)(A) Except as provided in subparagraph (B) and subject to paragraph (6), the court may award a debtor all reasonable costs (including reasonable attorneys' fees) in contesting a motion brought by a party in interest (other than a trustee, United States trustee, or bankruptcy administrator) under this subsection if—

''(i) the court does not grant the motion; and

''(ii) the court finds that—

''(I) the position of the party that brought the motion violated rule 9011 of the Federal Rules of Bankruptcy Procedure; or

''(II) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

''(B) A small business that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A)(ii)(I).

''(C) For purposes of this paragraph—

''(i) the term 'small business' means an unincorporated business, partnership, corporation, association, or organization that—

''(I) has less than 25 full-time employees as determined on the date the motion is filed; and

''(II) is engaged in commercial or business activity; and

''(ii) the number of employees of a wholly owned subsidiary of a corporation includes the employees of—

''(I) a parent corporation; and

''(II) any other subsidiary corporation of the parent corporation.

''(6) Only the judge, United States trustee, or bankruptcy administrator may bring a motion under section 707(b), if the current monthly income of the debtor, or in a joint case, the debtor and the debtor's spouse, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4.

''(7) No judge, United States trustee, panel trustee, bankruptcy administrator or other party in interest may bring a motion under paragraph (2), if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief when multiplied by 12, is equal to or less than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4.''.

(b) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (10) the following:

''(10A) 'current monthly income'—

''(A) means the average monthly income from all sources which the debtor, or in a joint case, the debtor and the debtor's spouse, receive without regard to whether the income is taxable income, derived during the 6-month period preceding the date of determination; and

''(B) includes any amount paid by any entity other than the debtor (or, in a joint case, the debtor and the debtor's spouse), on a regular basis to the household expenses of the debtor or the debtor's dependents (and, in a joint case, the debtor's spouse if not otherwise a dependent), but excludes benefits received under the Social Security Act and payments to victims of war crimes or crimes against humanity on account of their status as victims of such crimes;''.

(c) UNITED STATES TRUSTEE AND BANKRUPTCY ADMINISTRATOR DUTIES.—Section 704 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''The trustee shall—''; and

(2) by adding at the end the following:

''(b)(1) With respect to an individual debtor under this chapter—

''(A) the United States trustee or bankruptcy administrator shall review all materials filed by the debtor and, not later than 10 days after the date of the first meeting of creditors, file with the court a statement as to whether the debtor's case would be presumed to be an abuse under section 707(b); and

''(B) not later than 5 days after receiving a statement under subparagraph (A), the court shall provide a copy of the statement to all creditors.

''(2) The United States trustee or bankruptcy administrator shall, not later than 30 days after the date of filing a statement under paragraph (1), either file a motion to dismiss or convert under section 707(b) or file a statement setting forth the reasons the United States trustee or bankruptcy administrator does not believe that such a motion would be appropriate, if the United States trustee or bankruptcy administrator determines that the debtor's case should be presumed to be an abuse under section 707(b) and the product of the debtor's current monthly income, multiplied by 12 is not less than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

''(B) in the case of a debtor in a household of 2 or more individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census.

''(3) In any case in which a motion to dismiss or convert, or a statement is required to be filed by this subsection, the United States trustee or bankruptcy administrator may decline to file a motion to dismiss or convert pursuant to section 704(b)(2) if the product of the debtor's current monthly income multiplied by 12 exceeds 100 percent, but does not exceed 150 percent of—

''(A)(i) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

''(ii) in the case of a debtor in a household of 2 or more individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

''(B) the product of the debtor's current monthly income, reduced by the amounts determined under section 707(b)(2)(A)(ii) (except for the amount calculated under the other necessary expenses standard issued by the Internal Revenue Service) and clauses (iii) and (iv) of section 707(b)(2)(A), multiplied by 60 is less than the lesser of—

''(i) 25 percent of the debtor's nonpriority unsecured claims in the case or $6,000, whichever is greater; or

''(ii) $10,000.''.

(d) NOTICE.—Section 342 of title 11, United States Code, is amended by adding at the end the following:

''(d) In an individual case under chapter 7 in which the presumption of abuse is triggered under section 707(b), the clerk shall give written notice to all creditors not later than 10 days after the date of the filing of the petition that the presumption of abuse has been triggered.''.

(e) NONLIMITATION OF INFORMATION.—Nothing in this title shall limit the ability of a creditor to provide information to a judge (except for information communicated ex parte, unless otherwise permitted by applicable law), United States trustee, bankruptcy administrator or trustee.

(f) DISMISSAL FOR CERTAIN CRIMES.—Section 707 of title 11, United States Code, as amended by this section, is amended by adding at the end the following:

''(c)(1) In this subsection—

''(A) the term 'crime of violence' has the meaning given that term in section 16 of title 18; and

''(B) the term 'drug trafficking crime' has the meaning given that term in section 924(c)(2) of title 18.

''(2) Except as provided in paragraph (3), after notice and a hearing, the court, on a motion by the victim of a crime of violence or a drug trafficking crime, may when it is in the best interest of the victims dismiss a voluntary case filed by an individual debtor under this chapter if that individual was convicted of that crime.

''(3) The court may not dismiss a case under paragraph (2) if the debtor establishes by a preponderance of the evidence that the filing of a case under this chapter is necessary to satisfy a claim for a domestic support obligation.''.

(g) CONFIRMATION OF PLAN.—Section 1325(a) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(7) the action of the debtor in filing the petition was in good faith;''.

(h) APPLICABILITY OF MEANS TEST TO CHAPTER 13.—Section 1325(b) of title 11, United States Code, is amended—

(1) in paragraph (1)(B), by inserting ''to unsecured creditors'' after ''to make payments''; and

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

''(2) For purposes of this subsection, the term 'disposable income' means current monthly income received by the debtor (other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law to the extent reasonably necessary to be expended for such child) less amounts reasonably necessary to be expended—

''(A) for the maintenance or support of the debtor or a dependent of the debtor or for a domestic support obligation that first becomes payable after the date the petition is filed and for charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3) to a qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4)) in an amount not to exceed 15 percent of gross income of the debtor for the year in which the contributions are made; and

''(B) if the debtor is engaged in business, for the payment of expenditures necessary for the continuation, preservation, and operation of such business.

''(3) Amounts reasonably necessary to be expended under paragraph (2) shall be determined in accordance with subparagraphs (A) and (B) of section 707(b)(2), if the debtor has current monthly income, when multiplied by 12, greater than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4.''.

(i) CLERICAL AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

''707. Dismissal of a case or conversion to a case under chapter 11 or 13.''.

SEC. 103. SENSE OF CONGRESS AND STUDY.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Treasury has the authority to alter the Internal Revenue Service standards established to set guidelines for repayment plans as needed to accommodate their use under section 707(b) of title 11, United States Code.

(b) STUDY.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Director of the Executive Office for United States Trustees shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing the findings of the Director regarding the utilization of Internal Revenue Service standards for determining—

(A) the current monthly expenses of a debtor under section 707(b) of title 11, United States Code; and

(B) the impact that the application of such standards has had on debtors and on the bankruptcy courts.

(2) RECOMMENDATION.—The report under paragraph (1) may include recommendations for amendments to title 11, United States Code, that are consistent with the findings of the Director under paragraph (1).

SEC. 104. NOTICE OF ALTERNATIVES.

Section 342(b) of title 11, United States Code, is amended to read as follows:

''(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, the clerk shall give to such individual written notice containing—

''(1) a brief description of—

''(A) chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters; and

''(B) the types of services available from credit counseling agencies; and

''(2) statements specifying that—

''(A) a person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both; and

''(B) all information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General.''.

SEC. 105. DEBTOR FINANCIAL MANAGEMENT TRAINING TEST PROGRAM.

(a) DEVELOPMENT OF FINANCIAL MANAGEMENT AND TRAINING CURRICULUM AND MATERIALS.—The Director of the Executive Office for United States Trustees (in this section referred to as the ''Director'') shall consult with a wide range of individuals who are experts in the field of debtor education, including trustees who are appointed under chapter 13 of title 11, United States Code, and who operate financial management education programs for debtors, and shall develop a financial management training curriculum and materials that can be used to educate individual debtors on how to better manage their finances.

(b) TEST.—

(1) SELECTION OF DISTRICTS.—The Director shall select 6 judicial districts of the United States in which to test the effectiveness of the financial management training curriculum and materials developed under subsection (a).

(2) USE.—For an 18-month period beginning not later than 270 days after the date of enactment of this Act, such curriculum and materials shall be, for the 6 judicial districts selected under paragraph (1), used as the instructional course concerning personal financial management for purposes of section 111 of title 11, United States Code.

(c) EVALUATION.—

(1) IN GENERAL.—During the 18-month period referred to in subsection (b), the Director shall evaluate the effectiveness of—

(A) the financial management training curriculum and materials developed under subsection (a); and

(B) a sample of existing consumer education programs such as those described in the Report of the National Bankruptcy Review Commission (October 20, 1997) that are representative of consumer education programs carried out by the credit industry, by trustees serving under chapter 13 of title 11, United States Code, and by consumer counseling groups.

(2) REPORT.—Not later than 3 months after concluding such evaluation, the Director shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate, for referral to the appropriate committees of the Congress, containing the findings of the Director regarding the effectiveness of such curriculum, such materials, and such programs and their costs.

SEC. 106. CREDIT COUNSELING.

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

''(h)(1) Subject to paragraphs (2) and (3), and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 180-day period preceding the date of filing of the petition of that individual, received from an approved nonprofit budget and credit counseling agency described in section 111(a) an individual or group briefing (including a briefing conducted by telephone or on the Internet) that outlined the opportunities for available credit counseling and assisted that individual in performing a related budget analysis.

''(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved nonprofit budget and credit counseling agencies for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from that agency by reason of the requirements of paragraph (1).

''(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter. Notwithstanding the preceding sentence, a nonprofit budget and credit counseling service may be disapproved by the United States trustee or bankruptcy administrator at any time.

''(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

''(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

''(ii) states that the debtor requested credit counseling services from an approved nonprofit budget and credit counseling agency, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request; and

''(iii) is satisfactory to the court.

''(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition, except that the court, for cause, may order an additional 15 days.''.

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111.

''(12)(A) Paragraph (11) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of that district determines that the approved instructional courses are not adequate to service the additional individuals required to complete such instructional courses under this section.

''(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, is amended by adding at the end the following:

''(g) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111.

''(h) Subsection (g) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to service the additional individuals who would be required to complete the instructional course by reason of the requirements of this section.

''(i) Each United States trustee or bankruptcy administrator that makes a determination described in subsection (h) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''The debtor shall—''; and

(2) by adding at the end the following:

''(b) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

''(1) a certificate from the approved nonprofit budget and credit counseling agency that provided the debtor services under section 109(h) describing the services provided to the debtor; and

''(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the approved nonprofit budget and credit counseling agency referred to in paragraph (1).''.

(e) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''§ 111. Credit counseling services; financial management instructional courses

''(a) The clerk of each district shall maintain a publicly available list of—

''(1) credit counseling agencies that provide 1 or more programs described in section 109(h) currently approved by the United States trustee or the bankruptcy administrator for the district, as applicable; and

''(2) instructional courses concerning personal financial management currently approved by the United States trustee or the bankruptcy administrator for the district, as applicable.

''(b) The United States trustee or bankruptcy administrator shall only approve a credit counseling agency or instructional course concerning personal financial management as follows:

''(1) The United States trustee or bankruptcy administrator shall have thoroughly reviewed the qualifications of the credit counseling agency or of the provider of the instructional course under the standards set forth in this section, and the programs or instructional courses which will be offered by such agency or provider, and may require an agency or provider of an instructional course which has sought approval to provide information with respect to such review.

''(2) The United States trustee or bankruptcy administrator shall have determined that the credit counseling agency or course of instruction fully satisfies the applicable standards set forth in this section.

''(3) When an agency or course of instruction is initially approved, such approval shall be for a probationary period not to exceed 6 months. An agency or course of instruction is initially approved if it did not appear on the approved

list for the district under subsection (a) immediately prior to approval.

''(4) At the conclusion of the probationary period under paragraph (3), the United States trustee or bankruptcy administrator may only approve for an additional 1-year period, and for successive 1-year periods thereafter, any agency or course of instruction which has demonstrated during the probationary or subsequent period that such agency or course of instruction—

''(A) has met the standards set forth under this section during such period; and

''(B) can satisfy such standards in the future.

''(5) Not later than 30 days after any final decision under paragraph (4), that occurs either after the expiration of the initial probationary period, or after any 2-year period thereafter, an interested person may seek judicial review of such decision in the appropriate United States District Court.

''(c)(1) The United States trustee or bankruptcy administrator shall only approve a credit counseling agency that demonstrates that it will provide qualified counselors, maintain adequate provision for safekeeping and payment of client funds, provide adequate counseling with respect to client credit problems, and deal responsibly and effectively with other matters as relate to the quality, effectiveness, and financial security of such programs.

''(2) To be approved by the United States trustee or bankruptcy administrator, a credit counseling agency shall, at a minimum—

''(A) be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

''(i) are not employed by the agency; and

''(ii) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

''(B) if a fee is charged for counseling services, charge a reasonable fee, and provide services without regard to ability to pay the fee;

''(C) provide for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

''(D) provide full disclosures to clients, including funding sources, counselor qualifications, possible impact on credit reports, and any costs of such program that will be paid by the debtor and how such costs will be paid;

''(E) provide adequate counseling with respect to client credit problems that includes an analysis of their current situation, what brought them to that financial status, and how they can develop a plan to handle the problem without incurring negative amortization of their debts;

''(F) provide trained counselors who receive no commissions or bonuses based on the counseling session outcome, and who have adequate experience, and have been adequately trained to provide counseling services to individuals in financial difficulty, including the matters described in subparagraph (E);

''(G) demonstrate adequate experience and background in providing credit counseling; and

''(H) have adequate financial resources to provide continuing support services for budgeting plans over the life of any repayment plan.

''(d) The United States trustee or bankruptcy administrator shall only approve an instructional course concerning personal financial management—

''(1) for an initial probationary period under subsection (b)(3) if the course will provide at a minimum—

''(A) trained personnel with adequate experience and training in providing effective instruction and services;

''(B) learning materials and teaching methodologies designed to assist debtors in understanding personal financial management and that are consistent with stated objectives directly related to the goals of such course of instruction;

''(C) adequate facilities situated in reasonably convenient locations at which such course of instruction is offered, except that such facilities may include the provision of such course of instruction or program by telephone or through the Internet, if the course of instruction or program is effective; and

''(D) the preparation and retention of reasonable records (which shall include the debtor's bankruptcy case number) to permit evaluation of the effectiveness of such course of instruction or program, including any evaluation of satisfaction of course of instruction or program requirements for each debtor attending such course of instruction or program, which shall be available for inspection and evaluation by the Executive Office for United States Trustees, the United States trustee, bankruptcy administrator, or chief bankruptcy judge for the district in which such course of instruction or program is offered; and

''(2) for any 1-year period if the provider thereof has demonstrated that the course meets the standards of paragraph (1) and, in addition—

''(A) has been effective in assisting a substantial number of debtors to understand personal financial management; and

''(B) is otherwise likely to increase substantially debtor understanding of personal financial management.

''(e) The District Court may, at any time, investigate the qualifications of a credit counseling agency referred to in subsection (a), and request production of documents to ensure the integrity and effectiveness of such credit counseling agencies. The District Court may, at any time, remove from the approved list under subsection (a) a credit counseling agency upon finding such agency does not meet the qualifications of subsection (b).

''(f) The United States trustee or bankruptcy administrator shall notify the clerk that a credit counseling agency or an instructional course is no longer approved, in which case the clerk shall remove it from the list maintained under subsection (a).

''(g)(1) No credit counseling service may provide to a credit reporting agency information concerning whether an individual debtor has received or sought instruction concerning personal financial management from the credit counseling service.

''(2) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

''(A) any actual damages sustained by the debtor as a result of the violation; and

''(B) any court costs or reasonable attorneys' fees (as determined by the court) incurred in an action to recover those damages.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''111. Credit counseling services; financial management instructional courses.''.

(f) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following:

''(i) If a case commenced under chapter 7, 11, or 13 is dismissed due to the creation of a debt repayment plan, for purposes of subsection (c)(3), any subsequent case commenced by the debtor under any such chapter shall not be presumed to be filed not in good faith.

''(j) On request of a party in interest, the court shall issue an order under subsection (c) confirming that the automatic stay has been terminated.''.

SEC. 107. SCHEDULES OF REASONABLE AND NECESSARY EXPENSES.

For purposes of section 707(b) of title 11, United States Code, as amended by this Act, the Director of the Executive Office for United States Trustees shall, not later than 180 days after the date of enactment of this Act, issue schedules of reasonable and necessary administrative expenses of administering a chapter 13 plan for each judicial district of the United States.

TITLE II—ENHANCED CONSUMER PROTECTION

Subtitle A—Penalties for Abusive Creditor Practices

SEC. 201. PROMOTION OF ALTERNATIVE DISPUTE RESOLUTION.

(a) REDUCTION OF CLAIM.—Section 502 of title 11, United States Code, is amended by adding at the end the following:

''(k)(1) The court, on the motion of the debtor and after a hearing, may reduce a claim filed under this section based in whole on unsecured consumer debts by not more than 20 percent of the claim, if—

''(A) the claim was filed by a creditor who unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit counseling agency described in section 111 acting on behalf of the debtor;

''(B) the offer of the debtor under subparagraph (A)—

''(i) was made at least 60 days before the filing of the petition; and

''(ii) provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

''(C) no part of the debt under the alternative repayment schedule is nondischargeable.

''(2) The debtor shall have the burden of proving, by clear and convincing evidence, that—

''(A) the creditor unreasonably refused to consider the debtor's proposal; and

''(B) the proposed alternative repayment schedule was made prior to expiration of the 60-day period specified in paragraph (1)(B)(i).''.

(b) LIMITATION ON AVOIDABILITY.—Section 547 of title 11, United States Code, is amended by adding at the end the following:

''(h) The trustee may not avoid a transfer if such transfer was made as a part of an alternative repayment plan between the debtor and any creditor of the debtor created by an approved credit counseling agency.''.

SEC. 202. EFFECT OF DISCHARGE.

Section 524 of title 11, United States Code, is amended by adding at the end the following:

''(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title), unless the plan is dismissed, in default, or the creditor has not received payments required to be made under the plan in the manner required by the plan (including crediting the amounts required under the plan), shall constitute a violation of an injunction under subsection (a)(2) if the act of the creditor to collect and failure to credit payments in the manner required by the plan caused material injury to the debtor.

''(j) Subsection (a)(2) does not operate as an injunction against an act by a creditor that is the holder of a secured claim, if—

''(1) such creditor retains a security interest in real property that is the principal residence of the debtor;

''(2) such act is in the ordinary course of business between the creditor and the debtor; and

''(3) such act is limited to seeking or obtaining periodic payments associated with a valid security interest in lieu of pursuit of in rem relief to enforce the lien.''.

SEC. 203. DISCOURAGING ABUSE OF REAFFIRMATION PRACTICES.

(a) IN GENERAL.—Section 524 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (c), by striking paragraph (2) and inserting the following:

''(2) the debtor received the disclosures described in subsection (k) at or before the time at which the debtor signed the agreement;'';

(2) by adding at the end the following:

''(k)(1) The disclosures required under subsection (c)(2) shall consist of the disclosure statement described in paragraph (3), completed as required in that paragraph, together with the agreement, statement, declaration, motion and order described, respectively, in paragraphs (4) through (8), and shall be the only disclosures required in connection with the reaffirmation.

''(2) Disclosures made under paragraph (1) shall be made clearly and conspicuously and in writing. The terms 'Amount Reaffirmed' and 'Annual Percentage Rate' shall be disclosed more conspicuously than other terms, data or information provided in connection with this disclosure, except that the phrases 'Before agreeing to reaffirm a debt, review these important disclosures' and 'Summary of Reaffirmation Agreement' may be equally conspicuous. Disclosures may be made in a different order and may use terminology different from that set forth in paragraphs (2) through (8), except that the terms 'Amount Reaffirmed' and 'Annual Percentage Rate' must be used where indicated.

''(3) The disclosure statement required under this paragraph shall consist of the following:

''(A) The statement: 'Part A: Before agreeing to reaffirm a debt, review these important disclosures:';

''(B) Under the heading 'Summary of Reaffirmation Agreement', the statement: 'This Summary is made pursuant to the requirements of the Bankruptcy Code';

''(C) The 'Amount Reaffirmed', using that term, which shall be—

''(i) the total amount which the debtor agrees to reaffirm, and

''(ii) the total of any other fees or cost accrued as of the date of the disclosure statement.

''(D) In conjunction with the disclosure of the 'Amount Reaffirmed', the statements—

''(i) 'The amount of debt you have agreed to reaffirm'; and

''(ii) 'Your credit agreement may obligate you to pay additional amounts which may come due after the date of this disclosure. Consult your credit agreement.'.

''(E) The 'Annual Percentage Rate', using that term, which shall be disclosed as—

''(i) if, at the time the petition is filed, the debt is open end credit as defined under the Truth in Lending Act (15 U.S.C. 1601 et seq.), then—

''(I) the annual percentage rate determined under paragraphs (5) and (6) of section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)(5) and (6)), as applicable, as disclosed to the debtor in the most recent periodic statement prior to the agreement or, if no such periodic statement has been provided the debtor during the prior 6 months, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given the debtor, or to the extent this annual percentage rate is not readily available or not applicable, then

''(II) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, or if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of each such balance included in the amount reaffirmed, or

''(III) if the entity making the disclosure elects, to disclose the annual percentage rate under subclause (I) and the simple interest rate under subclause (II);

''(ii) if, at the time the petition is filed, the debt is closed end credit as defined under the Truth in Lending Act (15 U.S.C. 1601 et seq.), then—

''(I) the annual percentage rate under section 128(a)(4) of the Truth in Lending Act (15 U.S.C. 1638(a)(4)), as disclosed to the debtor in the most recent disclosure statement given the debtor prior to the reaffirmation agreement with respect to the debt, or, if no such disclosure statement was provided the debtor, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given the debtor, or to the extent this annual percentage rate is not readily available or not applicable, then

''(II) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given the debtor, or if different simple interest rates apply to different balances, the simple interest rate applicable to each such balance, identifying the amount of such balance included in the amount reaffirmed, or

''(III) if the entity making the disclosure elects, to disclose the annual percentage rate under (I) and the simple interest rate under (II).

''(F) If the underlying debt transaction was disclosed as a variable rate transaction on the most recent disclosure given under the Truth in Lending Act (15 U.S.C. 1601 et seq.), by stating 'The interest rate on your loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower.'.

''(G) If the debt is secured by a security interest which has not been waived in whole or in part or determined to be void by a final order of the court at the time of the disclosure, by disclosing that a security interest or lien in goods or property is asserted over some or all of the obligations you are reaffirming and listing the items and their original purchase price that are subject to the asserted security interest, or if not a purchase-money security interest then listing by items or types and the original amount of the loan.

''(H) At the election of the creditor, a statement of the repayment schedule using 1 or a combination of the following—

''(i) by making the statement: 'Your first payment in the amount of $_____ is due on _____ but the future payment amount may be different. Consult your reaffirmation or credit agreement, as applicable.', and stating the amount of the first payment and the due date of that payment in the places provided;

''(ii) by making the statement: 'Your payment schedule will be:', and describing the repayment schedule with the number, amount and due dates or period of payments scheduled to repay the obligations reaffirmed to the extent then known by the disclosing party; or

''(iii) by describing the debtor's repayment obligations with reasonable specificity to the extent then known by the disclosing party.

''(I) The following statement: 'Note: When this disclosure refers to what a creditor 'may' do, it does not use the word 'may' to give the creditor specific permission. The word 'may' is used to tell you what might occur if the law permits the creditor to take the action. If you have questions about your reaffirmation or what the law requires, talk to the attorney who helped you negotiate this agreement. If you don't have an attorney helping you, the judge will explain the effect of your reaffirmation when the reaffirmation hearing is held.'.

''(J)(i) The following additional statements:

''''Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.

''''1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

''''2. Complete and sign Part D and be sure you can afford to make the payments you are agreeing to make and have received a copy of the disclosure statement and a completed and signed reaffirmation agreement.

''''3. If you were represented by an attorney during the negotiation of the reaffirmation agreement, the attorney must have signed the certification in Part C.

''''4. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, you must have completed and signed Part E.

''''5. The original of this disclosure must be filed with the court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

''''6. If you were represented by an attorney during the negotiation of the reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court unless the reaffirmation is presumed to be an undue hardship as explained in Part D.

''''7. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, it will not be effective unless the court approves it. The court will notify you of the hearing on your reaffirmation agreement. You must attend this hearing in bankruptcy court where the judge will review your agreement. The bankruptcy court must approve the agreement as consistent with your best interests, except that no court approval is required if the agreement is for a consumer debt secured by a mortgage, deed of trust, security deed or other lien on your real property, like your home.

''''Your right to rescind a reaffirmation. You may rescind (cancel) your reaffirmation at any time before the bankruptcy court enters a discharge order or within 60 days after the agreement is filed with the court, whichever is longer. To rescind or cancel, you must notify the creditor that the agreement is canceled.

''''What are your obligations if you reaffirm the debt? A reaffirmed debt remains your personal legal obligation. It is not discharged in your bankruptcy. That means that if you default on your reaffirmed debt after your bankruptcy is over, your creditor may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor may be permitted by that agreement or applicable law to change the terms of the agreement in the future under certain conditions.

''''Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments you agree to make.

''''What if your creditor has a security interest or lien? Your bankruptcy discharge does not eliminate any lien on your property. A ''lien'' is often referred to as a security interest, deed of trust, mortgage or security deed. Even if you do not reaffirm and your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security property if you do not pay the debt or default on it. If the lien is on an item of personal property that is exempt under your State's law or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the court.'.

''(ii) In the case of a reaffirmation under subsection (m)(2), numbered paragraph 6 in the disclosures required by clause (i) of this subparagraph shall read as follows:

''''6. If you were represented by an attorney during the negotiation of the reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court.'.

''(4) The form of reaffirmation agreement required under this paragraph shall consist of the following:

''''Part B: Reaffirmation Agreement. I/we agree to reaffirm the obligations arising under the credit agreement described below.

''''Brief description of credit agreement:

''''Description of any changes to the credit agreement made as part of this reaffirmation agreement:

''`Signature: Date:

''`Borrower:

''`Co-borrower, if also reaffirming:

''`Accepted by creditor:

''`Date of creditor acceptance:'.

''(5)(A) The declaration shall consist of the following:

''`Part C: Certification by Debtor's Attorney (If Any).

''`I hereby certify that (1) this agreement represents a fully informed and voluntary agreement by the debtor(s); (2) this agreement does not impose an undue hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

''`Signature of Debtor's Attorney: Date:'.

''(B) In the case of reaffirmations in which a presumption of undue hardship has been established, the certification shall state that in the opinion of the attorney, the debtor is able to make the payment.

''(C) In the case of a reaffirmation agreement under subsection (m)(2), subparagraph (B) is not applicable.

''(6)(A) The statement in support of reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following:

''`Part D: Debtor's Statement in Support of Reaffirmation Agreement.

''`1. I believe this agreement will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is $_____, and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total $_____, leaving $_____ to make the required payments on this reaffirmed debt. I understand that if my income less my monthly expenses does not leave enough to make the payments, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be overcome if I explain to the satisfaction of the court how I can afford to make the payments here: _____.

''`2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.'.

''(B) Where the debtor is represented by counsel and is reaffirming a debt owed to a creditor defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(iv)), the statement of support of the reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following:

''`I believe this agreement is in my financial interest. I can afford to make the payments on the reaffirmed debt. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.'

''(7) The motion, which may be used if approval of the agreement by the court is required in order for it to be effective and shall be signed and dated by the moving party, shall consist of the following:

''`Part E: Motion for Court Approval (To be completed only where debtor is not represented by an attorney.). I (we), the debtor, affirm the following to be true and correct:

''`I am not represented by an attorney in connection with this reaffirmation agreement.

''`I believe this agreement is in my best interest based on the income and expenses I have disclosed in my Statement in Support of this reaffirmation agreement above, and because (provide any additional relevant reasons the court should consider):

''`Therefore, I ask the court for an order approving this reaffirmation agreement.'.

''(8) The court order, which may be used to approve a reaffirmation, shall consist of the following:

''`Court Order: The court grants the debtor's motion and approves the reaffirmation agreement described above.'.

''(9) Subsection (a)(2) does not operate as an injunction against an act by a creditor that is the holder of a secured claim, if—

''(A) such creditor retains a security interest in real property that is the debtor's principal residence;

''(B) such act is in the ordinary course of business between the creditor and the debtor; and

''(C) such act is limited to seeking or obtaining periodic payments associated with a valid security interest in lieu of pursuit of in rem relief to enforce the lien.

''(l) Notwithstanding any other provision of this title:

''(1) A creditor may accept payments from a debtor before and after the filing of a reaffirmation agreement with the court.

''(2) A creditor may accept payments from a debtor under a reaffirmation agreement which the creditor believes in good faith to be effective.

''(3) The requirements of subsections (c)(2) and (k) shall be satisfied if disclosures required under those subsections are given in good faith.

''(m)(1) Until 60 days after a reaffirmation agreement is filed with the court (or such additional period as the court, after notice and hearing and for cause, orders before the expiration of such period), it shall be presumed that the reaffirmation agreement is an undue hardship on the debtor if the debtor's monthly income less the debtor's monthly expenses as shown on the debtor's completed and signed statement in support of the reaffirmation agreement required under subsection (k)(6)(A) is less than the scheduled payments on the reaffirmed debt. This presumption shall be reviewed by the court. The presumption may be rebutted in writing by the debtor if the statement includes an explanation which identifies additional sources of funds to make the payments as agreed upon under the terms of the reaffirmation agreement. If the presumption is not rebutted to the satisfaction of the court, the court may disapprove the agreement. No agreement shall be disapproved without notice and hearing to the debtor and creditor and such hearing shall be concluded before the entry of the debtor's discharge.

''(2) This subsection does not apply to reaffirmation agreements where the creditor is a credit union, as defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(iv)).''.

(b) LAW ENFORCEMENT.—

(1) IN GENERAL.—Chapter 9 of title 18, United States Code, is amended by adding at the end the following:

''§ 158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt and materially fraudulent statements in bankruptcy schedules

''(a) IN GENERAL.—The Attorney General of the United States shall designate the individuals described in subsection (b) to have primary responsibility in carrying out enforcement activities in addressing violations of section 152 or 157 relating to abusive reaffirmations of debt. In addition to addressing the violations referred to in the preceding sentence, the individuals described under subsection (b) shall address violations of section 152 or 157 relating to materially fraudulent statements in bankruptcy schedules that are intentionally false or intentionally misleading.

''(b) UNITED STATES DISTRICT ATTORNEYS AND AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION—The individuals referred to in subsection (a) are—

''(1) a United States attorney for each judicial district of the United States; and

''(2) an agent of the Federal Bureau of Investigation (within the meaning of section 3107) for each field office of the Federal Bureau of Investigation.

''(c) BANKRUPTCY INVESTIGATIONS.—Each United States attorney designated under this section shall, in addition to any other responsibilities, have primary responsibility for carrying out the duties of a United States attorney under section 3057.

''(d) BANKRUPTCY PROCEDURES.—The bankruptcy courts shall establish procedures for referring any case which may contain a materially fraudulent statement in a bankruptcy schedule to the individuals designated under this section.''.

(2) CLERICAL AMENDMENT.—The analysis for chapter 9 of title 18, United States Code, is amended by adding at the end the following:

''158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt and materially fraudulent statements in bankruptcy schedules.''.

Subtitle B—Priority Child Support

SEC. 211. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.

Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

''(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title, including interest that accrues on that debt as provided under applicable nonbankruptcy law notwithstanding any other provision of this title, that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or such child's parent, legal guardian, or responsible relative; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child of the debtor or such child's parent, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt;''.

SEC. 212. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking ''First'' and inserting ''Second'';

(4) in paragraph (3), as redesignated, by striking ''Second'' and inserting ''Third'';

(5) in paragraph (4), as redesignated—

(A) by striking ''Third'' and inserting ''Fourth''; and

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

(6) in paragraph (5), as redesignated, by striking ''Fourth'' and inserting ''Fifth'';

(7) in paragraph (6), as redesignated, by striking ''Fifth'' and inserting ''Sixth'';

(8) in paragraph (7), as redesignated, by striking ''Sixth'' and inserting ''Seventh''; and

(9) by inserting before paragraph (2), as redesignated, the following:

''(1) First:

''(A) Allowed unsecured claims for domestic support obligations that, as of the date of the

filing of the petition, are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such child, without regard to whether the claim is filed by such person or is filed by a governmental unit on behalf of that person, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition shall be applied and distributed in accordance with applicable nonbankruptcy law.

''(B) Subject to claims under subparagraph (A), allowed unsecured claims for domestic support obligations that, as of the date the petition was filed are assigned by a spouse, former spouse, child of the debtor, or such child's parent, legal guardian, or responsible relative to a governmental unit (unless such obligation is assigned voluntarily by the spouse, former spouse, child, parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt) or are owed directly to or recoverable by a government unit under applicable nonbankruptcy law, on the condition that funds received under this paragraph by a governmental unit under this title after the date of filing of the petition be applied and distributed in accordance with applicable nonbankruptcy law.''.

SEC. 213. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.'';

(2) in section 1208(c)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(10) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.'';

(3) in section 1222(a)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period, beginning on the date that the first payment is due under the plan, will be applied to make payments under the plan.'';

(4) in section 1222(b)—

(A) by redesignating paragraph (11) as paragraph (12); and

(B) by inserting after paragraph (10) the following:

''(11) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims;'';

(5) in section 1225(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that first become payable after the date on which the petition is filed.'';

(6) in section 1228(a), in the matter preceding paragraph (1), by inserting '', and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid'' after ''completion by the debtor of all payments under the plan'';

(7) in section 1307(c)—

(A) in paragraph (9), by striking ''or'' at the end;

(B) in paragraph (10), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(11) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.'';

(8) in section 1322(a)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding in the end the following:

''(4) notwithstanding any other provision of this section, a plan may provide for less than full payment of all amounts owed for a claim entitled to priority under section 507(a)(1)(B) only if the plan provides that all of the debtor's projected disposable income for a 5-year period beginning on the date that the first payment is due under the plan will be applied to make payments under the plan.'';

(9) in section 1322(b)—

(A) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(B) by redesignating paragraph (10) as paragraph (11); and

(C) inserting after paragraph (9) the following:

''(10) provide for the payment of interest accruing after the date of the filing of the petition on unsecured claims that are nondischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims; and'';

(10) in section 1325(a) (as amended by this Act), by adding at the end the following:

''(8) the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first becomes payable after the date on which the petition is filed; and'';

(11) in section 1328(a), in the matter preceding paragraph (1), by inserting '', and in the case of a debtor who is required by a judicial or administrative order to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid'' after ''completion by the debtor of all payments under the plan''.

SEC. 214. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.

Section 362(b) of title 11, United States Code, is amended by striking paragraph (2) and inserting the following:

''(2) under subsection (a)—

''(A) of the commencement or continuation of a civil action or proceeding—

''(i) for the establishment of paternity;

''(ii) for the establishment or modification of an order for domestic support obligations;

''(iii) concerning child custody or visitation;

''(iv) for the dissolution of a marriage, except to the extent that such proceeding seeks to determine the division of property that is property of the estate; or

''(v) regarding domestic violence;

''(B) the collection of a domestic support obligation from property that is not property of the estate;

''(C) with respect to the withholding of income that is property of the estate or property of the debtor for payment of a domestic support obligation under a judicial or administrative order;

''(D) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses under State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16));

''(E) the reporting of overdue support owed by a parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

''(F) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)) or under an analogous State law; or

''(G) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.);''.

SEC. 215. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)—

(A) by striking paragraph (5) and inserting the following:

''(5) for a domestic support obligation;'';

(B) in paragraph (15)—

(i) by inserting ''to a spouse, former spouse, or child of the debtor and'' before ''not of the kind'';

(ii) by inserting ''or'' after ''court of record,''; and

(iii) by striking ''unless—'' and all that follows through the end of the paragraph and inserting a semicolon; and

(C) by striking paragraph (18); and

(2) in subsection (c), by striking ''(6), or (15)'' each place it appears and inserting ''or (6)''.

SEC. 216. CONTINUED LIABILITY OF PROPERTY.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5));'';

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting ''of a kind that is specified in section 523(a)(5); or''; and

(3) in subsection (g)(2), by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

SEC. 217. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

''(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation;''.

SEC. 218. DISPOSABLE INCOME DEFINED.

(a) CONFIRMATION OF PLAN UNDER CHAPTER 12.—Section 1225(b)(2)(A) of title 11, United States Code, is amended by inserting ''or for a domestic support obligation that first becomes payable after the date on which the petition is filed'' after ''dependent of the debtor''.

(b) CONFIRMATION OF PLAN UNDER CHAPTER 13.—Section 1325(b)(2)(A) of title 11, United States Code, is amended by inserting ''or for a domestic support obligation that first becomes payable after the date on which the petition is filed'' after ''dependent of the debtor''.

SEC. 219. COLLECTION OF CHILD SUPPORT.

(a) DUTIES OF TRUSTEE UNDER CHAPTER 7.—Section 704 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (a)—

(A) in paragraph (8), by striking ''and'' at the end;

(B) in paragraph (9), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(10) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c); and''; and

(2) by adding at the end the following:

''(c)(1) In any case described in subsection (a)(10), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides for assistance in collecting child support during and after the bankruptcy procedures;

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(iii) include in the notice an explanation of the rights of the holder of the claim to payment of the claim under this chapter; and

''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim;

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

''(iii) at such time as the debtor is granted a discharge under section 727, notify the holder of that claim and the State child support agency of the State in which that holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor;

''(III) the last recent known name and address of the debtor's employer; and

''(IV) with respect to the debtor's case, the name of each creditor that holds a claim that—

''(aa) is not discharged under paragraph (2), (4), or (14A) of section 523(a); or

''(bb) was reaffirmed by the debtor under section 524(c).

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.''.

(b) DUTIES OF TRUSTEE UNDER CHAPTER 11.—Section 1106 of title 11, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (6), by striking ''and'' at the end;

(B) in paragraph (7), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(8) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c).''; and

(2) by adding at the end the following:

''(c)(1) In any case described in subsection (a)(7), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides; and

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(B)(i) notify, in writing, the State child support agency (of the State in which the holder of the claim resides) of the claim;

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

''(iii) at such time as the debtor is granted a discharge under section 1141, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor;

''(III) the last recent known name and address of the debtor's employer; and

''(IV) with respect to the debtor's case, the name of each creditor that holds a claim that—

''(aa) is not discharged under paragraph (2), (3), or (14) of section 523(a); or

''(bb) was reaffirmed by the debtor under section 524(c).

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.''.

(c) DUTIES OF TRUSTEE UNDER CHAPTER 12.—Section 1202 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking ''and'' at the end;

(B) in paragraph (5), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c).''; and

(2) by adding at the end the following:

''(c)(1) In any case described in subsection (b)(6), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides; and

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(B)(i) notify, in writing, the State child support agency (of the State in which the holder of the claim resides) of the claim;

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

''(iii) at such time as the debtor is granted a discharge under section 1228, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor;

''(III) the last recent known name and address of the debtor's employer; and

''(IV) with respect to the debtor's case, the name of each creditor that holds a claim that—

''(aa) is not discharged under paragraph (2), (4), or (14) of section 523(a); or

''(bb) was reaffirmed by the debtor under section 524(c).

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.''.

(d) DUTIES OF TRUSTEE UNDER CHAPTER 13.—Section 1302 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking ''and'' at the end;

(B) in paragraph (5), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(6) if, with respect to an individual debtor, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (d).''; and

(2) by adding at the end the following:

''(d)(1) In any case described in subsection (b)(6), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides; and

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim;

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

''(iii) at such time as the debtor is granted a discharge under section 1328, notify the holder of the claim and the State child support agency of the State in which that holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor;

''(III) the last recent known name and address of the debtor's employer; and

''(IV) with respect to the debtor's case, the name of each creditor that holds a claim that—

''(aa) is not discharged under paragraph (2), (4), or (14) of section 523(a); or

''(bb) was reaffirmed by the debtor under section 524(c).

''(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(iii)(IV) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.''.

SEC. 220. NONDISCHARGEABILITY OF CERTAIN EDUCATIONAL BENEFITS AND LOANS.

Section 523(a) of title 11, United States Code, is amended by striking paragraph (8) and inserting the following:

''(8) unless excepting such debt from discharge under this paragraph would impose an undue hardship on the debtor and the debtor's dependents, for—

''(A)(i) an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution; or

''(ii) an obligation to repay funds received as an educational benefit, scholarship, or stipend; or

''(B) any other educational loan that is a qualified education loan, as that term is defined in section 221(e)(1) of the Internal Revenue Code of 1986, incurred by an individual debtor;''.

Subtitle C—Other Consumer Protections

SEC. 221. AMENDMENTS TO DISCOURAGE ABUSIVE BANKRUPTCY FILINGS.

Section 110 of title 11, United States Code, is amended—

(1) in subsection (a)(1), by striking ''a person, other than an attorney or an employee of an attorney'' and inserting ''the attorney for the debtor or an employee of such attorney under the direct supervision of such attorney'';

(2) in subsection (b)—

(A) in paragraph (1), by adding at the end the following: ''If a bankruptcy petition preparer is not an individual, then an officer, principal, responsible person, or partner of the preparer shall be required to—

''(A) sign the document for filing; and

''(B) print on the document the name and address of that officer, principal, responsible person or partner.''; and

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

''(2)(A) Before preparing any document for filing or accepting any fees from a debtor, the bankruptcy petition preparer shall provide to the debtor a written notice to debtors concerning bankruptcy petition preparers, which shall be on an official form issued by the Judicial Conference of the United States.

''(B) The notice under subparagraph (A)—

''(i) shall inform the debtor in simple language that a bankruptcy petition preparer is not an attorney and may not practice law or give legal advice;

''(ii) may contain a description of examples of legal advice that a bankruptcy petition preparer is not authorized to give, in addition to any advice that the preparer may not give by reason of subsection (e)(2); and

''(iii) shall—

''(I) be signed by—

''(aa) the debtor; and

''(bb) the bankruptcy petition preparer, under penalty of perjury; and

''(II) be filed with any document for filing.'';

(3) in subsection (c)—

(A) in paragraph (2)—

(i) by striking ''(2) For purposes'' and inserting ''(2)(A) Subject to subparagraph (B), for purposes''; and

(ii) by adding at the end the following:

''(B) If a bankruptcy petition preparer is not an individual, the identifying number of the bankruptcy petition preparer shall be the Social Security account number of the officer, principal, responsible person, or partner of the preparer.''; and

(B) by striking paragraph (3);

(4) in subsection (d)—

(A) by striking ''(d)(1)'' and inserting ''(d)''; and

(B) by striking paragraph (2);

(5) in subsection (e)—

(A) by striking paragraph (2); and

(B) by adding at the end the following:

''(2)(A) A bankruptcy petition preparer may not offer a potential bankruptcy debtor any legal advice, including any legal advice described in subparagraph (B).

''(B) The legal advice referred to in subparagraph (A) includes advising the debtor—

''(i) whether—

''(I) to file a petition under this title; or

''(II) commencing a case under chapter 7, 11, 12, or 13 is appropriate;

''(ii) whether the debtor's debts will be eliminated or discharged in a case under this title;

''(iii) whether the debtor will be able to retain the debtor's home, car, or other property after commencing a case under this title;

''(iv) concerning—

''(I) the tax consequences of a case brought under this title; or

''(II) the dischargeability of tax claims;

''(v) whether the debtor may or should promise to repay debts to a creditor or enter into a reaffirmation agreement with a creditor to reaffirm a debt;

''(vi) concerning how to characterize the nature of the debtor's interests in property or the debtor's debts; or

''(vii) concerning bankruptcy procedures and rights.'';

(6) in subsection (f)—

(A) by striking ''(f)(1)'' and inserting ''(f)''; and

(B) by striking paragraph (2);

(7) in subsection (g)—

(A) by striking ''(g)(1)'' and inserting ''(g)''; and

(B) by striking paragraph (2);

(8) in subsection (h)—

(A) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively;

(B) by inserting before paragraph (2), as redesignated, the following:

''(1) The Supreme Court may promulgate rules under section 2075 of title 28, or the Judicial Conference of the United States may prescribe guidelines, for setting a maximum allowable fee chargeable by a bankruptcy petition preparer. A bankruptcy petition preparer shall notify the debtor of any such maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor.'';

(C) in paragraph (2), as redesignated—

(i) by striking ''Within 10 days after the date of filing a petition, a bankruptcy petition preparer shall file a'' and inserting ''A'';

(ii) by inserting ''by the bankruptcy petition preparer shall be filed together with the petition,'' after ''perjury''; and

(iii) by adding at the end the following: ''If rules or guidelines setting a maximum fee for services have been promulgated or prescribed under paragraph (1), the declaration under this paragraph shall include a certification that the bankruptcy petition preparer complied with the notification requirement under paragraph (1).'';

(D) by striking paragraph (3), as redesignated, and inserting the following:

''(3)(A) The court shall disallow and order the immediate turnover to the bankruptcy trustee any fee referred to in paragraph (2) found to be in excess of the value of any services—

''(i) rendered by the preparer during the 12-month period immediately preceding the date of filing of the petition; or

''(ii) found to be in violation of any rule or guideline promulgated or prescribed under paragraph (1).

''(B) All fees charged by a bankruptcy petition preparer may be forfeited in any case in which the bankruptcy petition preparer fails to comply with this subsection or subsection (b), (c), (d), (e), (f), or (g).

''(C) An individual may exempt any funds recovered under this paragraph under section 522(b).''; and

(E) in paragraph (4), as redesignated, by striking ''or the United States trustee'' and inserting ''the United States trustee, the bankruptcy administrator, or the court, on the initiative of the court,'';

(9) in subsection (i)(1), by striking the matter preceding subparagraph (A) and inserting the following:

''(i)(1) If a bankruptcy petition preparer violates this section or commits any act that the court finds to be fraudulent, unfair, or deceptive, on motion of the debtor, trustee, United States trustee, or bankruptcy administrator, and after the court holds a hearing with respect to that violation or act, the court shall order the bankruptcy petition preparer to pay to the debtor—'';

(10) in subsection (j)—

(A) in paragraph (2)—

(i) in subparagraph (A)(i)(I), by striking ''a violation of which subjects a person to criminal penalty'';

(ii) in subparagraph (B)—

(I) by striking ''or has not paid a penalty'' and inserting ''has not paid a penalty''; and

(II) by inserting ''or failed to disgorge all fees ordered by the court'' after ''a penalty imposed under this section,'';

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following:

''(3) The court, as part of its contempt power, may enjoin a bankruptcy petition preparer that has failed to comply with a previous order issued under this section. The injunction under this paragraph may be issued upon motion of the court, the trustee, the United States trustee, or the bankruptcy administrator.''; and

(11) by adding at the end the following:

''(l)(1) A bankruptcy petition preparer who fails to comply with any provision of subsection (b), (c), (d), (e), (f), (g), or (h) may be fined not more than $500 for each such failure.

''(2) The court shall triple the amount of a fine assessed under paragraph (1) in any case in which the court finds that a bankruptcy petition preparer—

''(A) advised the debtor to exclude assets or income that should have been included on applicable schedules;

''(B) advised the debtor to use a false Social Security account number;

''(C) failed to inform the debtor that the debtor was filing for relief under this title; or

''(D) prepared a document for filing in a manner that failed to disclose the identity of the preparer.

''(3) The debtor, the trustee, a creditor, the United States trustee, or the bankruptcy administrator may file a motion for an order imposing a fine on the bankruptcy petition preparer for each violation of this section.

''(4)(A) Fines imposed under this subsection in judicial districts served by United States trustees shall be paid to the United States trustee, who shall deposit an amount equal to such fines in a special account of the United States Trustee System Fund referred to in section 586(e)(2) of title 28. Amounts deposited under this subparagraph shall be available to fund the enforcement of this section on a national basis.

''(B) Fines imposed under this subsection in judicial districts served by bankruptcy administrators shall be deposited as offsetting receipts to the fund established under section 1931 of title 28, and shall remain available until expended to reimburse any appropriation for the amount paid out of such appropriation for expenses of the operation and maintenance of the courts of the United States.''.

SEC. 222. SENSE OF CONGRESS.

It is the sense of Congress that States should develop curricula relating to the subject of personal finance, designed for use in elementary and secondary schools.

SEC. 223. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug, or another substance.''.

SEC. 224. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.

(a) IN GENERAL.—Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and'';

(iii) by adding at the end the following:

''(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''; and

(iv) by striking ''(2)(A) any property'' and inserting:

''(3) Property listed in this paragraph is—

''(A) any property'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d), unless the State law that is applicable to the debtor under paragraph (3)(A) specifically does not so authorize.'';

(C) by striking ''(b) Notwithstanding'' and inserting ''(b)(1) Notwithstanding'';

(D) by striking ''paragraph (2)'' each place it appears and inserting ''paragraph (3)'';

(E) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)'';

(F) by striking ''Such property is—''; and

(G) by adding at the end the following:

''(4) For purposes of paragraph (3)(C) and subsection (d)(12), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination under section 7805 of the Internal Revenue Code of 1986, and that determination is in

effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination under such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii)(I) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

''(II) the retirement fund fails to be in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986 and the debtor is not materially responsible for that failure.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, under section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(C) or subsection (d)(12) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(C) or subsection (d)(12) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (17), by striking ''or'' at the end;

(2) in paragraph (18), by striking the period and inserting a semicolon;

(3) by inserting after paragraph (18) the following:

''(19) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, under the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 or is subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) in the case of a loan from a thrift savings plan described in subchapter III of chapter 84 of title 5, that satisfies the requirements of section 8433(g) of such title;''; and

(4) by adding at the end of the flush material at the end of the subsection, the following: ''Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(18) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, under—

''(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974, or subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) a loan from the thrift savings plan described in subchapter III of chapter 84 of title 5, that satisfies the requirements of section 8433(g) of such title.

Nothing in paragraph (18) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

''(f) A plan may not materially alter the terms of a loan described in section 362(b)(19) and any amounts required to repay such loan shall not constitute 'disposable income' under section 1325.''.

(e) ASSET LIMITATION.—Section 522 of title 11, United States Code, is amended by adding at the end the following:

''(n) For assets in individual retirement accounts described in section 408 or 408A of the Internal Revenue Code of 1986, other than a simplified employee pension under section 408(k) of that Code or a simple retirement account under section 408(p) of that Code, the aggregate value of such assets exempted under this section, without regard to amounts attributable to rollover contributions under section 402(c), 402(e)(6), 403(a)(4), 403(a)(5), and 403(b)(8) of the Internal Revenue Code of 1986, and earnings thereon, shall not exceed $1,000,000 (which amount shall be adjusted as provided in section 104 of this title) in a case filed by an individual debtor, except that such amount may be increased if the interests of justice so require.''.

SEC. 225. PROTECTION OF EDUCATION SAVINGS IN BANKRUPTCY.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking ''or'' at the end;

(B) by redesignating paragraph (5) as paragraph (10); and

(C) by inserting after paragraph (4) the following:

''(5) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

''(B) only to the extent that such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

''(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

''(6) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(1)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

''(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

''(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(7) of such Code with respect to such beneficiary, as adjusted beginning on the date of the filing of the petition by the annual increase or decrease (rounded to the nearest tenth of 1 percent) in the education expenditure category of the Consumer Price Index prepared by the Department of Labor; and

''(C) in the case of funds paid or contributed to such program having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;''; and

(2) by adding at the end the following:

''(e) In determining whether any of the relationships specified in paragraph (5)(A) or (6)(A) of subsection (b) exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child has as the child's principal place of abode the home of the debtor and is a member of the debtor's household) shall be treated as a child of such individual by blood.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(c) In addition to meeting the requirements under subsection (a), a debtor shall file with the court a record of any interest that a debtor has in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) or under a qualified State tuition program (as defined in section 529(b)(1) of such Code).''.

SEC. 226. DEFINITIONS.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (2) the following:

''(3) 'assisted person' means any person whose debts consist primarily of consumer debts and whose non-exempt assets are less than $150,000;'';

(2) by inserting after paragraph (4) the following:

''(4A) 'bankruptcy assistance' means any goods or services sold or otherwise provided to an assisted person with the express or implied purpose of providing information, advice, counsel, document preparation, or filing, or attendance at a creditors' meeting or appearing in a proceeding on behalf of another or providing legal representation with respect to a case or proceeding under this title;''; and

(3) by inserting after paragraph (12) the following:

''(12A) 'debt relief agency' means any person who provides any bankruptcy assistance to an assisted person in return for the payment of money or other valuable consideration, or who is a bankruptcy petition preparer under section 110, but does not include—

''(A) any person that is an officer, director, employee or agent of that person;

''(B) a nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

''(C) a creditor of the person, to the extent that the creditor is assisting the person to restructure any debt owed by the person to the creditor;

''(D) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or any Federal credit union or State credit union (as those terms are defined in section 101 of the Federal Credit Union Act), or any affiliate or subsidiary of such a depository institution or credit union; or

''(E) an author, publisher, distributor, or seller of works subject to copyright protection under title 17, when acting in such capacity.''.

(b) CONFORMING AMENDMENT.—Section 104(b)(1) of title 11, United States Code, is amended by inserting ''101(3),'' after ''sections''.

SEC. 227. RESTRICTIONS ON DEBT RELIEF AGENCIES.

(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

''§ 526. Restrictions on debt relief agencies

''(a) A debt relief agency shall not—

''(1) fail to perform any service that such agency informed an assisted person or prospective assisted person it would provide in connection with a case or proceeding under this title;

''(2) make any statement, or counsel or advise any assisted person or prospective assisted person to make a statement in a document filed in a case or proceeding under this title, that is untrue and misleading, or that upon the exercise of reasonable care, should have been known by such agency to be untrue or misleading;

''(3) misrepresent to any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, with respect to—

''(i) the services that such agency will provide to such person; or

''(ii) the benefits and risks that may result if such person becomes a debtor in a case under this title; or

''(4) advise an assisted person or prospective assisted person to incur more debt in contemplation of such person filing a case under this title or to pay an attorney or bankruptcy petition preparer fee or charge for services performed as part of preparing for or representing a debtor in a case under this title.

''(b) Any waiver by any assisted person of any protection or right provided under this section shall not be enforceable against the debtor by any Federal or State court or any other person, but may be enforced against a debt relief agency.

''(c)(1) Any contract for bankruptcy assistance between a debt relief agency and an assisted person that does not comply with the material requirements of this section, section 527, or section 528 shall be void and may not be enforced by any Federal or State court or by any other person, other than such assisted person.

''(2) Any debt relief agency shall be liable to an assisted person in the amount of any fees or charges in connection with providing bankruptcy assistance to such person that such debt relief agency has received, for actual damages, and for reasonable attorneys' fees and costs if such agency is found, after notice and hearing, to have—

''(A) intentionally or negligently failed to comply with any provision of this section, section 527, or section 528 with respect to a case or proceeding under this title for such assisted person;

''(B) provided bankruptcy assistance to an assisted person in a case or proceeding under this title that is dismissed or converted to a case under another chapter of this title because of such agency's intentional or negligent failure to file any required document including those specified in section 521; or

''(C) intentionally or negligently disregarded the material requirements of this title or the Federal Rules of Bankruptcy Procedure applicable to such agency.

''(3) In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this section, the State—

''(A) may bring an action to enjoin such violation;

''(B) may bring an action on behalf of its residents to recover the actual damages of assisted persons arising from such violation, including any liability under paragraph (2); and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(4) The United States District Court for any district located in the State shall have concurrent jurisdiction of any action under subparagraph (A) or (B) of paragraph (3).

''(5) Notwithstanding any other provision of Federal law and in addition to any other remedy provided under Federal or State law, if the court, on its own motion or on motion of the United States trustee or the debtor, finds that a person intentionally violated this section, or engaged in a clear and consistent pattern or practice of violating this section, the court may—

''(A) enjoin the violation of such section; or

''(B) impose an appropriate civil penalty against such person.''.

''(d) No provision of this section, section 527, or section 528 shall—

''(1) annul, alter, affect, or exempt any person subject to such sections from complying with any law of any State except to the extent that such law is inconsistent with those sections, and then only to the extent of the inconsistency; or

''(2) be deemed to limit or curtail the authority or ability—

''(A) of a State or subdivision or instrumentality thereof, to determine and enforce qualifications for the practice of law under the laws of that State; or

''(B) of a Federal court to determine and enforce the qualifications for the practice of law before that court.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting before the item relating to section 527, the following:

''526. Debt relief enforcement.''.

SEC. 228. DISCLOSURES.

(a) DISCLOSURES.—Subchapter II of chapter 5 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''§ 527. Disclosures

''(a) A debt relief agency providing bankruptcy assistance to an assisted person shall provide—

''(1) the written notice required under section 342(b)(1) of this title; and

''(2) to the extent not covered in the written notice described in paragraph (1), and not later than 3 business days after the first date on which a debt relief agency first offers to provide any bankruptcy assistance services to an assisted person, a clear and conspicuous written notice advising assisted persons that—

''(A) all information that the assisted person is required to provide with a petition and thereafter during a case under this title is required to be complete, accurate, and truthful;

''(B) all assets and all liabilities are required to be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in section 506 of this title must be stated in those documents where requested after reasonable inquiry to establish such value;

''(C) current monthly income, the amounts specified in section 707(b)(2), and, in a case under chapter 13, disposable income (determined in accordance with section 707(b)(2)), are required to be stated after reasonable inquiry; and

''(D) information that an assisted person provides during their case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the proceeding under this title or other sanction including, in some instances, criminal sanctions.

''(b) A debt relief agency providing bankruptcy assistance to an assisted person shall provide each assisted person at the same time as the notices required under subsection (a)(1) with the following statement, to the extent applicable, or one substantially similar. The statement shall be clear and conspicuous and shall be in a single document separate from other documents or notices provided to the assisted person:

''''IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER.

''''If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anyone.

''''The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

''''Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief made available by the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a 'trustee' and by creditors.

''''If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so and a creditor is not permitted to coerce you into reaffirming your debts.

''''If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

''''If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what needs to be done from someone familiar with that type of relief.

''''Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.'.

''(c) Except to the extent the debt relief agency provides the required information itself after reasonably diligent inquiry of the assisted person or others so as to obtain such information reasonably accurately for inclusion on the petition, schedules or statement of financial affairs, a debt relief agency providing bankruptcy assistance to an assisted person, to the extent permitted by nonbankruptcy law, shall provide each assisted person at the time required for the notice required under subsection (a)(1) reasonably sufficient information (which shall be provided in a clear and conspicuous writing) to the assisted person on how to provide all the information the assisted person is required to provide under this title pursuant to section 521, including—

''(1) how to value assets at replacement value, determine current monthly income, the amounts

specified in section 707(b)(2)) and, in a chapter 13 case, how to determine disposable income in accordance with section 707(b)(2) and related calculations;

''(2) how to complete the list of creditors, including how to determine what amount is owed and what address for the creditor should be shown; and

''(3) how to determine what property is exempt and how to value exempt property at replacement value as defined in section 506 of this title.

''(d) A debt relief agency shall maintain a copy of the notices required under subsection (a) of this section for 2 years after the date on which the notice is given the assisted person.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by this Act, is amended by inserting after the item relating to section 526 the following:

''527. Disclosures.''.

SEC. 229. REQUIREMENTS FOR DEBT RELIEF AGENCIES.

(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''§ 528. Requirements for debt relief agencies

''(a) A debt relief agency shall—

''(1) not later than 5 business days after the first date such agency provides any bankruptcy assistance services to an assisted person, but prior to such assisted person's petition under this title being filed, execute a written contract with such assisted person that explains clearly and conspicuously—

''(A) the services such agency will provide to such assisted person; and

''(B) the fees or charges for such services for such services, and the terms of payment;

''(2) provide the assisted person with a copy of the fully executed and completed contract;

''(3) clearly and conspicuously disclose in any advertisement of bankruptcy assistance services or of the benefits of bankruptcy directed to the general public (whether in general media, seminars or specific mailings, telephonic or electronic messages, or otherwise) that the services or benefits are with respect to bankruptcy relief under this title; and

''(4) clearly and conspicuously using the following statement: 'We are a debt relief agency. We help people file for bankruptcy relief under the Bankruptcy Code.' or a substantially similar statement.

''(b)(1) An advertisement of bankruptcy assistance services or of the benefits of bankruptcy directed to the general public includes—

''(A) descriptions of bankruptcy assistance in connection with a chapter 13 plan whether or not chapter 13 is specifically mentioned in such advertisement; and

''(B) statements such as 'federally supervised repayment plan' or 'Federal debt restructuring help' or other similar statements that could lead a reasonable consumer to believe that debt counseling was being offered when in fact the services were directed to providing bankruptcy assistance with a chapter 13 plan or other form of bankruptcy relief under this title.

''(2) An advertisement, directed to the general public, indicating that the debt relief agency provides assistance with respect to credit defaults, mortgage foreclosures, eviction proceedings, excessive debt, debt collection pressure, or inability to pay any consumer debt shall—

''(A) disclose clearly and conspicuously in such advertisement that the assistance may involve bankruptcy relief under this title; and

''(B) include the following statement: 'We are a debt relief agency. We help people file for bankruptcy relief under the Bankruptcy Code,' or a substantially similar statement.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by this Act, is amended by inserting after the item relating to section 527, the following:

''528. Debtor's bill of rights.''.

SEC. 230. GAO STUDY.

(a) STUDY.—Not later than 270 days after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study of the feasibility, effectiveness, and cost of requiring trustees appointed under title 11, United States Code, or the bankruptcy courts, to provide to the Office of Child Support Enforcement promptly after the commencement of cases by individual debtors under such title, the names and social security numbers of such debtors for the purposes of allowing such Office to determine whether such debtors have outstanding obligations for child support (as determined on the basis of information in the Federal Case Registry or other national database).

(b) REPORT.—Not later than 300 days after the date of enactment of this Act, the Comptroller General shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report containing the results of the study required by subsection (a).

TITLE III—DISCOURAGING BANKRUPTCY ABUSE

SEC. 301. REINFORCEMENT OF THE FRESH START.

Section 523(a)(17) of title 11, United States Code, is amended—

(1) by striking ''by a court'' and inserting ''on a prisoner by any court'',

(2) by striking ''section 1915(b) or (f)'' and inserting ''subsection (b) or (f)(2) of section 1915'', and

(3) by inserting ''(or a similar non-Federal law)'' after ''title 28'' each place it appears.

SEC. 302. DISCOURAGING BAD FAITH REPEAT FILINGS.

Section 362(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(3) if a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13, and if a single or joint case of the debtor was pending within the preceding 1-year period but was dismissed, other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b)—

''(A) the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the later case;

''(B) upon motion by a party in interest for continuation of the automatic stay and upon notice and a hearing, the court may extend the stay in particular cases as to any or all creditors (subject to such conditions or limitations as the court may then impose) after notice and a hearing completed before the expiration of the 30-day period only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed; and

''(C) for purposes of subparagraph (B), a case is presumptively filed not in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(i) as to all creditors, if—

''(I) more than 1 previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was pending within the preceding 1-year period;

''(II) a previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was dismissed within such 1-year period, after the debtor failed to—

''(aa) file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be a substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney);

''(bb) provide adequate protection as ordered by the court; or

''(cc) perform the terms of a plan confirmed by the court; or

''(III) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under chapter 7, 11, or 13 or any other reason to conclude that the later case will be concluded—

''(aa) if a case under chapter 7, with a discharge; or

''(bb) if a case under chapter 11 or 13, with a confirmed plan which will be fully performed; and

''(ii) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to actions of such creditor; and

''(4)(A)(i) if a single or joint case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending within the previous year but were dismissed, other than a case refiled under section 707(b), the stay under subsection (a) shall not go into effect upon the filing of the later case; and

''(ii) on request of a party in interest, the court shall promptly enter an order confirming that no stay is in effect;

''(B) if, within 30 days after the filing of the later case, a party in interest requests the court may order the stay to take effect in the case as to any or all creditors (subject to such conditions or limitations as the court may impose), after notice and hearing, only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed;

''(C) a stay imposed under subparagraph (B) shall be effective on the date of entry of the order allowing the stay to go into effect; and

''(D) for purposes of subparagraph (B), a case is presumptively not filed in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(i) as to all creditors if—

''(I) 2 or more previous cases under this title in which the individual was a debtor were pending within the 1-year period;

''(II) a previous case under this title in which the individual was a debtor was dismissed within the time period stated in this paragraph after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to pay adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

''(III) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under this title, or any other reason to conclude that the later case will not be concluded, if a case under chapter 7, with a discharge, and if a case under chapter 11 or 13, with a confirmed plan that will be fully performed; or

''(ii) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, such action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to action of such creditor.''.

SEC. 303. CURBING ABUSIVE FILINGS.

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

''(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

''(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered under this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after the date of entry of such order by the court, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing. Any Federal, State, or local governmental unit that accepts notices of interests or liens in real property shall accept any certified copy of an order described in this subsection for indexing and recording.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (19), as added by this Act, the following:

''(20) under subsection (a), of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order, except that the debtor, in a subsequent case, may move the court for relief from such order based upon changed circumstances or for other good cause shown, after notice and a hearing;

''(21) under subsection (a), of any act to enforce any lien against or security interest in real property—

''(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; or

''(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case;''.

SEC. 304. DEBTOR RETENTION OF PERSONAL PROPERTY SECURITY.

Title 11, United States Code, is amended—

(1) in section 521(a) (as so designated by this Act)—

(A) in paragraph (4), by striking '', and'' at the end and inserting a semicolon;

(B) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(6) in an individual case under chapter 7 of this title, not retain possession of personal property as to which a creditor has an allowed claim for the purchase price secured in whole or in part by an interest in that personal property unless, in the case of an individual debtor, the debtor, not later than 45 days after the first meeting of creditors under section 341(a), either—

''(A) enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property; or

''(B) redeems such property from the security interest pursuant to section 722 of this title.

If the debtor fails to so act within the 45-day period referred to in paragraph (6), the stay under section 362(a) of this title is terminated with respect to the personal property of the estate or of the debtor which is affected, such property shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee brought before the expiration of such 45-day period, and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee.''; and

(2) in section 722, by inserting ''in full at the time of redemption'' before the period at the end.

SEC. 305. RELIEF FROM THE AUTOMATIC STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.

Title 11, United States Code, is amended—

(1) in section 362—

(A) in subsection (c), by striking ''(e), and (f)'' inserting ''(e), (f), and (h)'';

(B) by redesignating subsection (h) as subsection (k); and

(C) by inserting after subsection (g) the following:

''(h)(1) In an individual case under chapter 7, 11, or 13, the stay provided by subsection (a) is terminated with respect to personal property of the estate or of the debtor securing in whole or in part a claim, or subject to an unexpired lease, and such personal property shall no longer be property of the estate if the debtor fails within the applicable time set by section 521(a)(2) of this title—

''(A) to file timely any statement of intention required under section 521(a)(2) of this title with respect to that property or to indicate in that statement that the debtor will either surrender the property or retain it and, if retaining it, either redeem the property pursuant to section 722 of this title, reaffirm the debt it secures pursuant to section 524(c) of this title, or assume the unexpired lease pursuant to section 365(p) of this title if the trustee does not do so, as applicable; and

''(B) to take timely the action specified in that statement of intention, as it may be amended before expiration of the period for taking action, unless the statement of intention specifies reaffirmation and the creditor refuses to reaffirm on the original contract terms.

''(2) Paragraph (1) does not apply if the court determines, on the motion of the trustee filed before the expiration of the applicable time set by section 521(a)(2), after notice and a hearing, that such property is of consequential value or benefit to the estate, and orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee. If the court does not so determine, the stay provided by subsection (a) shall terminate upon the conclusion of the proceeding on the motion.''; and

(2) in section 521—

(A) in subsection (a)(2), as so designated by this Act, by striking ''consumer'';

(B) in subsection (a)(2)(B), as so designated by this Act—

(i) by striking ''forty-five days after the filing of a notice of intent under this section'' and inserting ''30 days after the first date set for the meeting of creditors under section 341(a) of this title''; and

(ii) by striking ''forty-five day'' and inserting ''30-day'';

(C) in subsection (a)(2)(C), as so designated by this Act, by inserting '', except as provided in section 362(h) of this title'' before the semicolon; and

(D) by adding at the end the following:

''(d) If the debtor fails timely to take the action specified in subsection (a)(6) of this section, or in paragraphs (1) and (2) of section 362(h) of this title, with respect to property which a lessor or bailor owns and has leased, rented, or bailed to the debtor or as to which a creditor holds a security interest not otherwise voidable under section 522(f), 544, 545, 547, 548, or 549 of this title, nothing in this title shall prevent or limit the operation of a provision in the underlying lease or agreement which has the effect of placing the debtor in default under such lease or agreement by reason of the occurrence, pendency, or existence of a proceeding under this title or the insolvency of the debtor. Nothing in this subsection shall be deemed to justify limiting such a provision in any other circumstance.''.

SEC. 306. GIVING SECURED CREDITORS FAIR TREATMENT IN CHAPTER 13.

(a) IN GENERAL.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

''(i) the plan provides that—

''(I) the holder of such claim retain the lien securing such claim until the earlier of—

''(aa) the payment of the underlying debt determined under nonbankruptcy law; or

''(bb) discharge under section 1328; and

''(II) if the case under this chapter is dismissed or converted without completion of the plan, such lien shall also be retained by such holder to the extent recognized by applicable nonbankruptcy law; and''.

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended by adding at the end the following flush sentence:

''For purposes of paragraph (5), section 506 shall not apply to a claim described in that paragraph if the creditor has a purchase money security interest securing the debt that is the subject of the claim, the debt was incurred within the 5-year period preceding the filing of the petition, and the collateral for that debt consists of a motor vehicle (as defined in section 30102 of title 49) acquired for the personal use of the debtor, or if collateral for that debt consists of any other thing of value, if the debt was incurred during the 1-year period preceding that filing.''.

(c) DEFINITIONS.—Section 101 of title 11, United States Code, as amended by this Act, is amended—

(1) by inserting after paragraph (13) the following:

''(13A) 'debtor's principal residence'—

''(A) means a residential structure, including incidental property, without regard to whether that structure is attached to real property; and

''(B) includes an individual condominium or cooperative unit, a mobile or manufactured home, or trailer;''; and

(2) by inserting after paragraph (27), the following:

''(27A) 'incidental property' means, with respect to a debtor's principal residence—

''(A) property commonly conveyed with a principal residence in the area where the real estate is located;

''(B) all easements, rights, appurtenances, fixtures, rents, royalties, mineral rights, oil or gas rights or profits, water rights, escrow funds, or insurance proceeds; and

''(C) all replacements or additions;''.

SEC. 307. DOMICILIARY REQUIREMENTS FOR EXEMPTIONS.

Section 522(b)(3)(A) of title 11, United States Code, as so designated by this Act, is amended—

(1) by striking ''180 days'' and inserting ''730 days''; and

(2) by striking '', or for a longer portion of such 180-day period than in any other place'' and inserting ''or if the debtor's domicile has not been located at a single State for such 730-day period, the place in which the debtor's domicile was located for 180 days immediately preceding the 730-day period or for a longer portion of such 180-day period than in any other place''.

SEC. 308. RESIDENCY REQUIREMENT FOR HOMESTEAD EXEMPTION.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)(3)(A), as so designated by this Act, by inserting ''subject to subsections (o) and (p),'' before ''any property''; and

(2) by adding at the end the following:

''(o) For purposes of subsection (b)(3)(A), and notwithstanding subsection (a), the value of an interest in—

''(1) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(2) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(3) a burial plot for the debtor or a dependent of the debtor;

shall be reduced to the extent that such value is attributable to any portion of any property that the debtor disposed of in the 7-year period ending on the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor and that the debtor could not exempt, or that portion that the debtor could not exempt, under subsection (b), if on such date the debtor had held the property so disposed of.''.

SEC. 309. PROTECTING SECURED CREDITORS IN CHAPTER 13 CASES.

(a) STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.—Section 348(f)(1) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B)—

(A) by striking ''in the converted case, with allowed secured claims'' and inserting ''only in a case converted to a case under chapter 11 or 12, but not in a case converted to a case under chapter 7, with allowed secured claims in cases under chapters 11 and 12''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) with respect to cases converted from chapter 13—

''(i) the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding; and

''(ii) unless a prebankruptcy default has been fully cured under the plan at the time of conversion, in any proceeding under this title or otherwise, the default shall have the effect given under applicable nonbankruptcy law.''.

(b) GIVING DEBTORS THE ABILITY TO KEEP LEASED PERSONAL PROPERTY BY ASSUMPTION.—Section 365 of title 11, United States Code, is amended by adding at the end the following:

''(p)(1) If a lease of personal property is rejected or not timely assumed by the trustee under subsection (d), the leased property is no longer property of the estate and the stay under section 362(a) is automatically terminated.

''(2)(A) In the case of an individual under chapter 7, the debtor may notify the creditor in writing that the debtor desires to assume the lease. Upon being so notified, the creditor may, at its option, notify the debtor that it is willing to have the lease assumed by the debtor and may condition such assumption on cure of any outstanding default on terms set by the contract.

''(B) If, not later than 30 days after notice is provided under subparagraph (A), the debtor notifies the lessor in writing that the lease is assumed, the liability under the lease will be assumed by the debtor and not by the estate.

''(C) The stay under section 362 and the injunction under section 524(a)(2) shall not be violated by notification of the debtor and negotiation of cure under this subsection.

''(3) In a case under chapter 11 in which the debtor is an individual and in a case under chapter 13, if the debtor is the lessee with respect to personal property and the lease is not assumed in the plan confirmed by the court, the lease is deemed rejected as of the conclusion of the hearing on confirmation. If the lease is rejected, the stay under section 362 and any stay under section 1301 is automatically terminated with respect to the property subject to the lease.''.

(c) ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.—

(1) CONFIRMATION OF PLAN.—Section 1325(a)(5)(B) of title 11, United States Code, is amended—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by striking ''or'' at the end and inserting ''and''; and

(C) by adding at the end the following:

''(iii) if—

''(I) property to be distributed pursuant to this subsection is in the form of periodic payments, such payments shall be in equal monthly amounts; and

''(II) the holder of the claim is secured by personal property, the amount of such payments shall not be less than an amount sufficient to provide to the holder of such claim adequate protection during the period of the plan; or''.

(2) PAYMENTS.—Section 1326(a) of title 11, United States Code, is amended to read as follows:

''(a)(1) Unless the court orders otherwise, the debtor shall commence making payments not later than 30 days after the date of the filing of the plan or the order for relief, whichever is earlier, in the amount—

''(A) proposed by the plan to the trustee;

''(B) scheduled in a lease of personal property directly to the lessor for that portion of the obligation that becomes due after the order for relief, reducing the payments under subparagraph (A) by the amount so paid and providing the trustee with evidence of such payment, including the amount and date of payment; and

''(C) that provides adequate protection directly to a creditor holding an allowed claim secured by personal property to the extent the claim is attributable to the purchase of such property by the debtor for that portion of the obligation that becomes due after the order for relief, reducing the payments under subparagraph (A) by the amount so paid and providing the trustee with evidence of such payment, including the amount and date of payment.

''(2) A payment made under paragraph (1)(A) shall be retained by the trustee until confirmation or denial of confirmation. If a plan is confirmed, the trustee shall distribute any such payment in accordance with the plan as soon as is practicable. If a plan is not confirmed, the trustee shall return any such payments not previously paid and not yet due and owing to creditors pursuant to paragraph (3) to the debtor, after deducting any unpaid claim allowed under section 503(b).

''(3) Subject to section 363, the court may, upon notice and a hearing, modify, increase, or reduce the payments required under this subsection pending confirmation of a plan.

''(4) Not later than 60 days after the date of filing of a case under this chapter, a debtor retaining possession of personal property subject to a lease or securing a claim attributable in whole or in part to the purchase price of such property shall provide the lessor or secured creditor reasonable evidence of the maintenance of any required insurance coverage with respect to the use or ownership of such property and continue to do so for so long as the debtor retains possession of such property.''.

SEC. 310. LIMITATION ON LUXURY GOODS.

Section 523(a)(2)(C) of title 11, United States Code, is amended to read as follows:

''(C)(i) for purposes of subparagraph (A)—

''(I) consumer debts owed to a single creditor and aggregating more than $250 for luxury goods or services incurred by an individual debtor on or within 90 days before the order for relief under this title are presumed to be nondischargeable; and

''(II) cash advances aggregating more than $750 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 70 days before the order for relief under this title, are presumed to be nondischargeable; and

''(ii) for purposes of this subparagraph—

''(I) the term 'extension of credit under an open end credit plan' means an extension of credit under an open end credit plan, within the meaning of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.);

''(II) the term 'open end credit plan' has the meaning given that term under section 103 of Consumer Credit Protection Act (15 U.S.C. 1602); and

''(III) the term 'luxury goods or services' does not include goods or services reasonably necessary for the support or maintenance of the debtor or a dependent of the debtor.''.

SEC. 311. AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (21), as added by this Act, the following:

''(22) under subsection (a)(3), of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement;

''(23) under subsection (a)(3), of the commencement of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated under the lease agreement or applicable State law;

''(24) under subsection (a)(3), of eviction actions based on endangerment to property or person or the use of illegal drugs;

''(25) under subsection (a) of any transfer that is not avoidable under section 544 and that is not avoidable under section 549;''.

SEC. 312. EXTENSION OF PERIOD BETWEEN BANKRUPTCY DISCHARGES.

Title 11, United States Code, is amended—

(1) in section 727(a)(8), by striking ''six'' and inserting ''8''; and

(2) in section 1328, by inserting after subsection (e) the following:

''(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for by the plan or disallowed under section 502 if the debtor has received a discharge in any case filed under this title within 5 years before the order for relief under this chapter.''.

SEC. 313. DEFINITION OF HOUSEHOLD GOODS AND ANTIQUES.

(a) DEFINITION.—Section 522(f) of title 11, United States Code, is amended by adding at the end the following:

''(4)(A) Subject to subparagraph (B), for purposes of paragraph (1)(B), the term 'household goods' means—

''(i) clothing;

''(ii) furniture;

''(iii) appliances;

''(iv) 1 radio;

''(v) 1 television;

''(vi) 1 VCR;

''(vii) linens;

''(viii) china;

''(ix) crockery;

''(x) kitchenware;

''(xi) educational materials and educational equipment primarily for the use of minor dependent children of the debtor, but only 1 personal computer only if used primarily for the education or entertainment of such minor children;

''(xii) medical equipment and supplies;

''(xiii) furniture exclusively for the use of minor children, or elderly or disabled dependents of the debtor; and

''(xiv) personal effects (including the toys and hobby equipment of minor dependent children and wedding rings) of the debtor and the dependents of the debtor.

''(B) The term 'household goods' does not include—

''(i) works of art (unless by or of the debtor or the dependents of the debtor);

''(ii) electronic entertainment equipment (except 1 television, 1 radio, and 1 VCR);

''(iii) items acquired as antiques;

''(iv) jewelry (except wedding rings); and

''(v) a computer (except as otherwise provided for in this section), motor vehicle (including a tractor or lawn tractor), boat, or a motorized recreational device, conveyance, vehicle, watercraft, or aircraft.''.

(b) STUDY.—Not later than 2 years after the date of enactment of this Act, the Director of the Executive Office for United States Trustees shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing its findings regarding utilization of the definition of household goods, as defined in section 522(f)(4) of title 11, United States Code, as added by this section, with respect to the avoidance of nonpossessory, nonpurchase money security interests in household goods under section 522(f)(1)(B) of title 11, United States Code, and the impact that section 522(f)(4) of that title, as added by this section, has had on debtors and on the bankruptcy courts. Such report may include recommendations for amendments to section 522(f)(4) of title 11, United States Code, consistent with the Director's findings.

SEC. 314. DEBT INCURRED TO PAY NONDISCHARGEABLE DEBTS.

(a) IN GENERAL.—Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:

''(14A) incurred to pay a tax to a governmental unit, other than the United States, that would be nondischargeable under paragraph (1);''.

(b) DISCHARGE UNDER CHAPTER 13.—Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) provided for under section 1322(b)(5);

''(2) of the kind specified in paragraph (2), (3), (4), (5), (8), or (9) of section 523(a);

''(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

''(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.''.

SEC. 315. GIVING CREDITORS FAIR NOTICE IN CHAPTERS 7 AND 13 CASES.

(a) NOTICE.—Section 342 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (c)—

(A) by inserting ''(1)'' after ''(c)'';

(B) by striking '', but the failure of such notice to contain such information shall not invalidate the legal effect of such notice''; and

(C) by adding at the end the following:

''(2) If, within the 90 days prior to the date of the filing of a petition in a voluntary case, the creditor supplied the debtor in at least 2 communications sent to the debtor with the current account number of the debtor and the address at which the creditor wishes to receive correspondence, then the debtor shall send any notice required under this title to the address provided by the creditor and such notice shall include the account number. In the event the creditor would be in violation of applicable nonbankruptcy law by sending any such communication within such 90-day period and if the creditor supplied the debtor in the last 2 communications with the current account number of the debtor and the address at which the creditor wishes to receive correspondence, then the debtor shall send any notice required under this title to the address provided by the creditor and such notice shall include the account number.''; and

(2) by adding at the end the following:

''(e) At any time, a creditor, in a case of an individual debtor under chapter 7 or 13, may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case. Five days after receipt of such notice, if the court or the debtor is required to give the creditor notice, such notice shall be given at that address.

''(f) An entity may file with the court a notice stating its address for notice in cases under chapters 7 and 13. After 30 days following the filing of such notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (e) with respect to a particular case.

''(g)(1) Notice given to a creditor other than as provided in this section shall not be effective notice until that notice has been brought to the attention of the creditor. If the creditor designates a person or department to be responsible for receiving notices concerning bankruptcy cases and establishes reasonable procedures so that bankruptcy notices received by the creditor are to be delivered to such department or person, notice shall not be considered to have been brought to the attention of the creditor until received by such person or department.

''(2) No sanction under section 362(k) or any other sanction that a court may impose on account of violations of the stay under section 362(a) or failure to comply with section 542 or 543 may be imposed on any action of the creditor unless the action takes place after the creditor has received notice of the commencement of the case effective under this section.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (a), as so designated by this Act, by striking paragraph (1) and inserting the following:

''(1) file—

''(A) a list of creditors; and

''(B) unless the court orders otherwise—

''(i) a schedule of assets and liabilities;

''(ii) a schedule of current income and current expenditures;

''(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

''(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition under section 110(b)(1) indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b); or

''(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

''(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

''(v) a statement of the amount of monthly net income, itemized to show how the amount is calculated; and

''(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;''; and

(2) by adding at the end the following:

''(e)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case, and the court shall make those documents available to the creditor who requests those documents.

''(2)(A) The debtor shall provide either a tax return or transcript at the election of the debtor, for the latest taxable period prior to filing for which a tax return has been or should have been filed, to the trustee, not later than 7 days before the date first set for the first meeting of creditors, or the case shall be dismissed, unless the debtor demonstrates that the failure to file a return as required is due to circumstances beyond the control of the debtor.

''(B) If a creditor has requested a tax return or transcript referred to in subparagraph (A), the debtor shall provide such tax return or transcript to the requesting creditor at the time the debtor provides the tax return or transcript to the trustee, or the case shall be dismissed, unless the debtor demonstrates that the debtor is unable to provide such information due to circumstances beyond the control of the debtor.

''(3)(A) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case.

''(B) The court shall make such plan available to the creditor who request such plan—

''(i) at a reasonable cost; and

''(ii) not later than 5 days after such request.

''(f) An individual debtor in a case under chapter 7, 11, or 13 shall file with the court at the request of any party in interest—

''(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

''(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's income and expenditures in the preceding tax year and monthly income, that shows how the amounts are calculated—

''(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

''(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

''(g)(1) A statement referred to in subsection (f)(4) shall disclose—

''(A) the amount and sources of income of the debtor;

''(B) the identity of any person responsible with the debtor for the support of any dependent of the debtor; and

''(C) the identity of any person who contributed, and the amount contributed, to the household in which the debtor resides.

''(2) The tax returns, amendments, and statement of income and expenditures described in subsection (e)(2)(A) and subsection (f) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (h).

''(h)(1) Not later than 180 days after the date of enactment of the Bankruptcy Reform Act of 2000, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

''(2) The procedures under paragraph (1) shall include restrictions on creditor access to tax information that is required to be provided under this section.

''(3) Not later than 1 year and 180 days after the date of enactment of the Bankruptcy Reform Act of 2000, the Director of the Administrative Office of the United States Courts shall prepare and submit to Congress a report that—

''(A) assesses the effectiveness of the procedures under paragraph (1); and

''(B) if appropriate, includes proposed legislation to—

''(i) further protect the confidentiality of tax information; and

''(ii) provide penalties for the improper use by any person of the tax information required to be provided under this section.

''(i) If requested by the United States trustee or a trustee serving in the case, the debtor shall provide—

''(1) a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor; and

''(2) such other personal identifying information relating to the debtor that establishes the identity of the debtor.''.

SEC. 316. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(j)(1) Notwithstanding section 707(a), and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under subsection (a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

''(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. If requested, the court shall enter an order of dismissal not later than 5 days after such request.

''(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period of not to exceed 45 days to file the information required under subsection (a)(1) if the court finds justification for extending the period for the filing.''.

SEC. 317. ADEQUATE TIME TO PREPARE FOR HEARING ON CONFIRMATION OF THE PLAN.

Section 1324 of title 11, United States Code, is amended—

(1) by striking ''After'' and inserting the following:

''(a) Except as provided in subsection (b) and after''; and

(2) by adding at the end the following:

''(b) The hearing on confirmation of the plan may be held not earlier than 20 days and not later than 45 days after the date of the meeting of creditors under section 341(a).''.

SEC. 318. CHAPTER 13 PLANS TO HAVE A 5-YEAR DURATION IN CERTAIN CASES.

Title 11, United States Code, is amended—

(1) by amending section 1322(d) to read as follows:

''(d)(1) If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4,

the plan may not provide for payments over a period that is longer than 5 years.

''(2) If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than—

''(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4,

the plan may not provide for payments over a period that is longer than 3 years, unless the court, for cause, approves a longer period, but the court may not approve a period that is longer than 5 years.'';

(2) in section 1325(b)(1)(B), by striking ''three-year period'' and inserting ''applicable commitment period''; and

(3) in section 1325(b), as amended by this Act, by adding at the end the following:

''(4) For purposes of this subsection, the 'applicable commitment period'—

''(A) subject to subparagraph (B), shall be—

''(i) 3 years; or

''(ii) not less than 5 years, if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than—

''(I) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

''(II) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

''(III) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census, plus $525 per month for each individual in excess of 4; and

''(B) may be less than 3 or 5 years, whichever is applicable under subparagraph (A), but only if the plan provides for payment in full of all allowed unsecured claims over a shorter period.''; and

(4) in section 1329(c), by striking ''three years'' and inserting ''the applicable commitment period under section 1325(b)(1)(B)''.

SEC. 319. SENSE OF CONGRESS REGARDING EXPANSION OF RULE 9011 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.

It is the sense of Congress that rule 9011 of the Federal Rules of Bankruptcy Procedure (11 U.S.C. App.) should be modified to include a requirement that all documents (including schedules), signed and unsigned, submitted to the court or to a trustee by debtors who represent themselves and debtors who are represented by an attorney be submitted only after the debtor or the debtor's attorney has made reasonable inquiry to verify that the information contained in such documents is—

(1) well grounded in fact; and

(2) warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law.

SEC. 320. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

''(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

''(B) that 60-day period is extended—

''(i) by agreement of all parties in interest; or

''(ii) by the court for such specific period of time as the court finds is required for good cause, as described in findings made by the court.''.

SEC. 321. CHAPTER 11 CASES FILED BY INDIVIDUALS.

(a) PROPERTY OF THE ESTATE.—

(1) IN GENERAL.—Subchapter I of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

''§ 1115. Property of the estate

''(a) In a case concerning an individual debtor, property of the estate includes, in addition to the property specified in section 541—

''(1) all property of the kind specified in section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first; and

''(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13, whichever occurs first.''.

''(b) Except as provided in section 1104 or a confirmed plan or order confirming a plan, the debtor shall remain in possession of all property of the estate.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

''1115. Property of the estate.''.

(b) CONTENTS OF PLAN.—Section 1123(a) of title 11, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(8) in a case concerning an individual, provide for the payment to creditors through the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.''.

(c) CONFIRMATION OF PLAN.—

(1) REQUIREMENTS RELATING TO VALUE OF PROPERTY.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

''(15) In a case concerning an individual in which the holder of an allowed unsecured claim objects to the confirmation of the plan—

''(A) the value of the property to be distributed under the plan on account of such claim is, as of the effective date of the plan, not less than the amount of such claim; or

''(B) the value of the property to be distributed under the plan is not less than the debtor's projected disposable income (as that term is defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the term of the plan, whichever is longer.''.

(2) REQUIREMENT RELATING TO INTERESTS IN PROPERTY.—Section 1129(b)(2)(B)(ii) of title 11, United States Code, is amended by inserting before the period at the end the following: '', except that in a case concerning an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14)''.

(d) EFFECT OF CONFIRMATION—Section 1141(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''The confirmation of a plan does not discharge an individual debtor'' and inserting ''A discharge under this chapter does not discharge a debtor''; and

(2) by adding at the end the following:

''(5) In a case concerning an individual—

''(A) except as otherwise ordered for cause shown, the discharge is not effective until completion of all payments under the plan; and

''(B) at any time after the confirmation of the plan and after notice and a hearing, the court

may grant a discharge to a debtor that has not completed payments under the plan only if—

''(i) for each allowed unsecured claim, the value, as of the effective date of the plan, of property actually distributed under the plan on account of that claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

''(ii) modification of the plan under 1127 of this title is not practicable.''.

(e) MODIFICATION OF PLAN.—Section 1127 of title 11, United States Code, is amended by adding at the end the following:

''(e) In a case concerning an individual, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan has been substantially consummated, upon request of the debtor, the trustee, the United States trustee, or the holder of an allowed unsecured claim, to—

''(1) increase or reduce the amount of payments on claims of a particular class provided for by the plan;

''(2) extend or reduce the time period for such payments; or

''(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

''(f)(1) Sections 1121 through 1128 of this title and the requirements of section 1129 of this title apply to any modification under subsection (a).

''(2) The plan, as modified, shall become the plan only after there has been disclosure under section 1125, as the court may direct, notice and a hearing, and such modification is approved.''.

SEC. 322. LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(p)(1) Except as provided in paragraph (2) of this subsection and sections 544 and 548 of this title, as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that was acquired by the debtor during the 2-year period preceding the filing of the petition which exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2)(A) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.

''(B) For purposes of paragraph (1), any amount of such interest does not include any interest transferred from a debtor's previous principal residence (which was acquired prior to the beginning of the 2-year period) into the debtor's current principal residence, where the debtor's previous and current residences are located in the same State.''.

(b) ADJUSTMENT OF DOLLAR AMOUNTS.—Section 104(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by striking ''522(d),'' and inserting ''522(d), 522(n), 522(p),''; and

(2) in paragraph (3), by striking ''522(d),'' and inserting ''522(d), 522(n), 522(p),''.

SEC. 323. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.

(a) IN GENERAL.—Section 541(b) of title 11, United States Code, is amended by inserting after paragraph (6), as added by this Act, the following:

''(7) any amount—

''(A) withheld by an employer from the wages of employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) or under an employee benefit plan which is a governmental plan under section 414(d) of the Internal Revenue Code of 1986, a deferred compensation plan under section 457 of the Internal Revenue Code of 1986, or a tax-deferred annuity under section 403(b) of the Internal Revenue Code of 1986, except that amount shall not constitute disposable income, as defined in section 1325(b)(2) of this title; or

''(ii) a health insurance plan regulated by State law whether or not subject to such title; or

''(B) received by the employer from employees for payment as contributions to—

''(i) an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.) or under an employee benefit plan which is a governmental plan under section 414(d) of the Internal Revenue Code of 1986, a deferred compensation plan under section 457 of the Internal Revenue Code of 1986, or a tax-deferred annuity under section 403(b) of the Internal Revenue Code of 1986, except that amount shall not constitute disposable income, as defined in section 1325(b)(2) of this title; or

''(ii) a health insurance plan regulated by State law whether or not subject to such title;''.

(b) APPLICATION OF AMENDMENT.—The amendments made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of enactment of this Act.

SEC. 324. EXCLUSIVE JURISDICTION IN MATTERS INVOLVING BANKRUPTCY PROFESSIONALS.

(a) IN GENERAL.—Section 1334 of title 28, United States Code, is amended—

(1) in subsection (b), by striking ''Notwithstanding'' and inserting ''Except as provided in subsection (e)(2), and notwithstanding''; and

(2) by striking subsection (e) and inserting the following:

''(e) The district court in which a case under title 11 is commenced or is pending shall have exclusive jurisdiction—

''(1) of all the property, wherever located, of the debtor as of the date of commencement of such case, and of property of the estate; and

''(2) over all claims or causes of action that involve construction of section 327 of title 11, United States Code, or rules relating to disclosure requirements under section 327.''.

(b) APPLICABILITY.—This section shall only apply to cases filed after the date of enactment of this Act.

SEC. 325. UNITED STATES TRUSTEE PROGRAM FILING FEE INCREASE.

(a) ACTIONS UNDER CHAPTER 7 OR 13 OF TITLE 11, UNITED STATES CODE.—Section 1930(a) of title 28, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) For a case commenced—

''(A) under chapter 7 of title 11, $160; or

''(B) under chapter 13 of title 11, $150.''.

(b) UNITED STATES TRUSTEE SYSTEM FUND.—Section 589a(b) of title 28, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(1)(A) 40.63 percent of the fees collected under section 1930(a)(1)(A) of this title in cases commenced under chapter 7 of title 11; and

''(B) 70.00 percent of the fees collected under section 1930(a)(1)(B) of this title in cases commenced under chapter 13 of title 11;'';

(2) in paragraph (2), by striking ''one-half'' and inserting ''three-fourths''; and

(3) in paragraph (4), by striking ''one-half'' and inserting ''100 percent''.

(c) COLLECTION AND DEPOSIT OF MISCELLANEOUS BANKRUPTCY FEES.—Section 406(b) of the Judiciary Appropriations Act, 1990 (28 U.S.C. 1931 note) is amended by striking ''pursuant to 28 U.S.C. section 1930(b) and 30.76 per centum of the fees hereafter collected under 28 U.S.C. section 1930(a)(1) and 25 percent of the fees hereafter collected under 28 U.S.C. section 1930(a)(3) shall be deposited as offsetting receipts to the fund established under 28 U.S.C. section 1931'' and inserting ''under section 1930(b) of title 28, United States Code, and 31.25 percent of the fees collected under section 1930(a)(1)(A) of that title, 30.00 percent of the fees collected under section 1930(a)(1)(B) of that title, and 25 percent of the fees collected under section 1930(a)(3) of that title shall be deposited as offsetting receipts to the fund established under section 1931 of that title''.

SEC. 326. SHARING OF COMPENSATION.

Section 504 of title 11, United States Code, is amended by adding at the end the following:

''(c) This section shall not apply with respect to sharing, or agreeing to share, compensation with a bona fide public service attorney referral program that operates in accordance with non-Federal law regulating attorney referral services and with rules of professional responsibility applicable to attorney acceptance of referrals.''.

SEC. 327. FAIR VALUATION OF COLLATERAL.

Section 506(a) of title 11, United States Code, is amended by—

(1) inserting ''(1)'' after ''(a)''; and

(2) by adding at the end the following:

''(2) In the case of an individual debtor under chapters 7 and 13, such value with respect to personal property securing an allowed claim shall be determined based on the replacement value of such property as of the date of filing the petition without deduction for costs of sale or marketing. With respect to property acquired for personal, family, or household purpose, replacement value shall mean the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined.''.

SEC. 328. DEFAULTS BASED ON NONMONETARY OBLIGATIONS.

(a) EXECUTORY CONTRACTS AND UNEXPIRED LEASES.—Section 365 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A), by striking the semicolon at the end and inserting the following: ''other than a default that is a breach of a provision relating to the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an unexpired lease of real property, if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption, except that if such default arises from a failure to operate in accordance with a nonresidential real property lease, then such default shall be cured by performance at and after the time of assumption in accordance with such lease, and pecuniary losses resulting from such default shall be compensated in accordance with the provisions of paragraph (b)(l);''; and

(B) in paragraph (2)(D), by striking ''penalty rate or provision'' and inserting ''penalty rate or penalty provision'';

(2) in subsection (c)—

(A) in paragraph (2), by inserting ''or'' at the end;

(B) in paragraph (3), by striking ''; or'' at the end and inserting a period; and

(C) by striking paragraph (4);

(3) in subsection (d)—

(A) by striking paragraphs (5) through (9); and

(B) by redesignating paragraph (10) as paragraph (5); and

(4) in subsection (f)(1) by striking ''; except that'' and all that follows through the end of the paragraph and inserting a period.

(b) IMPAIRMENT OF CLAIMS OR INTERESTS.—Section 1124(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by inserting ''or of a kind that section 365(b)(2) of this title expressly does not require to be cured'' before the semicolon at the end;

(2) in subparagraph (C), by striking ''and'' at the end;

(3) by redesignating subparagraph (D) as subparagraph (E); and

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

''(D) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a non-residential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and''.

TITLE IV—GENERAL AND SMALL BUSINESS BANKRUPTCY PROVISIONS

Subtitle A—General Business Bankruptcy Provisions

SEC. 401. ADEQUATE PROTECTION FOR INVESTORS.

(a) DEFINITION.—Section 101 of title 11, United States Code, as amended by this Act, is amended by inserting after paragraph (48) the following:

''(48A) 'securities self regulatory organization' means either a securities association registered with the Securities and Exchange Commission under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) or a national securities exchange registered with the Securities and Exchange Commission under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f);''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (25), as added by this Act, the following:

''(26) under subsection (a), of—

''(A) the commencement or continuation of an investigation or action by a securities self regulatory organization to enforce such organization's regulatory power;

''(B) the enforcement of an order or decision, other than for monetary sanctions, obtained in an action by the securities self regulatory organization to enforce such organization's regulatory power; or

''(C) any act taken by the securities self regulatory organization to delist, delete, or refuse to permit quotation of any stock that does not meet applicable regulatory requirements;''.

SEC. 402. MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.

Section 341 of title 11, United States Code, is amended by adding at the end the following:

''(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest and after notice and a hearing, for cause may order that the United States trustee not convene a meeting of creditors or equity security holders if the debtor has filed a plan as to which the debtor solicited acceptances prior to the commencement of the case.''.

SEC. 403. PROTECTION OF REFINANCE OF SECURITY INTEREST.

Subparagraphs (A), (B), and (C) of section 547(e)(2) of title 11, United States Code, are each amended by striking ''10'' each place it appears and inserting ''30''.

SEC. 404. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

(a) IN GENERAL.—Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

''(4)(A) Subject to subparagraph (B), in any case under any chapter of this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected, and the trustee shall immediately surrender that nonresidential real property to the lessor, if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B)(i) The court may extend the period determined under subparagraph (A), prior to the expiration of the 120-day period, for 90 days upon motion of the trustee or lessor for cause.

''(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor in each instance.''.

(b) EXCEPTION.—Section 365(f)(1) of title 11, United States Code, is amended by striking ''subsection'' the first place it appears and inserting ''subsections (b) and''.

SEC. 405. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

(a) APPOINTMENT.—Section 1102(a) of title 11, United States Code, is amended by adding at the end the following:

''(4) On request of a party in interest and after notice and a hearing, the court may order the United States trustee to change the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders. The court may order the United States trustee to increase the number of members of a committee to include a creditor that is a small business concern (as described in section 3(a)(1) of the Small Business Act (15 U.S.C. 632(a)(1))), if the court determines that the creditor holds claims (of the kind represented by the committee) the aggregate amount of which, in comparison to the annual gross revenue of that creditor, is disproportionately large.''.

(b) INFORMATION.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) A committee appointed under subsection (a) shall—

''(A) provide access to information for creditors who—

''(i) hold claims of the kind represented by that committee; and

''(ii) are not appointed to the committee;

''(B) solicit and receive comments from the creditors described in subparagraph (A); and

''(C) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).''.

SEC. 406. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.

Section 546 of title 11, United States Code, is amended—

(1) by redesignating the second subsection designated as subsection (g) (as added by section 222(a) of Public Law 103–394) as subsection (i); and

(2) by adding at the end the following:

''(j)(1) Notwithstanding paragraphs (2) and (3) of section 545, the trustee may not avoid a warehouseman's lien for storage, transportation, or other costs incidental to the storage and handling of goods.

''(2) The prohibition under paragraph (1) shall be applied in a manner consistent with any applicable State statute that is similar to section 7–209 of the Uniform Commercial Code, as in effect on the date of enactment of the Bankruptcy Reform Act of 2000, or any successor thereto.''.

SEC. 407. AMENDMENTS TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.

Section 330(a) of title 11, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking ''(A) In'' and inserting ''In''; and

(B) by inserting ''to an examiner, trustee under chapter 11, or professional person'' after ''awarded''; and

(2) by adding at the end the following:

''(7) In determining the amount of reasonable compensation to be awarded to a trustee, the court shall treat such compensation as a commission, based on section 326 of this title.''.

SEC. 408. POSTPETITION DISCLOSURE AND SOLICITATION.

Section 1125 of title 11, United States Code, is amended by adding at the end the following:

''(g) Notwithstanding subsection (b), an acceptance or rejection of the plan may be solicited from a holder of a claim or interest if such solicitation complies with applicable nonbankruptcy law and if such holder was solicited before the commencement of the case in a manner complying with applicable nonbankruptcy law.''.

SEC. 409. PREFERENCES.

Section 547(c) of title 11, United States Code, is amended—

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

''(2) to the extent that such transfer was in payment of a debt incurred by the debtor in the ordinary course of business or financial affairs of the debtor and the transferee, and such transfer was—

''(A) made in the ordinary course of business or financial affairs of the debtor and the transferee; or

''(B) made according to ordinary business terms;'';

(2) in paragraph (8), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(9) if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of all property that constitutes or is affected by such transfer is less than $5,000.''.

SEC. 410. VENUE OF CERTAIN PROCEEDINGS.

Section 1409(b) of title 28, United States Code, is amended by inserting '', or a nonconsumer debt against a noninsider of less than $10,000,'' after ''$5,000''.

SEC. 411. PERIOD FOR FILING PLAN UNDER CHAPTER 11.

Section 1121(d) of title 11, United States Code, is amended—

(1) by striking ''On'' and inserting ''(1) Subject to paragraph (2), on''; and

(2) by adding at the end the following:

''(2)(A) The 120-day period specified in paragraph (1) may not be extended beyond a date that is 18 months after the date of the order for relief under this chapter.

''(B) The 180-day period specified in paragraph (1) may not be extended beyond a date that is 20 months after the date of the order for relief under this chapter.''.

SEC. 412. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ''dwelling'' the first place it appears;

(2) by striking ''ownership or'' and inserting ''ownership,'';

(3) by striking ''housing'' the first place it appears; and

(4) by striking ''but only'' and all that follows through ''such period'' and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.

SEC. 413. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.

Section 341(c) of title 11, United States Code, is amended by inserting at the end the following: ''Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than 1 creditor) shall be permitted to appear at and participate in the meeting of creditors in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor.

Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.''.

SEC. 414. DEFINITION OF DISINTERESTED PERSON.

Section 101(14) of title 11, United States Code, is amended to read as follows:

''(14) 'disinterested person' means a person that—

''(A) is not a creditor, an equity security holder, or an insider;

''(B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

''(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;''.

SEC. 415. FACTORS FOR COMPENSATION OF PROFESSIONAL PERSONS.

Section 330(a)(3) of title 11, United States Code, as amended by this Act, is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) by redesignating subparagraph (E) as subparagraph (F); and

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

''(E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and''.

SEC. 416. APPOINTMENT OF ELECTED TRUSTEE.

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election.

''(B) Upon the filing of a report under subparagraph (A)—

''(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

''(ii) the service of any trustee appointed under subsection (d) shall terminate.

''(C) In the case of any dispute arising out of an election described in subparagraph (A), the court shall resolve the dispute.''.

SEC. 417. UTILITY SERVICE.

Section 366 of title 11, United States Code, is amended—

(1) in subsection (a), by striking ''subsection (b)'' and inserting ''subsections (b) and (c)''; and

(2) by adding at the end the following:

''(c)(1)(A) For purposes of this subsection, the term 'assurance of payment' means—

''(i) a cash deposit;

''(ii) a letter of credit;

''(iii) a certificate of deposit;

''(iv) a surety bond;

''(v) a prepayment of utility consumption; or

''(vi) another form of security that is mutually agreed on between the utility and the debtor or the trustee.

''(B) For purposes of this subsection an administrative expense priority shall not constitute an assurance of payment.

''(2) Subject to paragraphs (3) through (5), with respect to a case filed under chapter 11, a utility referred to in subsection (a) may alter, refuse, or discontinue utility service, if during the 30-day period beginning on the date of filing of the petition, the utility does not receive from the debtor or the trustee adequate assurance of payment for utility service that is satisfactory to the utility.

''(3)(A) On request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment under paragraph (2).

''(B) In making a determination under this paragraph whether an assurance of payment is adequate, the court may not consider—

''(i) the absence of security before the date of filing of the petition;

''(ii) the payment by the debtor of charges for utility service in a timely manner before the date of filing of the petition; or

''(iii) the availability of an administrative expense priority.

''(4) Notwithstanding any other provision of law, with respect to a case subject to this subsection, a utility may recover or set off against a security deposit provided to the utility by the debtor before the date of filing of the petition without notice or order of the court.''.

SEC. 418. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915 of this title, the'' and inserting ''The''; and

(2) by adding at the end the following:

''(f)(1) Under the procedures prescribed by the Judicial Conference of the United States, the district court or the bankruptcy court may waive the filing fee in a case under chapter 7 of title 11 for an individual if the court determines that such debtor has income less than 150 percent of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved and is unable to pay that fee in installments. For purposes of this paragraph, the term ''filing fee'' means the filing required by subsection (a), or any other fee prescribed by the Judicial Conference under subsections (b) and (c) that is payable to the clerk upon the commencement of a case under chapter 7.

''(2) The district court or the bankruptcy court may waive for such debtors other fees prescribed under subsections (b) and (c).

''(3) This subsection does not restrict the district court or the bankruptcy court from waiving, in accordance with Judicial Conference policy, fees prescribed under this section for other debtors and creditors.''.

SEC. 419. MORE COMPLETE INFORMATION REGARDING ASSETS OF THE ESTATE.

(a) IN GENERAL.—

(1) DISCLOSURE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States, after consideration of the views of the Director of the Executive Office for United States Trustees, shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms directing debtors under chapter 11 of title 11, United States Code, to disclose the information described in paragraph (2) by filing and serving periodic financial and other reports designed to provide such information.

(2) INFORMATION.—The information referred to in paragraph (1) is the value, operations, and profitability of any closely held corporation, partnership, or of any other entity in which the debtor holds a substantial or controlling interest.

(b) PURPOSE.—The purpose of the rules and reports under subsection (a) shall be to assist parties in interest taking steps to ensure that the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.

Subtitle B—Small Business Bankruptcy Provisions

SEC. 431. FLEXIBLE RULES FOR DISCLOSURE STATEMENT AND PLAN.

Section 1125 of title 11, United States Code, is amended—

(1) in subsection (a)(1), by inserting before the semicolon ''and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information''; and

(2) by striking subsection (f), and inserting the following:

''(f) Notwithstanding subsection (b), in a small business case—

''(1) the court may determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary;

''(2) the court may approve a disclosure statement submitted on standard forms approved by the court or adopted under section 2075 of title 28; and

''(3)(A) the court may conditionally approve a disclosure statement subject to final approval after notice and a hearing;

''(B) acceptances and rejections of a plan may be solicited based on a conditionally approved disclosure statement if the debtor provides adequate information to each holder of a claim or interest that is solicited, but a conditionally approved disclosure statement shall be mailed not later than 20 days before the date of the hearing on confirmation of the plan; and

''(C) the hearing on the disclosure statement may be combined with the hearing on confirmation of a plan.''.

SEC. 432. DEFINITIONS.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, as amended by this Act, is amended by striking paragraph (51C) and inserting the following:

''(51C) 'small business case' means a case filed under chapter 11 of this title in which the debtor is a small business debtor;

''(51D) 'small business debtor'—

''(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning or operating real property or activities incidental thereto) that has aggregate noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $3,000,000 (excluding debts owed to 1 or more affiliates or insiders) for a case in which the United States trustee has not appointed under section 1102(a)(1) a committee of unsecured creditors or where the court has determined that the committee of unsecured creditors is not sufficiently active and representative to provide effective oversight of the debtor; and

''(B) does not include any member of a group of affiliated debtors that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than $3,000,000 (excluding debt owed to 1 or more affiliates or insiders);''.

(b) CONFORMING AMENDMENT.—Section 1102(a)(3) of title 11, United States Code, is amended by inserting ''debtor'' after ''small business''.

SEC. 433. STANDARD FORM DISCLOSURE STATEMENT AND PLAN.

Within a reasonable period of time after the date of enactment of this Act, the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption standard form disclosure statements and plans of reorganization for small business debtors (as defined in section 101 of title 11, United States Code, as amended by this Act), designed to achieve a practical balance between—

(1) the reasonable needs of the courts, the United States trustee, creditors, and other parties in interest for reasonably complete information; and

(2) economy and simplicity for debtors.

SEC. 434. UNIFORM NATIONAL REPORTING REQUIREMENTS.

(a) REPORTING REQUIRED.—

(1) IN GENERAL.—Chapter 3 of title 11, United States Code, is amended by inserting after section 307 the following:

''§ 308. Debtor reporting requirements

''(a) For purposes of this section, the term 'profitability' means, with respect to a debtor, the amount of money that the debtor has earned or lost during current and recent fiscal periods.

''(b) A small business debtor shall file periodic financial and other reports containing information including—

''(1) the debtor's profitability;

''(2) reasonable approximations of the debtor's projected cash receipts and cash disbursements over a reasonable period;

''(3) comparisons of actual cash receipts and disbursements with projections in prior reports;

''(4)(A) whether the debtor is—

''(i) in compliance in all material respects with postpetition requirements imposed by this title and the Federal Rules of Bankruptcy Procedure; and

''(ii) timely filing tax returns and other required government filings and paying taxes and other administrative claims when due;

''(B) if the debtor is not in compliance with the requirements referred to in subparagraph (A)(i) or filing tax returns and other required government filings and making the payments referred to in subparagraph (A)(ii), what the failures are and how, at what cost, and when the debtor intends to remedy such failures; and

''(C) such other matters as are in the best interests of the debtor and creditors, and in the public interest in fair and efficient procedures under chapter 11 of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:

''308. Debtor reporting requirements.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 60 days after the date on which rules are prescribed under section 2075 of title 28, United States Code, to establish forms to be used to comply with section 308 of title 11, United States Code, as added by subsection (a).

SEC. 435. UNIFORM REPORTING RULES AND FORMS FOR SMALL BUSINESS CASES.

(a) PROPOSAL OF RULES AND FORMS.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms to be used by small business debtors to file periodic financial and other reports containing information, including information relating to—

(1) the debtor's profitability;

(2) the debtor's cash receipts and disbursements; and

(3) whether the debtor is timely filing tax returns and paying taxes and other administrative claims when due.

(b) PURPOSE.—The rules and forms proposed under subsection (a) shall be designed to achieve a practical balance among—

(1) the reasonable needs of the bankruptcy court, the United States trustee, creditors, and other parties in interest for reasonably complete information;

(2) the small business debtor's interest that required reports be easy and inexpensive to complete; and

(3) the interest of all parties that the required reports help the small business debtor to understand the small business debtor's financial condition and plan the small business debtor's future.

SEC. 436. DUTIES IN SMALL BUSINESS CASES.

(a) DUTIES IN CHAPTER 11 CASES.—Subchapter I of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''§ 1116. Duties of trustee or debtor in possession in small business cases

''In a small business case, a trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall—

''(1) append to the voluntary petition or, in an involuntary case, file not later than 7 days after the date of the order for relief—

''(A) its most recent balance sheet, statement of operations, cash-flow statement, Federal income tax return; or

''(B) a statement made under penalty of perjury that no balance sheet, statement of operations, or cash-flow statement has been prepared and no Federal tax return has been filed;

''(2) attend, through its senior management personnel and counsel, meetings scheduled by the court or the United States trustee, including initial debtor interviews, scheduling conferences, and meetings of creditors convened under section 341 unless the court waives that requirement after notice and hearing, upon a finding of extraordinary and compelling circumstances;

''(3) timely file all schedules and statements of financial affairs, unless the court, after notice and a hearing, grants an extension, which shall not extend such time period to a date later than 30 days after the date of the order for relief, absent extraordinary and compelling circumstances;

''(4) file all postpetition financial and other reports required by the Federal Rules of Bankruptcy Procedure or by local rule of the district court;

''(5) subject to section 363(c)(2), maintain insurance customary and appropriate to the industry;

''(6)(A) timely file tax returns and other required government filings; and

''(B) subject to section 363(c)(2), timely pay all administrative expense tax claims, except those being contested by appropriate proceedings being diligently prosecuted; and

''(7) allow the United States trustee, or a designated representative of the United States trustee, to inspect the debtor's business premises, books, and records at reasonable times, after reasonable prior written notice, unless notice is waived by the debtor.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

''1116. Duties of trustee or debtor in possession in small business cases.''.

SEC. 437. PLAN FILING AND CONFIRMATION DEADLINES.

Section 1121 of title 11, United States Code, is amended by striking subsection (e) and inserting the following:

''(e) In a small business case—

''(1) only the debtor may file a plan until after 180 days after the date of the order for relief, unless that period is—

''(A) extended as provided by this subsection, after notice and hearing; or

''(B) the court, for cause, orders otherwise;

''(2) the plan, and any necessary disclosure statement, shall be filed not later than 300 days after the date of the order for relief; and

''(3) the time periods specified in paragraphs (1) and (2), and the time fixed in section 1129(e), within which the plan shall be confirmed, may be extended only if—

''(A) the debtor, after providing notice to parties in interest (including the United States trustee), demonstrates by a preponderance of the evidence that it is more likely than not that the court will confirm a plan within a reasonable period of time;

''(B) a new deadline is imposed at the time the extension is granted; and

''(C) the order extending time is signed before the existing deadline has expired.''.

SEC. 438. PLAN CONFIRMATION DEADLINE.

Section 1129 of title 11, United States Code, is amended by adding at the end the following:

''(e) In a small business case, the plan shall be confirmed not later than 175 days after the date of the order for relief, unless such 175-day period is extended as provided in section 1121(e)(3).''.

SEC. 439. DUTIES OF THE UNITED STATES TRUSTEE.

Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (3)—

(A) in subparagraph (G), by striking ''and'' at the end;

(B) by redesignating subparagraph (H) as subparagraph (I); and

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

''(H) in small business cases (as defined in section 101 of title 11), performing the additional duties specified in title 11 pertaining to such cases; and'';

(2) in paragraph (5), by striking ''and'' at the end;

(3) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(7) in each of such small business cases—

''(A) conduct an initial debtor interview as soon as practicable after the entry of order for relief but before the first meeting scheduled under section 341(a) of title 11, at which time the United States trustee shall—

''(i) begin to investigate the debtor's viability;

''(ii) inquire about the debtor's business plan;

''(iii) explain the debtor's obligations to file monthly operating reports and other required reports;

''(iv) attempt to develop an agreed scheduling order; and

''(v) inform the debtor of other obligations;

''(B) if determined to be appropriate and advisable, visit the appropriate business premises of the debtor and ascertain the state of the debtor's books and records and verify that the debtor has filed its tax returns; and

''(C) review and monitor diligently the debtor's activities, to identify as promptly as possible whether the debtor will be unable to confirm a plan; and

''(8) in any case in which the United States trustee finds material grounds for any relief under section 1112 of title 11, the United States trustee shall apply promptly after making that finding to the court for relief.''.

SEC. 440. SCHEDULING CONFERENCES.

Section 105(d) of title 11, United States Code, is amended—

(1) in the matter preceding paragraph (1), by striking '', may''; and

(2) by striking paragraph (1) and inserting the following:

''(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case; and''.

SEC. 441. SERIAL FILER PROVISIONS.

Section 362 of title 11, United States Code, as amended by this Act is amended—

(1) in subsection (k), as redesignated by this Act—

(A) by striking ''An'' and inserting ''(1) Except as provided in paragraph (2), an''; and

(B) by adding at the end the following:

''(2) If such violation is based on an action taken by an entity in the good faith belief that subsection (h) applies to the debtor, the recovery under paragraph (1) of this subsection against such entity shall be limited to actual damages.''; and

(2) by adding at the end the following:

''(l)(1) Except as provided in paragraph (2) of this subsection, the provisions of subsection (a) do not apply in a case in which the debtor—

''(A) is a debtor in a small business case pending at the time the petition is filed;

''(B) was a debtor in a small business case that was dismissed for any reason by an order that became final in the 2-year period ending on the date of the order for relief entered with respect to the petition;

''(C) was a debtor in a small business case in which a plan was confirmed in the 2-year period ending on the date of the order for relief entered with respect to the petition; or

''(D) is an entity that has succeeded to substantially all of the assets or business of a small business debtor described in subparagraph (A), (B), or (C).

''(2) This subsection does not apply—

''(A) to an involuntary case involving no collusion by the debtor with creditors; or

''(B) to the filing of a petition if—

''(i) the debtor proves by a preponderance of the evidence that the filing of that petition resulted from circumstances beyond the control of the debtor not foreseeable at the time the case then pending was filed; and

''(ii) it is more likely than not that the court will confirm a feasible plan, but not a liquidating plan, within a reasonable period of time.''.

SEC. 442. EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION AND APPOINTMENT OF TRUSTEE.

(a) EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION.—Section 1112 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

''(b)(1) Except as provided in paragraph (2) of this subsection, subsection (c) of this section, and section 1104(a)(3), on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interest of creditors and the estate, if the movant establishes cause.

''(2) The relief provided in paragraph (1) shall not be granted if the debtor or another party in interest objects and establishes by a preponderance of the evidence that—

''(A) a plan with a reasonable possibility of being confirmed will be filed within a reasonable period of time; and

''(B) the grounds include an act or omission of the debtor—

''(i) for which there exists a reasonable justification for the act or omission; and

''(ii) that will be cured within a reasonable period of time fixed by the court.

''(3) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion not later than 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.

''(4) For purposes of this subsection, the term 'cause' includes—

''(A) substantial or continuing loss to or diminution of the estate;

''(B) gross mismanagement of the estate;

''(C) failure to maintain appropriate insurance that poses a risk to the estate or to the public;

''(D) unauthorized use of cash collateral harmful to 1 or more creditors;

''(E) failure to comply with an order of the court;

''(F) repeated failure timely to satisfy any filing or reporting requirement established by this title or by any rule applicable to a case under this chapter;

''(G) failure to attend the meeting of creditors convened under section 341(a) or an examination ordered under rule 2004 of the Federal Rules of Bankruptcy Procedure;

''(H) failure timely to provide information or attend meetings reasonably requested by the United States trustee or the bankruptcy administrator;

''(I) failure timely to pay taxes due after the date of the order for relief or to file tax returns due after the order for relief;

''(J) failure to file a disclosure statement, or to file or confirm a plan, within the time fixed by this title or by order of the court;

''(K) failure to pay any fees or charges required under chapter 123 of title 28;

''(L) revocation of an order of confirmation under section 1144;

''(M) inability to effectuate substantial consummation of a confirmed plan;

''(N) material default by the debtor with respect to a confirmed plan;

''(O) termination of a confirmed plan by reason of the occurrence of a condition specified in the plan; and

''(P) failure of the debtor to pay any domestic support obligation that first becomes payable after the date on which the petition is filed.

''(5) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion not later than 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.''.

(b) ADDITIONAL GROUNDS FOR APPOINTMENT OF TRUSTEE.—Section 1104(a) of title 11, United States Code, is amended—

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

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(3) if grounds exist to convert or dismiss the case under section 1112, but the court determines that the appointment of a trustee or an examiner is in the best interests of creditors and the estate.''.

SEC. 443. STUDY OF OPERATION OF TITLE 11, UNITED STATES CODE, WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11, United States Code, and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

SEC. 444. PAYMENT OF INTEREST.

Section 362(d)(3) of title 11, United States Code, is amended—

(1) by inserting ''or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later'' after ''90-day period)''; and

(2) by striking subparagraph (B) and inserting the following:

''(B) the debtor has commenced monthly payments that—

''(i) may, in the debtor's sole discretion, notwithstanding section 363(c)(2), be made from rents or other income generated before or after the commencement of the case by or from the property to each creditor whose claim is secured by such real estate (other than a claim secured by a judgment lien or by an unmatured statutory lien); and

''(ii) are in an amount equal to interest at the then applicable nondefault contract rate of interest on the value of the creditor's interest in the real estate; or''.

SEC. 445. PRIORITY FOR ADMINISTRATIVE EXPENSES.

Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(7) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or relating to a failure to operate or penalty provisions, for the period of 2 years following the later of the rejection date or the date of actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from a nondebtor, and the claim for remaining sums due for the balance of the term of the lease shall be a claim under section 502(b)(6);''.

TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS

SEC. 501. PETITION AND PROCEEDINGS RELATED TO PETITION.

(a) TECHNICAL AMENDMENT RELATING TO MUNICIPALITIES.—Section 921(d) of title 11, United States Code, is amended by inserting ''notwithstanding section 301(b)'' before the period at the end.

(b) CONFORMING AMENDMENT.—Section 301 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''A voluntary''; and

(2) by striking the last sentence and inserting the following:

''(b) The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter.''.

SEC. 502. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 9.

Section 901(a) of title 11, United States Code, is amended—

(1) by inserting ''555, 556,'' after ''553,''; and

(2) by inserting ''559, 560, 561, 562'' after ''557,''.

TITLE VI—BANKRUPTCY DATA

SEC. 601. IMPROVED BANKRUPTCY STATISTICS.

(a) IN GENERAL.—Chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''§ 159. Bankruptcy statistics

''(a) The clerk of each district shall collect statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be on a standardized form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Director').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 2002, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

''(B) the current monthly income, average income, and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 521 and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number of cases in which the debtor was not represented by an attorney; and

''(III) of those cases in which a reaffirmation was filed, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed, the number of cases dismissed for failure to make payments under the plan, the number of cases refiled after dismissal, and the number of cases in which the plan was completed, separately itemized with respect to the number of modifications made before completion of the plan, if any; and

''(iii) the number of cases in which the debtor filed another case during the 6-year period preceding the filing;

''(G) the number of cases in which creditors were fined for misconduct and any amount of punitive damages awarded by the court for creditor misconduct; and

''(H) the number of cases in which sanctions under rule 9011 of the Federal Rules of Bankruptcy Procedure were imposed against debtor's counsel or damages awarded under such Rule.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 602. UNIFORM RULES FOR THE COLLECTION OF BANKRUPTCY DATA.

(a) AMENDMENT.—Chapter 39 of title 28, United States Code, is amended by adding at the end the following:

''§ 589b. Bankruptcy data

''(a) RULES.—The Attorney General shall, within a reasonable time after the effective date of this section, issue rules requiring uniform forms for (and from time to time thereafter to appropriately modify and approve)—

''(1) final reports by trustees in cases under chapters 7, 12, and 13 of title 11; and

''(2) periodic reports by debtors in possession or trustees, as the case may be, in cases under chapter 11 of title 11.

''(b) REPORTS.—Each report referred to in subsection (a) shall be designed (and the requirements as to place and manner of filing shall be established) so as to facilitate compilation of data and maximum possible access of the public, both by physical inspection at one or more central filing locations, and by electronic access through the Internet or other appropriate media.

''(c) REQUIRED INFORMATION.—The information required to be filed in the reports referred to in subsection (b) shall be that which is in the best interests of debtors and creditors, and in the public interest in reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. In issuing rules proposing the forms referred to in subsection (a), the Attorney General shall strike the best achievable practical balance between—

''(1) the reasonable needs of the public for information about the operational results of the Federal bankruptcy system;

''(2) economy, simplicity, and lack of undue burden on persons with a duty to file reports; and

''(3) appropriate privacy concerns and safeguards.

''(d) FINAL REPORTS.—Final reports proposed for adoption by trustees under chapters 7, 12, and 13 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General in the discretion of the Attorney General, shall propose, include with respect to a case under such title—

''(1) information about the length of time the case was pending;

''(2) assets abandoned;

''(3) assets exempted;

''(4) receipts and disbursements of the estate;

''(5) expenses of administration, including for use under section 707(b), actual costs of administering cases under chapter 13 of title 11;

''(6) claims asserted;

''(7) claims allowed; and

''(8) distributions to claimants and claims discharged without payment,

in each case by appropriate category and, in cases under chapters 12 and 13 of title 11, date of confirmation of the plan, each modification thereto, and defaults by the debtor in performance under the plan.

''(e) PERIODIC REPORTS.—Periodic reports proposed for adoption by trustees or debtors in possession under chapter 11 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General, in the discretion of the Attorney General, shall propose, include—

''(1) information about the standard industry classification, published by the Department of Commerce, for the businesses conducted by the debtor;

''(2) length of time the case has been pending;

''(3) number of full-time employees as of the date of the order for relief and at the end of each reporting period since the case was filed;

''(4) cash receipts, cash disbursements and profitability of the debtor for the most recent period and cumulatively since the date of the order for relief;

''(5) compliance with title 11, whether or not tax returns and tax payments since the date of the order for relief have been timely filed and made;

''(6) all professional fees approved by the court in the case for the most recent period and cumulatively since the date of the order for relief (separately reported, for the professional fees incurred by or on behalf of the debtor, between those that would have been incurred absent a bankruptcy case and those not); and

''(7) plans of reorganization filed and confirmed and, with respect thereto, by class, the recoveries of the holders, expressed in aggregate dollar values and, in the case of claims, as a percentage of total claims of the class allowed.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of title 28, United States Code, is amended by adding at the end the following:

''589b. Bankruptcy data.''.

SEC. 603. AUDIT PROCEDURES.

(a) IN GENERAL.—

(1) ESTABLISHMENT OF PROCEDURES.—The Attorney General (in judicial districts served by United States trustees) and the Judicial Conference of the United States (in judicial districts served by bankruptcy administrators) shall establish procedures to determine the accuracy, veracity, and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title. Such audits shall be in accordance with generally accepted auditing standards and performed by independent certified public accountants or independent licensed public accountants, provided that the Attorney General and the Judicial Conference, as appropriate, may develop alternative auditing standards not later than 2 years after the date of enactment of this Act.

(2) PROCEDURES.—Those procedures required by paragraph (1) shall—

(A) establish a method of selecting appropriate qualified persons to contract to perform those audits;

(B) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 250 cases in each Federal judicial district shall be selected for audit;

(C) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed if those variances occur by reason of higher income or higher expenses than the statistical norm of the district in which the schedules were filed; and

(D) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

(b) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a), by striking paragraph (6) and inserting the following:

''(6) make such reports as the Attorney General directs, including the results of audits performed under section 603(a) of the Bankruptcy Reform Act of 2000; and''; and

(2) by adding at the end the following:

''(f)(1) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee, in accordance with the procedures established under section 603(a) of the Bankruptcy Reform Act of 2000.

''(2)(A) The report of each audit referred to in paragraph (1) shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case in which a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

''(B) If a material misstatement of income or expenditures or of assets is reported, the United States trustee shall—

''(i) report the material misstatement, if appropriate, to the United States Attorney pursuant to section 3057 of title 18; and

''(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11.''.

(c) AMENDMENTS TO SECTION 521 OF TITLE 11, U.S.C.—Section 521(a) of title 11, United States Code, as so designated by this Act, is amended in each of paragraphs (3) and (4) by inserting ''or an auditor appointed under section 586(f) of title 28'' after ''serving in the case''.

(d) AMENDMENTS TO SECTION 727 OF TITLE 11, U.S.C.—Section 727(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) the debtor has failed to explain satisfactorily—

''(A) a material misstatement in an audit referred to in section 586(f) of title 28; or

''(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files, and all other papers, things, or property belonging to the debtor that are requested for an audit referred to in section 586(f) of title 28.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 604. SENSE OF CONGRESS REGARDING AVAILABILITY OF BANKRUPTCY DATA.

It is the sense of Congress that—

(1) the national policy of the United States should be that all data held by bankruptcy clerks in electronic form, to the extent such data reflects only public records (as defined in section 107 of title 11, United States Code), should

be released in a usable electronic form in bulk to the public, subject to such appropriate privacy concerns and safeguards as Congress and the Judicial Conference of the United States may determine; and

(2) there should be established a bankruptcy data system in which—

(A) a single set of data definitions and forms are used to collect data nationwide; and

(B) data for any particular bankruptcy case are aggregated in the same electronic record.

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting ''(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)'' after ''under this title'';

(2) in subsection (b)(2), by inserting ''(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)'' after ''507(a)(1)''; and

(3) by adding at the end the following:

''(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

''(1) exhaust the unencumbered assets of the estate; and

''(2) in a manner consistent with section 506(c), recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

''(f) Notwithstanding the exclusion of ad valorem tax liens under this section and subject to the requirements of subsection (e), the following may be paid from property of the estate which secures a tax lien, or the proceeds of such property:

''(1) Claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(4).

''(2) Claims for contributions to an employee benefit plan entitled to priority under section 507(a)(5).''.

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.''.

SEC. 702. TREATMENT OF FUEL TAX CLAIMS.

Section 501 of title 11, United States Code, is amended by adding at the end the following:

''(e) A claim arising from the liability of a debtor for fuel use tax assessed consistent with the requirements of section 31705 of title 49 may be filed by the base jurisdiction designated pursuant to the International Fuel Tax Agreement and, if so filed, shall be allowed as a single claim.''.

SEC. 703. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.

Section 505(b) of title 11, United States Code, is amended—

(1) in the first sentence, by inserting ''at the address and in the manner designated in paragraph (1)'' after ''determination of such tax'';

(2) by striking ''(1) upon payment'' and inserting ''(A) upon payment'';

(3) by striking ''(A) such governmental unit'' and inserting ''(i) such governmental unit'';

(4) by striking ''(B) such governmental unit'' and inserting ''(ii) such governmental unit'';

(5) by striking ''(2) upon payment'' and inserting ''(B) upon payment'';

(6) by striking ''(3) upon payment'' and inserting ''(C) upon payment'';

(7) by striking ''(b)'' and inserting ''(2)''; and

(8) by inserting before paragraph (2), as so designated, the following:

''(b)(1)(A) The clerk of each district shall maintain a listing under which a Federal, State, or local governmental unit responsible for the collection of taxes within the district may—

''(i) designate an address for service of requests under this subsection; and

''(ii) describe where further information concerning additional requirements for filing such requests may be found.

''(B) If a governmental unit referred to in subparagraph (A) does not designate an address and provide that address to the clerk under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit.''.

SEC. 704. RATE OF INTEREST ON TAX CLAIMS.

(a) IN GENERAL.—Subchapter I of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

''§ 511. Rate of interest on tax claims

''(a) If any provision of this title requires the payment of interest on a tax claim or on an administrative expense tax, or the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be the rate determined under applicable nonbankruptcy law.

''(b) In the case of taxes paid under a confirmed plan under this title, the rate of interest shall be determined as of the calendar month in which the plan is confirmed.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

''511. Rate of interest on tax claims.''.

SEC. 705. PRIORITY OF TAX CLAIMS.

Section 507(a)(8) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting ''for a taxable year ending on or before the date of filing of the petition'' after ''gross receipts'';

(B) in clause (i), by striking ''for a taxable year ending on or before the date of filing of the petition''; and

(C) by striking clause (ii) and inserting the following:

''(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

''(I) any time during which an offer in compromise with respect to that tax was pending or in effect during that 240-day period, plus 30 days; and

''(II) any time during which a stay of proceedings against collections was in effect in a prior case under this title during that 240-day period; plus 90 days.''; and

(2) by adding at the end the following:

''An otherwise applicable time period specified in this paragraph shall be suspended for (i) any period during which a governmental unit is prohibited under applicable nonbankruptcy law from collecting a tax as a result of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor, plus 90 days; plus (ii) any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days.''.

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(8)(B) of title 11, United States Code, is amended by striking ''assessed'' and inserting ''incurred''.

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by section 314 of this Act, is amended by striking ''paragraph'' and inserting ''section 507(a)(8)(C) or in paragraph (1)(B), (1)(C),''.

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt described in section 523(a)(2) or for a tax or customs duty with respect to which the debtor—

''(A) made a fraudulent return; or

''(B) willfully attempted in any manner to evade or defeat that tax or duty.''.

SEC. 709. STAY OF TAX PROCEEDINGS LIMITED TO PREPETITION TAXES.

Section 362(a)(8) of title 11, United States Code, is amended by striking ''the debtor'' and inserting ''a corporate debtor's tax liability for a taxable period the bankruptcy court may determine or concerning an individual debtor's tax liability for a taxable period ending before the order for relief under this title''.

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''deferred cash payments,'' and all that follows through the end of the subparagraph, and inserting ''regular installment payments in cash—

''(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

''(ii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

''(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and''; and

(3) by adding at the end the following:

''(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C).''.

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.

Section 545(2) of title 11, United States Code, is amended by inserting before the semicolon at the end the following: '', except in any case in which a purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986, or in any other similar provision of State or local law''.

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting ''(a)'' before ''Any''; and

(2) by adding at the end the following:

''(b) A tax under subsection (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless—

''(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 554 of title 11; or

''(2) payment of the tax is excused under a specific provision of title 11.

''(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11, if—

''(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

''(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as the priority of that tax.''.

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting ''whether secured or unsecured, including property taxes for which liability is in rem, in personam, or both,'' before ''except''.

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(D) notwithstanding the requirements of subsection (a), a governmental unit shall not be required to file a request for the payment of an expense described in subparagraph (B) or (C), as a condition of its being an allowed administrative expense;''.

(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting ''or State statute'' after ''agreement''; and

(2) in subsection (c), by inserting '', including the payment of all ad valorem property taxes with respect to the property'' before the period at the end.

SEC. 713. TARDILY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking ''before the date on which the trustee commences distribution under this section;'' and inserting the following: ''on or before the earlier of—

''(A) the date that is 10 days after the mailing to creditors of the summary of the trustee's final report; or

''(B) the date on which the trustee commences final distribution under this section;''.

SEC. 714. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.

Section 523(a) of title 11, United States Code, as amended by this Act, is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by inserting ''or equivalent report or notice,'' after ''a return,'';

(B) in clause (i), by inserting ''or given'' after ''filed''; and

(C) in clause (ii)—

(i) by inserting ''or given'' after ''filed''; and

(ii) by inserting '', report, or notice'' after ''return''; and

(2) by adding at the end the following:

''For purposes of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.''.

SEC. 715. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.

Section 505(b)(2) of title 11, United States Code, as amended by this Act, is amended by inserting ''the estate,'' after ''misrepresentation,''.

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(9) the debtor has filed all applicable Federal, State, and local tax returns as required by section 1308.''.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—

(1) IN GENERAL.—Subchapter I of chapter 13 of title 11, United States Code, is amended by adding at the end the following:

''§ 1308. Filing of prepetition tax returns

''(a) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), if the debtor was required to file a tax return under applicable nonbankruptcy law, the debtor shall file with appropriate tax authorities all tax returns for all taxable periods ending during the 4-year period ending on the date of the filing of the petition.

''(b)(1) Subject to paragraph (2), if the tax returns required by subsection (a) have not been filed by the date on which the meeting of creditors is first scheduled to be held under section 341(a), the trustee may hold open that meeting for a reasonable period of time to allow the debtor an additional period of time to file any unfiled returns, but such additional period of time shall not extend beyond—

''(A) for any return that is past due as of the date of the filing of the petition, the date that is 120 days after the date of that meeting; or

''(B) for any return that is not past due as of the date of the filing of the petition, the later of—

''(i) the date that is 120 days after the date of that meeting; or

''(ii) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely made, in accordance with applicable nonbankruptcy law.

''(2) Upon notice and hearing, and order entered before the tolling of any applicable filing period determined under this subsection, if the debtor demonstrates by a preponderance of the evidence that the failure to file a return as required under this subsection is attributable to circumstances beyond the control of the debtor, the court may extend the filing period established by the trustee under this subsection for—

''(A) a period of not more than 30 days for returns described in paragraph (1); and

''(B) a period not to extend after the applicable extended due date for a return described in paragraph (2).

''(c) For purposes of this section, the term 'return' includes a return prepared pursuant to subsection (a) or (b) of section 6020 of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.''.

(2) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1308. Filing of prepetition tax returns.''.

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following:

''(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.''.

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by inserting before the period at the end the following '', and except that in a case under chapter 13, a claim of a governmental unit for a tax with respect to a return filed under section 1308 shall be timely if the claim is filed on or before the date that is 60 days after the date on which such return was filed as required''.

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States should, as soon as practicable after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code, shall be treated for all purposes as if such objection had been timely filed before such confirmation; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax with respect to which a return is required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 717. STANDARDS FOR TAX DISCLOSURE.

Section 1125(a)(1) of title 11, United States Code, is amended—

(1) by inserting ''including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case,'' after ''records''; and

(2) by striking ''a hypothetical reasonable investor typical of holders of claims or interests'' and inserting ''such a hypothetical investor''.

SEC. 718. SETOFF OF TAX REFUNDS.

Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (26), as added by this Act, the following:

''(27) under subsection (a), of the setoff under applicable nonbankruptcy law of an income tax refund, by a governmental unit, with respect to a taxable period that ended before the order for relief against an income tax liability for a taxable period that also ended before the order for relief, except that in any case in which the setoff of an income tax refund is not permitted under applicable nonbankruptcy law because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the action, unless the court, upon motion of the trustee and after notice and hearing, grants the taxing authority adequate protection (within the meaning of section 361) for the secured claim of that authority in the setoff under section 506(a);''.

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 346 of title 11, United States Code, is amended to read as follows:

''§ 346. Special provisions related to the treatment of state and local taxes

''(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor. The preceding sentence shall not apply if the case is dismissed. The trustee shall make tax returns of income required under any such State or local law.

''(b) Whenever the Internal Revenue Code of 1986 provides that no separate taxable estate shall be created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of an estate shall be taxed to or claimed by the debtor, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the debtor under a State or local law imposing a tax on or measured by income and may not be taxed to or claimed by the estate. The trustee shall make such tax returns of income of corporations and of partnerships as are required under any State or local law, but with respect to partnerships, shall make said returns only to the extent such returns are also required to be made under such Code. The estate shall be liable for any tax imposed on such corporation or partnership, but not for any tax imposed on partners or members.

''(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a debtor in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, after the commencement of the case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).

''(d) For purposes of any State or local law imposing a tax on or measured by income, the taxable period of a debtor in a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.

''(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

''(f) For purposes of any State or local law imposing a tax on or measured by income, a transfer of property from the debtor to the estate or from the estate to the debtor shall not be treated as a disposition for purposes of any provision assigning tax consequences to a disposition, except to the extent that such transfer is treated as a disposition under the Internal Revenue Code of 1986.

''(g) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

''(h) The trustee shall withhold from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.

''(i)(1) To the extent that any State or local law imposing a tax on or measured by income provides for the carryover of any tax attribute from one taxable period to a subsequent taxable period, the estate shall succeed to such tax attribute in any case in which such estate is subject to tax under subsection (a).

''(2) After such a case is closed or dismissed, the debtor shall succeed to any tax attribute to which the estate succeeded under paragraph (1) to the extent consistent with the Internal Revenue Code of 1986.

''(3) The estate may carry back any loss or tax attribute to a taxable period of the debtor that ended before the order for relief under this title to the extent that—

''(A) applicable State or local tax law provides for a carryback in the case of the debtor; and

''(B) the same or a similar tax attribute may be carried back by the estate to such a taxable period of the debtor under the Internal Revenue Code of 1986.

''(j)(1) For purposes of any State or local law imposing a tax on or measured by income, income is not realized by the estate, the debtor, or a successor to the debtor by reason of discharge of indebtedness in a case under this title, except to the extent, if any, that such income is subject to tax under the Internal Revenue Code of 1986.

''(2) Whenever the Internal Revenue Code of 1986 provides that the amount excluded from gross income in respect of the discharge of indebtedness in a case under this title shall be applied to reduce the tax attributes of the debtor or the estate, a similar reduction shall be made under any State or local law imposing a tax on or measured by income to the extent such State or local law recognizes such attributes. Such State or local law may also provide for the reduction of other attributes to the extent that the full amount of income from the discharge of indebtedness has not been applied.

''(k)(1) Except as provided in this section and section 505, the time and manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

''(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 728 of title 11, United States Code, is repealed.

(2) Section 1146 of title 11, United States Code, is amended—

(A) by striking subsections (a) and (b); and

(B) by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

(3) Section 1231 of title 11, United States Code, is amended—

(A) by striking subsections (a) and (b); and

(B) by redesignating subsections (c) and (d) as subsections (a) and (b), respectively.

SEC. 720. DISMISSAL FOR FAILURE TO TIMELY FILE TAX RETURNS.

Section 521 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(k)(1) Notwithstanding any other provision of this title, if the debtor fails to file a tax return that becomes due after the commencement of the case or to properly obtain an extension of the due date for filing such return, the taxing authority may request that the court enter an order converting or dismissing the case.

''(2) If the debtor does not file the required return or obtain the extension referred to in paragraph (1) within 90 days after a request is filed by the taxing authority under that paragraph, the court shall convert or dismiss the case, whichever is in the best interests of creditors and the estate.''.

TITLE VIII—ANCILLARY AND OTHER CROSS-BORDER CASES

SEC. 801. AMENDMENT TO ADD CHAPTER 15 TO TITLE 11, UNITED STATES CODE.

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 13 the following:

''CHAPTER 15—ANCILLARY AND OTHER CROSS-BORDER CASES

''Sec.
''1501. Purpose and scope of application.
''SUBCHAPTER I—GENERAL PROVISIONS
''1502. Definitions.
''1503. International obligations of the United States.
''1504. Commencement of ancillary case.
''1505. Authorization to act in a foreign country.
''1506. Public policy exception.
''1507. Additional assistance.
''1508. Interpretation.
''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT
''1509. Right of direct access.
''1510. Limited jurisdiction.
''1511. Commencement of case under section 301 or 303.
''1512. Participation of a foreign representative in a case under this title.
''1513. Access of foreign creditors to a case under this title.
''1514. Notification to foreign creditors concerning a case under this title.
''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF
''1515. Application for recognition.
''1516. Presumptions concerning recognition.
''1517. Order granting recognition.
''1518. Subsequent information.
''1519. Relief that may be granted upon filing petition for recognition.
''1520. Effects of recognition of a foreign main proceeding.
''1521. Relief that may be granted upon recognition.
''1522. Protection of creditors and other interested persons.
''1523. Actions to avoid acts detrimental to creditors.
''1524. Intervention by a foreign representative.
''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES
''1525. Cooperation and direct communication between the court and foreign courts or foreign representatives.
''1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives.
''1527. Forms of cooperation.
''SUBCHAPTER V—CONCURRENT PROCEEDINGS
''1528. Commencement of a case under this title after recognition of a foreign main proceeding.
''1529. Coordination of a case under this title and a foreign proceeding.
''1530. Coordination of more than 1 foreign proceeding.
''1531. Presumption of insolvency based on recognition of a foreign main proceeding.
''1532. Rule of payment in concurrent proceedings.

''§ 1501. Purpose and scope of application

''(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

''(1) cooperation between—

''(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession; and

''(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

''(2) greater legal certainty for trade and investment;

''(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

''(4) protection and maximization of the value of the debtor's assets; and

''(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

''(b) This chapter applies where—

''(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

''(2) assistance is sought in a foreign country in connection with a case under this title;

''(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

''(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

''(c) This chapter does not apply to—

''(1) a proceeding concerning an entity, other than a foreign insurance company, identified by exclusion in section 109(b);

''(2) an individual, or to an individual and such individual's spouse, who have debts within the limits specified in section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States; or

''(3) an entity subject to a proceeding under the Securities Investor Protection Act of 1970, a stockbroker subject to subchapter III of chapter 7 of this title, or a commodity broker subject to subchapter IV of chapter 7 of this title.

''(d) The court may not grant relief under this chapter with respect to any deposit, escrow, trust fund, or other security required or permitted under any applicable State insurance law or regulation for the benefit of claim holders in the United States.

''SUBCHAPTER I—GENERAL PROVISIONS

''§ 1502. Definitions

''For the purposes of this chapter, the term—

''(1) 'debtor' means an entity that is the subject of a foreign proceeding;

''(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

''(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

''(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

''(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

''(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapter 9 of this title;

''(7) 'recognition' means the entry of an order granting recognition of a foreign main proceeding or foreign nonmain proceeding under this chapter; and

''(8) 'within the territorial jurisdiction of the United States', when used with reference to property of a debtor, refers to tangible property located within the territory of the United States and intangible property deemed under applicable nonbankruptcy law to be located within that territory, including any property subject to attachment or garnishment that may properly be seized or garnished by an action in a Federal or State court in the United States.

''§ 1503. International obligations of the United States

''To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with one or more other countries, the requirements of the treaty or agreement prevail.

''§ 1504. Commencement of ancillary case

''A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 1515.

''§ 1505. Authorization to act in a foreign country

''A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

''§ 1506. Public policy exception

''Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

''§ 1507. Additional assistance

''(a) Subject to the specific limitations stated elsewhere in this chapter the court, if recognition is granted, may provide additional assistance to a foreign representative under this title or under other laws of the United States.

''(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

''(1) just treatment of all holders of claims against or interests in the debtor's property;

''(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

''(3) prevention of preferential or fraudulent dispositions of property of the debtor;

''(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

''(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

''§ 1508. Interpretation

''In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

''§ 1509. Right of direct access

''(a) A foreign representative may commence a case under section 1504 by filing directly with the court a petition for recognition of a foreign proceeding under section 1515.

''(b) If the court grants recognition under section 1515, and subject to any limitations that the court may impose consistent with the policy of this chapter—

''(1) the foreign representative has the capacity to sue and be sued in a court in the United States;

''(2) the foreign representative may apply directly to a court in the United States for appropriate relief in that court; and

''(3) a court in the United States shall grant comity or cooperation to the foreign representative.

''(c) A request for comity or cooperation by a foreign representative in a court in the United States other than the court which granted recognition shall be accompanied by a certified copy of an order granting recognition under section 1517.

''(d) If the court denies recognition under this chapter, the court may issue any appropriate order necessary to prevent the foreign representative from obtaining comity or cooperation from courts in the United States.

''(e) Whether or not the court grants recognition, and subject to sections 306 and 1510, a foreign representative is subject to applicable nonbankruptcy law.

''(f) Notwithstanding any other provision of this section, the failure of a foreign representative to commence a case or to obtain recognition under this chapter does not affect any right the foreign representative may have to sue in a court in the United States to collect or recover a claim which is the property of the debtor.

''§ 1510. Limited jurisdiction

''The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

''§ 1511. Commencement of case under section 301 or 303

''(a) Upon recognition, a foreign representative may commence—

''(1) an involuntary case under section 303; or

''(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

''(b) The petition commencing a case under subsection (a) must be accompanied by a certified copy of an order granting recognition. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) prior to such commencement.

''§ 1512. Participation of a foreign representative in a case under this title

''Upon recognition of a foreign proceeding, the foreign representative in the recognized proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

''§ 1513. Access of foreign creditors to a case under this title

''(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

''(b)(1) Subsection (a) does not change or codify present law as to the priority of claims under section 507 or 726 of this title, except that the claim of a foreign creditor under those sections shall not be given a lower priority than that of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

''(2)(A) Subsection (a) and paragraph (1) do not change or codify present law as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

''(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

''§ 1514. Notification to foreign creditors concerning a case under this title

''(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

''(b) Such notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letter or other formality is required.

''(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

''(1) indicate the time period for filing proofs of claim and specify the place for their filing;

''(2) indicate whether secured creditors need to file their proofs of claim; and

''(3) contain any other information required to be included in such a notification to creditors under this title and the orders of the court.

''(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

''§ 1515. Application for recognition

''(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

''(b) A petition for recognition shall be accompanied by—

''(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

''(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

''(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

''(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

''(d) The documents referred to in paragraphs (1) and (2) of subsection (b) shall be translated into English. The court may require a translation into English of additional documents.

''§ 1516. Presumptions concerning recognition

''(a) If the decision or certificate referred to in section 1515(b) indicates that the foreign proceeding is a foreign proceeding (as defined in section 101) and that the person or body is a foreign representative (as defined in section 101), the court is entitled to so presume.

''(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not they have been legalized.

''(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

''§ 1517. Order granting recognition

''(a) Subject to section 1506, after notice and a hearing, an order recognizing a foreign proceeding shall be entered if—

''(1) the foreign proceeding for which recognition is sought is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;

''(2) the foreign representative applying for recognition is a person or body as defined in section 101; and

''(3) the petition meets the requirements of section 1515.

''(b) The foreign proceeding shall be recognized—

''(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

''(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 1502 in the foreign country where the proceeding is pending.

''(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding constitutes recognition under this chapter.

''(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the order granting recognition. The case under this chapter may be closed in the manner prescribed under section 350.

''§ 1518. Subsequent information

''From the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

''(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

''(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

''§ 1519. Relief that may be granted upon filing petition for recognition

''(a) From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

''(1) staying execution against the debtor's assets;

''(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and

''(3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

''(b) Unless extended under section 1521(a)(6), the relief granted under this section terminates when the petition for recognition is granted.

''(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

''(f) The exercise of rights not subject to the stay arising under section 362(a) pursuant to paragraph (6), (7), (17), or (28) of section 362(b) or pursuant to section 362(l) shall not be stayed by any order of a court or administrative agency in any proceeding under this chapter.

''§ 1520. Effects of recognition of a foreign main proceeding

''(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—

''(1) sections 361 and 362 apply with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States;

''(2) sections 363, 549, and 552 of this title apply to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;

''(3) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and

''(4) section 552 applies to property of the debtor that is within the territorial jurisdiction of the United States.

''(b) Subsection (a) does not affect the right to commence an individual action or proceeding in a foreign country to the extent necessary to preserve a claim against the debtor.

''(c) Subsection (a) does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

''§ 1521. Relief that may be granted upon recognition

''(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

''(1) staying the commencement or continuation of an individual action or proceeding concerning the debtor's assets, rights, obligations or liabilities to the extent they have not been stayed under section 1520(a);

''(2) staying execution against the debtor's assets to the extent it has not been stayed under section 1520(a);

''(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 1520(a);

''(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

''(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, authorized by the court;

''(6) extending relief granted under section 1519(a); and

''(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, authorized by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected.

''(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under paragraphs (1), (2), (3), and (6) of subsection (a).

''(f) The exercise of rights not subject to the stay arising under section 362(a) pursuant to paragraph (6), (7), (17), or (28) of section 362(b) or pursuant to section 362(l) shall not be stayed by any order of a court or administrative agency in any proceeding under this chapter.

''§ 1522. Protection of creditors and other interested persons

''(a) The court may grant relief under section 1519 or 1521, or may modify or terminate relief under subsection (c), only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.

''(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor's business under section 1520(a)(3) of this title, to conditions it considers appropriate, including the giving of security or the filing of a bond.

''(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate such relief.

''(d) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322.

''§ 1523. Actions to avoid acts detrimental to creditors

''(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, 553, and 724(a).

''(b) When the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

''§ 1524. Intervention by a foreign representative

''Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.

''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

''§ 1525. Cooperation and direct communication between the court and foreign courts or foreign representatives

''(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

''(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

''§ 1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives

''(a) Consistent with section 1501, the trustee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

''(b) The trustee or other person, including an examiner, authorized by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

''§ 1527. Forms of cooperation

''Cooperation referred to in sections 1525 and 1526 may be implemented by any appropriate means, including—

''(1) appointment of a person or body, including an examiner, to act at the direction of the court;

''(2) communication of information by any means considered appropriate by the court;

''(3) coordination of the administration and supervision of the debtor's assets and affairs;

''(4) approval or implementation of agreements concerning the coordination of proceedings; and

''(5) coordination of concurrent proceedings regarding the same debtor.

''SUBCHAPTER V—CONCURRENT PROCEEDINGS

''§ 1528. Commencement of a case under this title after recognition of a foreign main proceeding

''After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of such case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 1525, 1526, and 1527, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) of this title, and 1334(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

''§ 1529. Coordination of a case under this title and a foreign proceeding

''If a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

''(1) If the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

''(A) any relief granted under sections 1519 or 1521 must be consistent with the relief granted in the case in the United States; and

''(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 1520 does not apply.

''(2) If a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

''(A) any relief in effect under sections 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

''(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 1520(a) shall be modified or terminated if inconsistent with the relief granted in the case in the United States.

''(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the laws of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(4) In achieving cooperation and coordination under sections 1528 and 1529, the court may grant any of the relief authorized under section 305.

''§ 1530. Coordination of more than 1 foreign proceeding

''In matters referred to in section 1501, with respect to more than 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

''(1) Any relief granted under section 1519 or 1521 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.

''(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

''(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

''§ 1531. Presumption of insolvency based on recognition of a foreign main proceeding

''In the absence of evidence to the contrary, recognition of a foreign main proceeding is, for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts as such debts become due.

''§ 1532. Rule of payment in concurrent proceedings

''Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 13 the following:

''15. Ancillary and Other Cross-Border Cases ..... 1501''.

SEC. 802. OTHER AMENDMENTS TO TITLES 11 AND 28, UNITED STATES CODE.

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: '', and this chapter, sections 307, 362(l), 555 through 557, and 559 through 562 apply in a case under chapter 15''; and

(2) by adding at the end the following:

''(j) Chapter 15 applies only in a case under such chapter, except that—

''(1) sections 1505, 1513, and 1514 apply in all cases under this title; and

''(2) section 1509 applies whether or not a case under this title is pending.''.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended by striking paragraphs (23) and (24) and inserting the following:

''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

''(24) 'foreign representative' means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

(A) in subparagraph (N), by striking ''and'' at the end;

(B) in subparagraph (O), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.''.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 15 of title 11, nothing in''.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by striking ''or 13'' and inserting ''13, or 15,''.

(4) VENUE OF CASES ANCILLARY TO FOREIGN PROCEEDINGS.—Section 1410 of title 28, United States Code, is amended to read as follows:

''§ 1410. Venue of cases ancillary to foreign proceedings

''A case under chapter 15 of title 11 may be commenced in the district court for the district—

''(1) in which the debtor has its principal place of business or principal assets in the United States;

''(2) if the debtor does not have a place of business or assets in the United States, in which there is pending against the debtor an action or proceeding in a Federal or State court; or

''(3) in a case other than those specified in paragraph (1) or (2), in which venue will be consistent with the interests of justice and the convenience of the parties, having regard to the relief sought by the foreign representative.''.

(d) OTHER SECTIONS OF TITLE 11.—

(1) Section 109(b)(3) of title 11, United States Code, is amended to read as follows:

''(3)(A) a foreign insurance company, engaged in such business in the United States; or

''(B) a foreign bank, savings bank, cooperative bank, savings and loan association, building and loan association, or credit union, that has a branch or agency (as defined in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101) in the United States.''.

(2) Section 303(k) of title 11, United States Code, is repealed.

(3)(A) Section 304 of title 11, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 3 of title 11, United States Code, is amended by striking the item relating to section 304.

(C) Section 306 of title 11, United States Code, is amended by striking '', 304,'' each place it appears.

(4) Section 305(a)(2) of title 11, United States Code, is amended to read as follows:

''(2)(A) a petition under section 1515 of this title for recognition of a foreign proceeding has been granted; and

''(B) the purposes of chapter 15 of this title would be best served by such dismissal or suspension.''.

(5) Section 508 of title 11, United States Code, is amended—

(A) by striking subsection (a); and

(B) in subsection (b), by striking ''(b)''.

TITLE IX—FINANCIAL CONTRACT PROVISIONS

SEC. 901. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting '', resolution, or order'' after ''any similar agreement that the Corporation determines by regulation''.

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).''.

(e) DEFINITION OF REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).''.

(f) DEFINITION OF SWAP AGREEMENT.—Section 11(e)(8)(D)(vi) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

''(II) any agreement or transaction similar to any other agreement or transaction referred to in this clause that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), (IV), or (V).

Such term is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.''.

(g) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.''.

(h) TREATMENT OF QUALIFIED FINANCIAL CONTRACTS.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A)—

(A) by striking ''paragraph (10)'' and inserting ''paragraphs (9) and (10)'';

(B) in clause (i), by striking ''to cause the termination or liquidation'' and inserting ''such person has to cause the termination, liquidation, or acceleration''; and

(C) by striking clause (ii) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts described in clause (i);''; and

(2) in subparagraph (E), by striking clause (ii) and inserting the following:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts described in clause (i);''.

(i) AVOIDANCE OF TRANSFERS.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting ''section 5242 of the Revised Statutes of the United States (12 U.S.C. 91) or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers,'' before ''the Corporation''.

SEC. 902. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.

(a) IN GENERAL.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (E), by striking ''other than paragraph (12) of this subsection, subsection (d)(9)'' and inserting ''other than subsections (d)(9) and (e)(10)''; and

(2) by adding at the end the following new subparagraphs:

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (e)(1) of this section.

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting ''or the exercise of rights or powers by'' after ''the appointment of''.

SEC. 903. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.

(a) TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS TO FINANCIAL INSTITUTIONS.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—

''(A) IN GENERAL.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified financial contract, the conservator or receiver for such depository institution shall either—

''(i) transfer to one financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

''(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;

''(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);

''(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and

''(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or

''(ii) transfer none of the qualified financial contracts, claims, property or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).

''(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contract and related claims and property under subparagraph (A)(i), the conservator or receiver for the depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch or agency, to the qualified financial contracts, and to any netting contract, any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts, the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.

''(C) TRANSFER OF CONTRACTS SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—In the event that a conservator or receiver transfers any qualified financial contract and related claims, property, and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.

''(D) DEFINITION.—For purposes of this paragraph, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution, as determined by the Corporation by regulation to be a financial institution.''.

(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended in the material immediately following clause (ii) by striking ''the conservator'' and all that follows through the period and inserting the following: ''the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.''.

(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following new subparagraphs:

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(E) of this subsection or sections 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) TREATMENT OF BRIDGE BANKS.—The following institutions shall not be considered to be a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of paragraph (9):

''(i) A bridge bank.

''(ii) A depository institution organized by the Corporation, for which a conservator is appointed either—

''(I) immediately upon the organization of the institution; or

''(II) at the time of a purchase and assumption transaction between the depository institution and the Corporation as receiver for a depository institution in default.''.

SEC. 904. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended—

(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(2) by inserting after paragraph (10) the following new paragraph:

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the depository institution in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).''.

SEC. 905. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.

Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

''(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.''.

SEC. 906. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.

(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(ii), by inserting before the semicolon '', or is exempt from such registration by order of the Securities and Exchange Commission''; and

(B) in subparagraph (B), by inserting before the period ''or that has been granted an exemption under section 4(c)(1) of the Commodity Exchange Act'';

(2) in paragraph (6)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) by inserting after subparagraph (A) the following new subparagraph:

''(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System, if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;''; and

(C) by amending subparagraph (C) (as redesignated) to read as follows:

''(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;'';

(3) in paragraph (11), by inserting before the period ''and any other clearing organization with which such clearing organization has a netting contract'';

(4) by amending paragraph (14)(A)(i) to read as follows:

''(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and''; and

(5) by adding at the end the following new paragraph:

''(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.''.

(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970), the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following new subsection:

''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to one or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code), and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970), the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of a clearing organization shall be netted in accordance with and subject to the conditions of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

(2) by adding at the end the following new subsection:

''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to one or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code), and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended—

(1) by redesignating section 407 as section 408; and

(2) by inserting after section 406 the following new section:

''SEC. 407. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.

''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency, except that for such purpose—

''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;

''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of such Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and

''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.

''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.

''(c) REGULATORY AUTHORITY.—

''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.

''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meanings as in section 1(b) of the International Banking Act of 1978.''.

SEC. 907. BANKRUPTCY CODE AMENDMENTS.

(a) DEFINITIONS OF FORWARD CONTRACT, REPURCHASE AGREEMENT, SECURITIES CLEARING AGENCY, SWAP AGREEMENT, COMMODITY CONTRACT, AND SECURITIES CONTRACT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking ''means a contract'' and inserting ''means—

''(A) a contract'';

(ii) by striking '', or any combination thereof or option thereon;'' and inserting '', or any other similar agreement;''; and

(iii) by adding at the end the following:

''(B) any combination of agreements or transactions referred to in subparagraphs (A) and (C);

''(C) any option to enter into an agreement or transaction referred to in subparagraph (A) or (B);

''(D) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), or (C), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that such master agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under such master agreement that is referred to in subparagraph (A), (B), or (C); or

''(E) any security agreement or arrangement, or other credit enhancement related to any agreement or transaction referred to in subparagraph (A), (B), (C), or (D), but not to exceed the actual value of such contract on the date of the filing of the petition;'';

(B) in paragraph (46), by striking ''on any day during the period beginning 90 days before the date of'' and inserting ''at any time before'';

(C) by amending paragraph (47) to read as follows:

''(47) 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(A) means—

''(i) an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage related securities (as defined in section 3 of the Securities Exchange Act of 1934), mortgage loans, interests in mortgage related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities (defined as a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development), or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests, with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptance, securities, loans, or interests of the kind described in this clause, at a date certain not later than 1 year after such transfer or on demand, against the transfer of funds;

''(ii) any combination of agreements or transactions referred to in clauses (i) and (iii);

''(iii) an option to enter into an agreement or transaction referred to in clause (i) or (ii);

''(iv) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a repurchase agreement under this paragraph, except that such master agreement shall be considered to be a repurchase agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), or (iii); or

''(v) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in clause (i), (ii), (iii), or (iv), but not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) does not include a repurchase obligation under a participation in a commercial mortgage loan;'';

(D) in paragraph (48), by inserting '', or exempt from such registration under such section pursuant to an order of the Securities and Exchange Commission,'' after ''1934''; and

(E) by amending paragraph (53B) to read as follows:

''(53B) 'swap agreement'—

''(A) means—

''(i) any agreement, including the terms and conditions incorporated by reference in such agreement, which is an interest rate swap, option, future, or forward agreement, including—

''(I) a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

''(II) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

''(III) a currency swap, option, future, or forward agreement;

''(IV) an equity index or an equity swap, option, future, or forward agreement;

''(V) a debt index or a debt swap, option, future, or forward agreement;

''(VI) a credit spread or a credit swap, option, future, or forward agreement;

''(VII) a commodity index or a commodity swap, option, future, or forward agreement; or

''(VIII) a weather swap, weather derivative, or weather option;

''(ii) any agreement or transaction similar to any other agreement or transaction referred to in this paragraph that—

''(I) is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference therein); and

''(II) is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities, or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(iii) any combination of agreements or transactions referred to in this subparagraph;

''(iv) any option to enter into an agreement or transaction referred to in this subparagraph;

''(v) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to any such master agreement, and without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this paragraph, except that the master agreement shall be considered to be a swap agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

''(vi) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in clause (i) through (v), but do not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) is applicable for purposes of this title only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.'';

(2) in section 741(7), by striking paragraph (7) and inserting the following:

''(7) 'securities contract'—

''(A) means—

''(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(ii) any option entered into on a national securities exchange relating to foreign currencies;

''(iii) the guarantee by or to any securities clearing agency of a settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(iv) any margin loan;

''(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this subparagraph;

''(vi) any combination of the agreements or transactions referred to in this subparagraph;

''(vii) any option to enter into any agreement or transaction referred to in this subparagraph;

''(viii) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this subparagraph, except that such master agreement shall be considered to be a securities contract under this subparagraph only with respect to each agreement or transaction under such master agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); or

''(ix) any security agreement or arrangement or other credit enhancement, related to any agreement or transaction referred to in this subparagraph, but not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan.''; and

(3) in section 761(4)—

(A) by striking ''or'' at the end of subparagraph (D); and

(B) by adding at the end the following:

''(F) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(G) any combination of the agreements or transactions referred to in this paragraph;

''(H) any option to enter into an agreement or transaction referred to in this paragraph;

''(I) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H), together with all supplements to such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that the master agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H); or

''(J) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition;''.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (22) and inserting the following:

''(22) 'financial institution' means—

''(A) a Federal reserve bank, or an entity (domestic or foreign) that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such entity and, when any such Federal reserve bank, receiver, conservator or entity is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741, such customer; or

''(B) in connection with a securities contract, as defined in section 741, an investment company registered under the Investment Company Act of 1940;'';

(2) by inserting after paragraph (22) the following:

''(22A) 'financial participant' means an entity that, at the time it enters into a securities contract, commodity contract, or forward contract, or at the time of the filing of the petition, has one or more agreements or transactions described in paragraph (1), (2), (3), (4), (5), or (6) of section 561(a) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of not less than $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of not less than $100,000,000 (aggregated across counterparties) in one or more such agreements or transactions with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;''; and

(3) by striking paragraph (26) and inserting the following:

''(26) 'forward contract merchant' means a Federal reserve bank, or an entity, the business of which consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761 or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade;''.

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

''(38A) 'master netting agreement'—

''(A) means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with one or more contracts that are described in any one or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to one or more of the foregoing; and

''(B) if the agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any one or more of paragraphs (1) through (5) of section 561(a);

''(38B) 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;''.

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC-STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, as amended by this Act, is amended—

(A) in paragraph (6), by inserting '', pledged to, and under the control of,'' after ''held by'';

(B) in paragraph (7), by inserting '', pledged to, and under the control of,'' after ''held by'';

(C) by striking paragraph (17) and inserting the following:

''(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with one or more swap agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to margin, guarantee, secure, or settle any swap agreement;''; and

(D) by inserting after paragraph (27), as added by this Act, the following new paragraph:

''(28) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with one or more master netting agreements or any contract or agreement subject to such agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with such agreements or any contract or agreement subject to such agreements against any payment due to the debtor from such master netting agreement participant under or in connection with such agreements or any contract or agreement subject to such agreements or against cash, securities, or other property held by, pledged to, and under the control of, or due from such master netting agreement participant to margin, guarantee, secure, or settle such agreements or any contract or agreement subject to such agreements, to the extent that such participant is eligible to exercise such offset rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue; or''.

(2) LIMITATION.—Section 362 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(l) LIMITATION.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), (17), or (28) of subsection (b) shall not be stayed by any order of a court or administrative agency in any proceeding under this title.''.

(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (g) (as added by section 103 of Public Law 101–311)—

(A) by striking ''under a swap agreement''; and

(B) by striking ''in connection with a swap agreement'' and inserting ''under or in connection with any swap agreement''; and

(2) by adding at the end the following:

''(k) Notwithstanding sections 544, 545, 547, 548(a)(1)(B), and 548(b) the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with any master netting agreement or any individual contract covered thereby that is made before the commencement of the case, except under section 548(a)(1)(A) and except to the extent that the trustee could otherwise avoid such a transfer made under an individual contract covered by such master netting agreement.''.

(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement or any individual contract covered thereby takes for value to the extent of such transfer, except that, with respect to a transfer under any individual contract covered thereby, to the extent that such master netting agreement participant otherwise did not take (or is otherwise not deemed to have taken) such transfer for value.''.

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

''§ 555. Contractual right to liquidate, terminate, or accelerate a securities contract'';

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

''§ 556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract'';

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

''§ 559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement'';

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

''§ 560. Contractual right to liquidate, terminate, or accelerate a swap agreement'';

(2) in the first sentence, by striking ''termination of a swap agreement'' and inserting ''liquidation, termination, or acceleration of one or more swap agreements''; and

(3) by striking ''in connection with any swap agreement'' and inserting ''in connection with the termination, liquidation, or acceleration of one or more swap agreements''.

(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—

(1) IN GENERAL.—Title 11, United States Code, is amended by inserting after section 560 the following:

''§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts

''(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with one or more (or the termination, liquidation, or acceleration of one or more)—

''(1) securities contracts, as defined in section 741(7);

''(2) commodity contracts, as defined in section 761(4);

''(3) forward contracts;

''(4) repurchase agreements;

''(5) swap agreements; or

''(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

''(b) EXCEPTION.—

''(1) IN GENERAL.—A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

''(2) COMMODITY BROKERS.—If a debtor is a commodity broker subject to subchapter IV of chapter 7—

''(A) a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a) except to the extent that the

party has positive net equity in the commodity accounts at the debtor, as calculated under that subchapter IV; and

''(B) another commodity broker may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract entered into or held on behalf of a customer of the debtor against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a).

''(3) CONSTRUCTION.—No provision of subparagraph (A) or (B) of paragraph (2) shall prohibit the offset of claims and obligations that arise under—

''(A) a cross-margining agreement that has been approved by the Commodity Futures Trading Commission or submitted to the Commodity Futures Trading Commission under section 5(a)(12)(A) of the Commodity Exchange Act and has been approved; or

''(B) any other netting agreement between a clearing organization, as defined in section 761, and another entity that has been approved by the Commodity Futures Trading Commission.

''(c) DEFINITION.—As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.

''(d) CASES ANCILLARY TO FOREIGN PROCEEDINGS.—Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case under chapter 15 of this title, so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any case under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be limited based on the presence or absence of assets of the debtor in the United States).''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 560 the following:

''561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.

(l) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:

''§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, financial participants, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, financial participant, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.

(m) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following:

''§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, financial participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.

(n) SETOFF.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting before the period the following: ''(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 362(b)(28), 555, 556, 559, 560, or 561 of this title)''; and

(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 362(b)(28), 555, 556, 559, 560, 561''.

(o) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant,'';

(2) in section 546(e), by inserting ''financial participant,'' after ''financial institution,'';

(3) in section 548(d)(2)(B), by inserting ''financial participant,'' after ''financial institution,'';

(4) in section 555—

(A) by inserting ''financial participant,'' after ''financial institution,''; and

(B) by inserting before the period at the end '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and

(5) in section 556, by inserting '', financial participant,'' after ''commodity broker''.

(p) CONFORMING AMENDMENTS.—Title 11, United States Code, is amended—

(1) in the table of sections for chapter 5—

(A) by amending the items relating to sections 555 and 556 to read as follows:

''555. Contractual right to liquidate, terminate, or accelerate a securities contract.
''556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.'';

and

(B) by amending the items relating to sections 559 and 560 to read as follows:

''559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.
''560. Contractual right to liquidate, terminate, or accelerate a swap agreement.'';

and

(2) in the table of sections for chapter 7—

(A) by inserting after the item relating to section 766 the following:

''767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.'';

and

(B) by inserting after the item relating to section 752 the following:

''753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''.

SEC. 908. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following new subparagraph:

''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.

SEC. 909. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.

Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:

''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—An agreement to provide for the lawful collateralization of—

''(A) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;

''(B) bankruptcy estate funds pursuant to section 345(b)(2) of title 11, United States Code;

''(C) extensions of credit, including any overdraft, from a Federal reserve bank or Federal home loan bank; or

''(D) one or more qualified financial contracts, as defined in section 11(e)(8)(D),

shall not be deemed invalid pursuant to paragraph (1)(B) solely because such agreement was not executed contemporaneously with the acquisition of the collateral or because of pledges, delivery, or substitution of the collateral made in accordance with such agreement.''.

SEC. 910. DAMAGE MEASURE.

(a) IN GENERAL.—Title 11, United States Code, is amended—

(1) by inserting after section 561, as added by this Act, the following:

''§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements

''If the trustee rejects a swap agreement, securities contract (as defined in section 741), forward contract, commodity contract (as defined in section 761), repurchase agreement, or master netting agreement pursuant to section 365(a), or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, financial participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates such contract or agreement, damages shall be measured as of the earlier of—

''(1) the date of such rejection; or

''(2) the date of such liquidation, termination, or acceleration.''; and

(2) in the table of sections for chapter 5, by inserting after the item relating to section 561 (as added by this Act) the following:

''562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements.''.

(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(g)''; and

(2) by adding at the end the following:

''(2) A claim for damages calculated in accordance with section 562 of this title shall be allowed under subsection (a), (b), or (c), or disallowed under subsection (d) or (e), as if such claim had arisen before the date of the filing of the petition.''.

SEC. 911. SIPC STAY.

Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FROM STAY.—

''(i) Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) nor any order or decree obtained by SIPC from the court shall operate as a stay of any contractual rights of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, as those terms are defined in sections 101 and 741 of title 11, United States Code, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with one or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor, whether or not with respect to one or more of such contracts or agreements.

''(ii) Notwithstanding clause (i), such application, order, or decree may operate as a stay of the foreclosure on, or disposition of, securities collateral pledged by the debtor, whether or not with respect to one or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement, or securities lent under a securities lending agreement.

''(iii) As used in this subparagraph, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

SEC. 912. ASSET-BACKED SECURITIZATIONS.

Section 541 of title 11, United States Code, is amended—

(1) in subsection (b), by inserting after paragraph (7), as added by this Act, the following:

''(8) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a);''; and

(2) by adding at the end the following new subsection:

''(f) For purposes of this section—

''(1) the term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, including, without limitation, all securities issued by governmental units, at least one class or tranche of which was rated investment grade by one or more nationally recognized securities rating organizations, when the securities were initially issued by an issuer;

''(2) the term 'eligible asset' means—

''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, whether or not the same are in existence as of the date of the transfer, including residential and commercial mortgage loans, consumer receivables, trade receivables, assets of governmental units, including payment obligations relating to taxes, receipts, fines, tickets, and other sources of revenue, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any residual interest in property subject to receivables included in such financial assets plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

''(B) cash; and

''(C) securities, including without limitation, all securities issued by governmental units;

''(3) the term 'eligible entity' means—

''(A) an issuer; or

''(B) a trust, corporation, partnership, governmental unit, limited liability company (including a single member limited liability company), or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto;

''(4) the term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto; and

''(5) the term 'transferred' means the debtor, under a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(8) (whether or not reference is made to this title or any section hereof), irrespective and without limitation of—

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

SEC. 913. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—This title shall take effect on the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

TITLE X—PROTECTION OF FAMILY FARMERS

SEC. 1001. PERMANENT REENACTMENT OF CHAPTER 12.

(a) REENACTMENT.—

(1) IN GENERAL.—Chapter 12 of title 11, United States Code, as reenacted by section 149 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277), and amended by this Act, is reenacted.

(2) EFFECTIVE DATE.—Subsection (a) shall take effect on July 1, 2000.

(b) CONFORMING AMENDMENT.—Section 302 of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).

SEC. 1002. DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

''(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.''.

SEC. 1003. CERTAIN CLAIMS OWED TO GOVERNMENTAL UNITS.

(a) CONTENTS OF PLAN.—Section 1222(a)(2) of title 11, United States Code, is amended to read as follows:

''(2) provide for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, unless—

''(A) the claim is a claim owed to a governmental unit that arises as a result of the sale, transfer, exchange, or other disposition of any farm asset used in the debtor's farming operation, in which case the claim shall be treated as an unsecured claim that is not entitled to priority under section 507, but the debt shall be treated in such manner only if the debtor receives a discharge; or

''(B) the holder of a particular claim agrees to a different treatment of that claim;''.

(b) SPECIAL NOTICE PROVISIONS.—Section 1231(b) of title 11, United States Code, as so designated by this Act, is amended by striking ''a State or local governmental unit'' and inserting ''any governmental unit''.

TITLE XI—HEALTH CARE AND EMPLOYEE BENEFITS

SEC. 1101. DEFINITIONS.

(a) HEALTH CARE BUSINESS DEFINED.—Section 101 of title 11, United States Code, is amended—

(1) by redesignating paragraph (27A), as added by this Act, as paragraph (27B); and

(2) by inserting after paragraph (27) the following:

''(27A) 'health care business'—

''(A) means any public or private entity (without regard to whether that entity is organized for profit or not for profit) that is primarily engaged in offering to the general public facilities and services for—

''(i) the diagnosis or treatment of injury, deformity, or disease; and

''(ii) surgical, drug treatment, psychiatric, or obstetric care; and

''(B) includes—

''(i) any—

''(I) general or specialized hospital;

''(II) ancillary ambulatory, emergency, or surgical treatment facility;

''(III) hospice;

''(IV) home health agency; and

''(V) other health care institution that is similar to an entity referred to in subclause (I), (II), (III), or (IV); and

''(ii) any long-term care facility, including any—

''(I) skilled nursing facility;

''(II) intermediate care facility;

''(III) assisted living facility;

''(IV) home for the aged;

''(V) domiciliary care facility; and

''(VI) health care institution that is related to a facility referred to in subclause (I), (II), (III), (IV), or (V), if that institution is primarily engaged in offering room, board, laundry, or personal assistance with activities of daily living and incidentals to activities of daily living;''.

(b) PATIENT AND PATIENT RECORDS DEFINED.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (40) the following:

''(40A) 'patient' means any person who obtains or receives services from a health care business;

''(40B) 'patient records' means any written document relating to a patient or a record recorded in a magnetic, optical, or other form of electronic medium;''.

(c) RULE OF CONSTRUCTION.—The amendments made by subsection (a) of this section shall not affect the interpretation of section 109(b) of title 11, United States Code.

SEC. 1102. DISPOSAL OF PATIENT RECORDS.

(a) IN GENERAL.—Subchapter III of chapter 3 of title 11, United States Code, is amended by adding at the end the following:

''§ 351. Disposal of patient records

''If a health care business commences a case under chapter 7, 9, or 11, and the trustee does not have a sufficient amount of funds to pay for the storage of patient records in the manner required under applicable Federal or State law, the following requirements shall apply:

''(1) The trustee shall—

''(A) promptly publish notice, in 1 or more appropriate newspapers, that if patient records are not claimed by the patient or an insurance provider (if applicable law permits the insurance provider to make that claim) by the date that is 365 days after the date of that notification, the trustee will destroy the patient records; and

''(B) during the first 180 days of the 365-day period described in subparagraph (A), promptly attempt to notify directly each patient that is the subject of the patient records and appropriate insurance carrier concerning the patient records by mailing to the last known address of that patient, or a family member or contact person for that patient, and to the appropriate insurance carrier an appropriate notice regarding the claiming or disposing of patient records.

''(2) If, after providing the notification under paragraph (1), patient records are not claimed during the 365-day period described under that paragraph, the trustee shall mail, by certified mail, at the end of such 365-day period a written request to each appropriate Federal agency to request permission from that agency to deposit the patient records with that agency, except that no Federal agency is required to accept patient records under this paragraph.

''(3) If, following the 365-day period described in paragraph (2) and after providing the notification under paragraph (1), patient records are not claimed by a patient or insurance provider, or request is not granted by a Federal agency to deposit such records with that agency, the trustee shall destroy those records by—

''(A) if the records are written, shredding or burning the records; or

''(B) if the records are magnetic, optical, or other electronic records, by otherwise destroying those records so that those records cannot be retrieved.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 350 the following:

''351. Disposal of patient records.''.

SEC. 1103. ADMINISTRATIVE EXPENSE CLAIM FOR COSTS OF CLOSING A HEALTH CARE BUSINESS AND OTHER ADMINISTRATIVE EXPENSES.

Section 503(b) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(8) the actual, necessary costs and expenses of closing a health care business incurred by a trustee or by a Federal agency (as that term is defined in section 551(1) of title 5) or a department or agency of a State or political subdivision thereof, including any cost or expense incurred—

''(A) in disposing of patient records in accordance with section 351; or

''(B) in connection with transferring patients from the health care business that is in the process of being closed to another health care business;

''(9) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or related to a failure to operate or penalty provisions, for the period of 2 years following the later of the rejection date or date of actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from a nondebtor, and the claim for remaining sums due for the balance of the term of the lease shall be a claim under section 502(b)(6); and''.

SEC. 1104. APPOINTMENT OF OMBUDSMAN TO ACT AS PATIENT ADVOCATE.

(a) IN GENERAL.—

(1) APPOINTMENT OF OMBUDSMAN.—Subchapter II of chapter 3 of title 11, United States Code, is amended by inserting after section 331 the following:

''§ 332. Appointment of ombudsman

''(a) IN GENERAL.—

''(1) AUTHORITY TO APPOINT.—Not later than 30 days after a case is commenced by a health care business under chapter 7, 9, or 11, the court shall order the appointment of an ombudsman to monitor the quality of patient care to represent the interests of the patients of the health care business, unless the court finds that the appointment of the ombudsman is not necessary for the protection of patients under the specific facts of the case.

''(2) QUALIFICATIONS.—If the court orders the appointment of an ombudsman, the United States trustee shall appoint 1 disinterested person, other than the United States trustee, to serve as an ombudsman, including a person who is serving as a State Long-Term Care Ombudsman appointed under title III or VII of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq., 3058 et seq.).

''(b) DUTIES.—An ombudsman appointed under subsection (a) shall—

''(1) monitor the quality of patient care, to the extent necessary under the circumstances, including interviewing patients and physicians;

''(2) not later than 60 days after the date of appointment, and not less frequently than every 60 days thereafter, report to the court, at a hearing or in writing, regarding the quality of patient care at the health care business involved; and

''(3) if the ombudsman determines that the quality of patient care is declining significantly or is otherwise being materially compromised, notify the court by motion or written report, with notice to appropriate parties in interest, immediately upon making that determination.

''(c) CONFIDENTIALITY.—An ombudsman shall maintain any information obtained by the ombudsman under this section that relates to patients (including information relating to patient records) as confidential information. The ombudsman may not review confidential patient records, unless the court provides prior approval, with restrictions on the ombudsman to protect the confidentiality of patient records.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 331 the following:

''332. Appointment of ombudsman.''.

(b) COMPENSATION OF OMBUDSMAN.—Section 330(a)(1) of title 11, United States Code, is amended—

(1) in the matter proceeding subparagraph (A), by inserting ''an ombudsman appointed under section 331, or'' before ''a professional person''; and

(2) in subparagraph (A), by inserting ''ombudsman,'' before ''professional person''.

SEC. 1105. DEBTOR IN POSSESSION; DUTY OF TRUSTEE TO TRANSFER PATIENTS.

(a) IN GENERAL.—Section 704(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(11) use all reasonable and best efforts to transfer patients from a health care business that is in the process of being closed to an appropriate health care business that—

''(A) is in the vicinity of the health care business that is closing;

''(B) provides the patient with services that are substantially similar to those provided by the health care business that is in the process of being closed; and

''(C) maintains a reasonable quality of care.''.

(b) CONFORMING AMENDMENT.—Section 1106(a)(1) of title 11, United States Code, is amended by striking ''sections 704(2), 704(5), 704(7), 704(8), and 704(9)'' and inserting ''paragraphs (2), (5), (7), (8), (9), and (11) of section 704(a)''.

SEC. 1106. EXCLUSION FROM PROGRAM PARTICIPATION NOT SUBJECT TO AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (28), as added by this Act, the following:

''(29) under subsection (a), of the exclusion by the Secretary of Health and Human Services of the debtor from participation in the medicare program or any other Federal health care program (as defined in section 1128B(f) of the Social Security Act (42 U.S.C. 1320a–7b(f)) pursuant to title XI of such Act (42 U.S.C. 1301 et seq.) or title XVIII of such Act (42 U.S.C. 1395 et seq.).''.

TITLE XII—TECHNICAL AMENDMENTS

SEC. 1201. DEFINITIONS.

Section 101 of title 11, United States Code, as amended by this Act, is amended—

(1) by striking ''In this title—'' and inserting ''In this title the following definitions shall apply:'';

(2) in each paragraph, by inserting ''The term'' after the paragraph designation;

(3) in paragraph (35)(B), by striking ''paragraphs (21B) and (33)(A)'' and inserting ''paragraphs (23) and (35)'';

(4) in each of paragraphs (35A) and (38), by striking ''; and'' at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting ''who is not a family farmer'' after ''debtor'' the first place it appears; and

(B) by striking ''thereto having aggregate'' and all that follows through the end of the paragraph;

(6) by striking paragraph (54) and inserting the following:

''(54) The term 'transfer' means—

''(A) the creation of a lien;

''(B) the retention of title as a security interest;

''(C) the foreclosure of a debtor's equity of redemption; or

''(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

''(i) property; or

''(ii) an interest in property.''; and

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (55), by striking the semicolon at the end and inserting a period.

SEC. 1202. ADJUSTMENT OF DOLLAR AMOUNTS.

Section 104 of title 11, United States Code, as amended by section 322 of this Act, is amended by inserting ''522(f)(3),'' after ''522(d),'' each place it appears.

SEC. 1203. EXTENSION OF TIME.

Section 108(c)(2) of title 11, United States Code, is amended by striking ''922'' and all that follows through ''or'', and inserting ''922, 1201, or''.

SEC. 1204. TECHNICAL AMENDMENTS.

Title 11, United States Code, is amended—

(1) in section 109(b)(2), by striking ''subsection (c) or (d) of''; and

(2) in section 552(b)(1), by striking ''product'' each place it appears and inserting ''products''.

SEC. 1205. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.

Section 110(j)(4) of title 11, United States Code, as so designated by this Act, is amended by striking ''attorney's'' and inserting ''attorneys'''.

SEC. 1206. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.

Section 328(a) of title 11, United States Code, is amended by inserting ''on a fixed or percentage fee basis,'' after ''hourly basis,''.

SEC. 1207. EFFECT OF CONVERSION.

Section 348(f)(2) of title 11, United States Code, is amended by inserting ''of the estate'' after ''property'' the first place it appears.

SEC. 1208. ALLOWANCE OF ADMINISTRATIVE EXPENSES.

Section 503(b)(4) of title 11, United States Code, is amended by inserting ''subparagraph (A), (B), (C), (D), or (E) of'' before ''paragraph (3)''.

SEC. 1209. EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, as amended by this Act, is amended—

(1) by transferring paragraph (15), as added by section 304(e) of Public Law 103–394 (108 Stat. 4133), so as to insert such paragraph after subsection (a)(14);

(2) in subsection (a)(9), by striking ''motor vehicle'' and inserting ''motor vehicle, vessel, or aircraft''; and

(3) in subsection (e), by striking ''a insured'' and inserting ''an insured''.

SEC. 1210. EFFECT OF DISCHARGE.

Section 524(a)(3) of title 11, United States Code, is amended by striking ''section 523'' and all that follows through ''or that'' and inserting ''section 523, 1228(a)(1), or 1328(a)(1), or that''.

SEC. 1211. PROTECTION AGAINST DISCRIMINATORY TREATMENT.

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''student'' before ''grant'' the second place it appears; and

(2) in paragraph (2), by striking ''the program operated under part B, D, or E of'' and inserting ''any program operated under''.

SEC. 1212. PROPERTY OF THE ESTATE.

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting ''365 or'' before ''542''.

SEC. 1213. PREFERENCES.

(a) IN GENERAL.—Section 547 of title 11, United States Code, as amended by this Act, is amended—

(1) in subsection (b), by striking ''subsection (c)'' and inserting ''subsections (c) and (i)''; and

(2) by adding at the end the following:

''(i) If the trustee avoids under subsection (b) a transfer made between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such transfer shall be considered to be avoided under this section only with respect to the creditor that is an insider.''.

(b) APPLICABILITY.—The amendments made by this section shall apply to any case that is pending or commenced on or after the date of enactment of this Act.

SEC. 1214. POSTPETITION TRANSACTIONS.

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting ''an interest in'' after ''transfer of'' each place it appears;

(2) by striking ''such property'' and inserting ''such real property''; and

(3) by striking ''the interest'' and inserting ''such interest''.

SEC. 1215. DISPOSITION OF PROPERTY OF THE ESTATE.

Section 726(b) of title 11, United States Code, is amended by striking ''1009,''.

SEC. 1216. GENERAL PROVISIONS.

Section 901(a) of title 11, United States Code, as amended by this Act, is amended by inserting ''1123(d),'' after ''1123(b),''.

SEC. 1217. ABANDONMENT OF RAILROAD LINE.

Section 1170(e)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

SEC. 1218. CONTENTS OF PLAN.

Section 1172(c)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

SEC. 1219. DISCHARGE UNDER CHAPTER 12.

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

SEC. 1220. BANKRUPTCY CASES AND PROCEEDINGS.

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking ''made under this subsection'' and inserting ''made under subsection (c)''; and

(2) by striking ''This subsection'' and inserting ''Subsection (c) and this subsection''.

SEC. 1221. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting ''(1) the term'' before ''bankruptcy''; and

(B) by striking the period at the end and inserting ''; and''; and

(2) in the second undesignated paragraph—

(A) by inserting ''(2) the term'' before ''document''; and

(B) by striking ''this title'' and inserting ''title 11''.

SEC. 1222. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.

(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended by striking ''only'' and all that follows through the end of the subsection and inserting ''only—

''(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

''(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362.''.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(16) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.''.

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(g) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.''.

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, or filed under that title on or after that date of enactment, except that the court shall not confirm a plan under chapter 11 of title 11, United States Code, without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the court in which a case under chapter 11 of title 11, United States Code, is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

SEC. 1223. PROTECTION OF VALID PURCHASE MONEY SECURITY INTERESTS.

Section 547(c)(3)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''30''.

SEC. 1224. EXTENSIONS.

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking ''or October 1, 2002, whichever occurs first''; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking ''or October 1, 2002, whichever occurs first''; and

(ii) in the matter following subclause (II), by striking ''October 1, 2003, or''; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking ''before October 1, 2003, or''; and

(ii) by striking '', whichever occurs first''.

SEC. 1225. BANKRUPTCY JUDGESHIPS.

(a) SHORT TITLE.—This section may be cited as the ''Bankruptcy Judgeship Act of 2000''.

(b) TEMPORARY JUDGESHIPS.—

(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the district of Delaware.

(D) Two additional bankruptcy judgeships for the southern district of Florida.

(E) One additional bankruptcy judgeship for the southern district of Georgia.

(F) Two additional bankruptcy judgeships for the district of Maryland.

(G) One additional bankruptcy judgeship for the eastern district of Michigan.

(H) One additional bankruptcy judgeship for the southern district of Mississippi.

(I) One additional bankruptcy judgeship for the district of New Jersey.

(J) One additional bankruptcy judgeship for the eastern district of New York.

(K) One additional bankruptcy judgeship for the northern district of New York.

(L) One additional bankruptcy judgeship for the southern district of New York.

(M) One additional bankruptcy judgeship for the eastern district of North Carolina.

(N) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(O) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(P) One additional bankruptcy judgeship for the district of Puerto Rico.

(Q) One additional bankruptcy judgeship for the western district of Tennessee.

(R) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) shall not be filled if the vacancy—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1).

(c) EXTENSIONS.—

(1) IN GENERAL.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under paragraphs (1), (3), (7), (8), and (9) of section 3(a) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) remain applicable to temporary judgeship positions referred to in this subsection.

(d) TECHNICAL AMENDMENTS.—Section 152(a) of title 28, United States Code, is amended—

(1) in paragraph (1), by striking the first sentence and inserting the following: ''Each bankruptcy judge to be appointed for a judicial district, as provided in paragraph (2), shall be appointed by the United States court of appeals for the circuit in which such district is located.''; and

(2) in paragraph (2)—

(A) in the item relating to the middle district of Georgia, by striking ''2'' and inserting ''3''; and

(B) in the collective item relating to the middle and southern districts of Georgia, by striking ''Middle and Southern . . . . . 1''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 1226. COMPENSATING TRUSTEES.

Section 1326 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''and'';

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) if a chapter 7 trustee has been allowed compensation due to the conversion or dismissal of the debtor's prior case pursuant to section 707(b), and some portion of that compensation remains unpaid in a case converted to this chapter or in the case dismissed under section 707(b) and refiled under this chapter, the amount of any such unpaid compensation, which shall be paid monthly—

''(A) by prorating such amount over the remaining duration of the plan; and

''(B) by monthly payments not to exceed the greater of—

''(i) $25; or

''(ii) the amount payable to unsecured nonpriority creditors, as provided by the plan, multiplied by 5 percent, and the result divided by the number of months in the plan.''; and

(2) by adding at the end the following:

''(d) Notwithstanding any other provision of this title—

''(1) compensation referred to in subsection (b)(3) is payable and may be collected by the trustee under that paragraph, even if such amount has been discharged in a prior proceeding under this title; and

''(2) such compensation is payable in a case under this chapter only to the extent permitted by subsection (b)(3).''.

SEC. 1227. AMENDMENT TO SECTION 362 OF TITLE 11, UNITED STATES CODE.

Section 362(b)(18) of title 11, United States Code, is amended to read as follows:

''(18) under subsection (a) of the creation or perfection of a statutory lien for an ad valorem property tax, or a special tax or special assessment on real property whether or not ad valorem, imposed by a governmental unit, if such tax or assessment comes due after the filing of the petition;''.

SEC. 1228. JUDICIAL EDUCATION.

The Director of the Federal Judicial Center, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing this Act and the amendments made by this Act, including the requirements relating to the means test and reaffirmations under section 707(b) of title 11, United States Code, as amended by this Act.

SEC. 1229. RECLAMATION.

(a) RIGHTS AND POWERS OF THE TRUSTEE.—Section 546(c) of title 11, United States Code, is amended to read as follows:

''(c)(1) Except as provided in subsection (d) of this section and subsection (c) of section 507, and subject to the prior rights of holders of security interests in such goods or the proceeds thereof, the rights and powers of the trustee under sections 544(a), 545, 547, and 549 are subject to the right of a seller of goods that has sold goods to the debtor, in the ordinary course of such seller's business, to reclaim such goods if the debtor has received such goods while insolvent, not later than 45 days after the date of the commencement of a case under this title, but such seller may not reclaim such goods unless such seller demands in writing reclamation of such goods—

''(A) not later than 45 days after the date of receipt of such goods by the debtor; or

''(B) not later than 20 days after the date of commencement of the case, if the 45-day period expires after the commencement of the case.

''(2) If a seller of goods fails to provide notice in the manner described in paragraph (1), the seller still may assert the rights contained in section 503(b)(7).''.

(b) ADMINISTRATIVE EXPENSES.—Section 503(b) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

''(10) the value of any goods received by the debtor not later than 20 days after the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor's business.''.

SEC. 1230. PROVIDING REQUESTED TAX DOCUMENTS TO THE COURT.

(a) CHAPTER 7 CASES.—The court shall not grant a discharge in the case of an individual seeking bankruptcy under chapter 7 of title 11, United States Code, unless requested tax documents have been provided to the court.

(b) CHAPTER 11 AND CHAPTER 13 CASES.—The court shall not confirm a plan of reorganization in the case of an individual under chapter 11 or 13 of title 11, United States Code, unless requested tax documents have been filed with the court.

(c) DOCUMENT RETENTION.—The court shall destroy documents submitted in support of a bankruptcy claim not sooner than 3 years after the date of the conclusion of a bankruptcy case filed by an individual under chapter 7, 11, or 13 of title 11, United States Code. In the event of a pending audit or enforcement action, the court may extend the time for destruction of such requested tax documents.

SEC. 1231. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 12 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

SEC. 1232. PROPERTY NO LONGER SUBJECT TO REDEMPTION.

Section 541(b) of title 11, United States Code, is amended by inserting after paragraph (8), as added by this Act, the following:

''(9) subject to subchapter III of chapter 5, any interest of the debtor in property where the debtor pledged or sold tangible personal property (other than securities or written or printed evidences of indebtedness or title) as collateral for a loan or advance of money given by a person licensed under law to make such loans or advances, where—

''(A) the tangible personal property is in the possession of the pledgee or transferee;

''(B) the debtor has no obligation to repay the money, redeem the collateral, or buy back the property at a stipulated price; and

''(C) neither the debtor nor the trustee have exercised any right to redeem provided under the contract or State law, in a timely manner as provided under State law and section 108(b) of this title; or''.

SEC. 1233. TRUSTEES.

(a) SUSPENSION AND TERMINATION OF PANEL TRUSTEES AND STANDING TRUSTEES.—Section 586(d) of title 28, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)''; and

(2) by adding at the end the following:

''(2) A trustee whose appointment under subsection (a)(1) or under subsection (b) is terminated or who ceases to be assigned to cases filed under title 11, United States Code, may obtain judicial review of the final agency decision by commencing an action in the United States district court for the district for which the panel to which the trustee is appointed under subsection (a)(1), or in the United States district court for the district in which the trustee is appointed under subsection (b) resides, after first exhausting all available administrative remedies, which if the trustee so elects, shall also include an administrative hearing on the record. Unless the trustee elects to have an administrative hearing on the record, the trustee shall be deemed to have exhausted all administrative remedies for purposes of this paragraph if the agency fails to make a final agency decision within 90 days after the trustee requests administrative remedies. The Attorney General shall prescribe procedures to implement this paragraph. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based on the administrative record before the agency.''.

(b) EXPENSES OF STANDING TRUSTEES.—Section 586(e) of title 28, United States Code, is amended by adding at the end the following:

''(3) After first exhausting all available administrative remedies, an individual appointed under subsection (b) may obtain judicial review of final agency action to deny a claim of actual, necessary expenses under this subsection by commencing an action in the United States district court in the district where the individual resides. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based upon the administrative record before the agency.

''(4) The Attorney General shall prescribe procedures to implement this subsection.''.

SEC. 1234. BANKRUPTCY FORMS.

Section 2075 of title 28, United States Code, is amended by adding at the end the following:

''The bankruptcy rules promulgated under this section shall prescribe a form for the statement required under section 707(b)(2)(C) of title 11 and may provide general rules on the content of such statement.''.

SEC. 1235. EXPEDITED APPEALS OF BANKRUPTCY CASES TO COURTS OF APPEALS.

(a) IN GENERAL.—Section 158 of title 28, United States Code, is amended—

(1) by striking subsection (d) and inserting the following:

''(d)(1) In a case in which the appeal is heard by the district court, the judgment, decision, order, or decree of the bankruptcy judge shall be deemed a judgment, decision, order, or decree of the district court entered 31 days after such appeal is filed with the district court, unless not later than 30 days after such appeal is filed with the district court—

''(A) the district court—

''(i) files a decision on the appeal from the judgment, decision, order, or decree of the bankruptcy judge; or

''(ii) enters an order extending such 30-day period for cause upon motion of a party or upon the court's own motion; or

''(B) all parties to the appeal file written consent that the district court may retain such appeal until it enters a decision.

''(2) For the purpose of this subsection, an appeal shall be considered filed with the district court on the date on which the notice of appeal is filed, except that in a case in which the appeal is heard by the district court because a party has made an election under subsection (c)(1)(B), the appeal shall be considered filed with the district court on the date on which such election is made.

''(e) The courts of appeals shall have jurisdiction of appeals from—

''(1) all final judgments, decisions, orders, and decrees of district courts entered under subsection (a);

''(2) all final judgments, decisions, orders, and decrees of bankruptcy appellate panels entered under subsection (b); and

''(3) all judgments, decisions, orders, and decrees of district courts entered under subsection (d) to the extent that such judgments, decisions, orders, and decrees would be reviewable by a district court under subsection (a).

''(f) In accordance with rules prescribed by the Supreme Court of the United States under sections 2072 through 2077, the court of appeals may, in its discretion, exercise jurisdiction over an appeal from an interlocutory judgment, decision, order, or decree under subsection (e)(3).''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 305(c) of title 11, United States Code, is amended by striking ''section 158(d)'' and inserting ''subsection (e) or (f) of section 158''.

(2) Section 1334(d) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''subsection (e) or (f) of section 158''.

(3) Section 1452(b) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''subsection (e) or (f) of section 158''.

SEC. 1236. EXEMPTIONS.

Section 522(g)(2) of title 11, United States Code, is amended by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

TITLE XIII—CONSUMER CREDIT DISCLOSURE

SEC. 1301. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In the case of an open end credit plan that requires a minimum monthly payment of not more than 4 percent of the balance on which finance charges are accruing, the following statement, located on the front of the billing statement, disclosed clearly and conspicuously: 'Minimum Payment Warning: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 2% minimum monthly payment on a balance of $1,000 at an interest rate of 17% would take 88 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum payments, call this toll-free number: _____.' (the blank space to be filled in by the creditor).

''(B) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number: _____.' (the blank space to be filled in by the creditor).

''(C) Notwithstanding subparagraphs (A) and (B), in the case of a creditor with respect to which compliance with this title is enforced by the Federal Trade Commission, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously: 'Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, making only the typical 5% minimum monthly payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call the Federal Trade Commission at this toll-free number: _____.' (the blank space to be filled in by the creditor). A creditor who is subject to this subparagraph shall not be subject to subparagraph (A) or (B).

''(D) Notwithstanding subparagraph (A), (B), or (C), in complying with any such subparagraph, a creditor may substitute an example based on an interest rate that is greater than 17 percent. Any creditor that is subject to subparagraph (B) may elect to provide the disclosure required under subparagraph (A) in lieu of the disclosure required under subparagraph (B).

''(E) The Board shall, by rule, periodically recalculate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

''(F)(i) The toll-free telephone number disclosed by a creditor or the Federal Trade Commission under subparagraph (A), (B), or (G), as appropriate, may be a toll-free telephone number established and maintained by the creditor or the Federal Trade Commission, as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditor or multiple creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number disclosed under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i).

''(ii)(I) The Board shall establish and maintain for a period not to exceed 24 months following the effective date of the Bankruptcy Reform Act of 2000, a toll-free telephone number, or provide a toll-free telephone number established and maintained by a third party, for use by creditors that are depository institutions (as defined in section 3 of the Federal Deposit Insurance Act), including a Federal credit union or State credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)), with total assets not exceeding $250,000,000. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A) or (B), as applicable, by inputting information using a touch-tone telephone or similar device, if consumers whose telephones are not equipped to use such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A) or (B), as applicable, may be obtained. A person that receives a request for information described in subparagraph (A) or (B) from an obligor through the toll-free telephone number disclosed under subparagraph (A) or (B), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (H)(i). The dollar amount contained in this subclause shall be adjusted according to an indexing mechanism established by the Board.

''(II) Not later than 6 months prior to the expiration of the 24-month period referenced in subclause (I), the Board shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives a report on the program described in subclause (I).

''(G) The Federal Trade Commission shall establish and maintain a toll-free number for the purpose of providing to consumers the information required to be disclosed under subparagraph (C).

''(H) The Board shall—

''(i) establish a detailed table illustrating the approximate number of months that it would take to repay an outstanding balance if a consumer pays only the required minimum monthly payments and if no other advances are made, which table shall clearly present standardized information to be used to disclose the information required to be disclosed under subparagraph (A), (B), or (C), as applicable;

''(ii) establish the table required under clause (i) by assuming—

''(I) a significant number of different annual percentage rates;

''(II) a significant number of different account balances;

''(III) a significant number of different minimum payment amounts; and

''(IV) that only minimum monthly payments are made and no additional extensions of credit are obtained; and

''(iii) promulgate regulations that provide instructional guidance regarding the manner in which the information contained in the table established under clause (i) should be used in responding to the request of an obligor for any information required to be disclosed under subparagraph (A), (B), or (C).

''(I) The disclosure requirements of this paragraph do not apply to any charge card account, the primary purpose of which is to require payment of charges in full each month.

''(J) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay the customer's outstanding balance is not subject to the requirements of subparagraph (A) or (B).

''(K) A creditor that maintains a toll-free telephone number for the purpose of providing customers with the actual number of months that it will take to repay an outstanding balance shall include the following statement on each billing statement: 'Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For more information, call this toll-free number: _____.' (the blank space to be filled in by the creditor).''.

(b) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System (hereafter in this title referred to as the ''Board'') shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section.

(2) EFFECTIVE DATE.—Section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section, and the regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 18 months after the date of enactment of this Act; or

(B) 12 months after the publication of such final regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine the types of information available to potential borrowers from consumer

credit lending institutions regarding factors qualifying potential borrowers for credit, repayment requirements, and the consequences of default.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board should, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the required minimum payment under open end credit plans;

(D) consumers are aware that making only required minimum payments will increase the cost and repayment period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. 1302. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISER.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value (as defined under the Internal Revenue Code of 1986) of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax adviser for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax adviser for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value of the dwelling, and which advertisement is disseminated in paper form to the public or through the Internet, as opposed to by radio or television, shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer should consult a tax adviser for further information regarding the deductibility of interest and charges.''.

(c) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board shall promulgate regulations implementing the amendments made by this section.

(2) EFFECTIVE DATE.—Regulations issued under paragraph (1) shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1303. DISCLOSURES RELATED TO ''INTRODUCTORY RATES''.

(a) INTRODUCTORY RATE DISCLOSURES.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(6) ADDITIONAL NOTICE CONCERNING 'INTRODUCTORY RATES'.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest, shall—

''(i) use the term 'introductory' in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

''(ii) if the annual percentage rate of interest that will apply after the end of the temporary rate period will be a fixed rate, state in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)), the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period; and

''(iii) if the annual percentage rate that will apply after the end of the temporary rate period will vary in accordance with an index, state in a clear and conspicuous manner in a prominent location closely proximate to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)), the time period in which the introductory period will end and the rate that will apply after that, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(B) EXCEPTION.—Clauses (ii) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

''(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable under any circumstance or upon any event, clearly and conspicuously disclose, in a prominent manner on or with such application or solicitation—

''(i) a general description of the circumstances that may result in the revocation of the temporary annual percentage rate; and

''(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

''(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

''(II) will vary in accordance with an index, the rate that will apply after the temporary rate, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the terms 'temporary annual percentage rate of interest' and 'temporary annual percentage rate' mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation; and

''(ii) the term 'introductory period' means the maximum time period for which the temporary annual percentage rate may be applicable.

''(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.''.

(b) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board shall promulgate regulations implementing the requirements of section 127(c)(6) of the Truth in Lending Act, as added by this section.

(2) EFFECTIVE DATE.—Section 127(c)(6) of the Truth in Lending Act, as added by this section, and regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1304. INTERNET-BASED CREDIT CARD SOLICITATIONS.

(a) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(7) INTERNET-BASED APPLICATIONS AND SOLICITATIONS.—

''(A) IN GENERAL.—In any solicitation to open a credit card account for any person under an open end consumer credit plan using the Internet or other interactive computer service, the person making the solicitation shall clearly and conspicuously disclose—

''(i) the information described in subparagraphs (A) and (B) of paragraph (1); and

''(ii) the information described in paragraph (6).

''(B) FORM OF DISCLOSURE.—The disclosures required by subparagraph (A) shall be—

''(i) readily accessible to consumers in close proximity to the solicitation to open a credit card account; and

''(ii) updated regularly to reflect the current policies, terms, and fee amounts applicable to the credit card account.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks; and

''(ii) the term 'interactive computer service' means any information service, system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

(b) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board shall promulgate regulations implementing the requirements of section 127(c)(7) of the Truth in Lending Act, as added by this section.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) and the regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1305. DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.

(a) DISCLOSURES RELATED TO LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a late payment fee is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the following shall be stated clearly and conspicuously on the billing statement:

''(A) The date on which that payment is due or, if different, the earliest date on which a late payment fee may be charged.

''(B) The amount of the late payment fee to be imposed if payment is made after such date.''.

(b) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board shall promulgate regulations implementing the requirements of section 127(b)(12) of the Truth in Lending Act, as added by this section.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) and regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1306. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

(a) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(h) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.

(b) REGULATORY IMPLEMENTATION.—

(1) IN GENERAL.—The Board shall promulgate regulations implementing the requirements of section 127(h) of the Truth in Lending Act, as added by this section.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) and regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1307. DUAL USE DEBIT CARD.

(a) REPORT.—The Board may conduct a study of, and present to Congress a report containing its analysis of, consumer protections under existing law to limit the liability of consumers for unauthorized use of a debit card or similar access device. Such report, if submitted, shall include recommendations for legislative initiatives, if any, of the Board, based on its findings.

(b) CONSIDERATIONS.—In preparing a report under subsection (a), the Board may include—

(1) the extent to which section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g), as in effect at the time of the report, and the implementing regulations promulgated by the Board to carry out that section provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced or may enhance the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.), or revisions to regulations promulgated by the Board to carry out that Act, are necessary to further address adequate protection for consumers concerning unauthorized use liability.

SEC. 1308. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(a) STUDY.—

(1) IN GENERAL.—The Board shall conduct a study regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code.

(2) EXTENSION OF CREDIT.—The extension of credit described in this paragraph is the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled within 1 year of successfully completing all required secondary education requirements and on a full-time basis, in postsecondary educational institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Board shall submit to the Senate and the House of Representatives a report summarizing the results of the study conducted under subsection (a).

SEC. 1309. CLARIFICATION OF CLEAR AND CONSPICUOUS.

(a) REGULATIONS.—Not later than 6 months after the date of enactment of this Act, the Board, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration Board, and the Federal Trade Commission, shall promulgate regulations to provide guidance regarding the meaning of the term ''clear and conspicuous'', as used in subparagraphs (A), (B), and (C) of section 127(b)(11) and clauses (ii) and (iii) of section 127(c)(6)(A) of the Truth in Lending Act.

(b) EXAMPLES.—Regulations promulgated under subsection (a) shall include examples of clear and conspicuous model disclosures for the purposes of disclosures required by the provisions of the Truth in Lending Act referred to in subsection (a).

(c) STANDARDS.—In promulgating regulations under this section, the Board shall ensure that the clear and conspicuous standard required for disclosures made under the provisions of the Truth in Lending Act referred to in subsection (a) can be implemented in a manner which results in disclosures which are reasonably understandable and designed to call attention to the nature and significance of the information in the notice.

SEC. 1310. ENFORCEMENT OF CERTAIN FOREIGN JUDGMENTS BARRED.

(a) IN GENERAL.—Notwithstanding any other provision of law or contract, a court within the United States shall not recognize or enforce any judgment rendered in a foreign court if, by clear and convincing evidence, the court in which recognition or enforcement of the judgment is sought determines that the judgment gives effect to any purported right or interest derived, directly or indirectly, from any fraudulent misrepresentation or fraudulent omission that occurred in the United States during the period beginning on January 1, 1975, and ending on December 31, 1993.

(b) EXCEPTION.—Subsection (a) shall not prevent recognition or enforcement of a judgment rendered in a foreign court if the foreign tribunal rendering judgment giving effect to the right or interest concerned determines that no fraudulent misrepresentation or fraudulent omission described in subsection (a) occurred.

TITLE XIV—GENERAL EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 1401. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—Except as otherwise provided in this Act, the amendments made by this Act shall not apply with respect to cases commenced under title 11, United States Code, before the effective date of this Act.

HENRY HYDE,
GEORGE W. GEKAS,
DICK ARMEY,
Managers on the Part of the House.

JESSE HELMS,
RICHARD G. LUGAR,
ROD GRAMS,
JOE BIDEN,
Managers on the Part of the Senate.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Thursday, October 12, 2000, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

10535. A letter from the Secretary of Defense, transmitting the approved retirement and advancement to the grade of lieutenant general on the retired list of Lieutenant General Randall L. Rigby, United States Army; to the Committee on Armed Services.

10536. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Disposition of HUD-Acquired Single Family Property; Officer Next Door Sales Program [Docket No. FR–4277–F–03] (RIN: 2502–AH37) received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

10537. A letter from the Assistant General Counsel for Regulations, Office of the Assistant Secretary, Department of Housing and Urban Development, transmitting the Department's final rule—Single Family Mortgage Insurance; Electronic Underwriting [Docket No. FR–4311–F–02] (RIN: 2502–AH15) received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

10538. A letter from the Secretary of Health and Human Services, transmitting

The Community Services Block Grant Statistical Report FY 1997 Executive Summary; to the Committee on Education and the Workforce.

10539. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Listing of Color Additives Exempt From Certification; Phaffia Yeast; Confirmation of Effective Date [Docket No. 97C–0466] received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10540. A letter from the Director, Regulations and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Listing of Color Additives Exempt From Certification; Haematococcus Algae Meal; Confirmation of Effective Date [Docket No. 98C–0212] received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10541. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Listing of Color Additives Exempt From Certification; Luminescent Zinc Sulfide; Confirmation of Effective Date [Docket No. 97C–0415] received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10542. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—South Carolina: Final Authorization of State Hazardous Waste Management Program Revision [FRL–6879–3] received September 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10543. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Cooperative Agreement: Seven Principals of Environmental Stewardship for U.S./Mexico Business and Trade Community—received September 28, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

10544. A letter from the Assistant Secretary for Export Administration, Department of Congress, transmitting the Department's final rule—Revisions to License Exception CTP [Docket No. 000204027–0266–02] (RIN: 0694–AC14) received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

10545. A letter from the Executive Director, Committee for Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List: Additions—received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

10546. A letter from the Attorney-Advisor, Federal Register Certifying Officer, Department of the Treasury, transmitting the Department's final rule—Fiscal Service (RIN: 1510–AA38) received October 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

10547. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Shortraker and Rougheye Rockfish in the Eastern Regulatory Area of the Gulf of Alaska [Docket No. 000211–39–0039–01; I.D. 092900A] received October 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

10548. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—International Fisheries; Pacific Tuna Fishery on the Eastern Pacific Ocean [Docket No. 000908255–0255–01; I.D. 0800C] (RIN: 0648–AN73) received October 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

10549. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Rules of Practice for Hearings [Docket No. R–1083] received October 6, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

10550. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Prohibition of Ex Parte Communications Between Appeals Officers and Other Internal Revenue Service Employees [Rev. Proc. 2000–43] received October 10, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

10551. A letter from the Chairperson, Commission on Civil Rights, transmitting a report entitled, ''Overcoming the Past, Focusing on the Future: An Assessment of the U.S. Equal Employment Opportunity Commission's Enforcement Efforts''; jointly to the Committees on the Judiciary and Education and the Workforce.

10552. A letter from the Chairperson, Commission On Civil Rights, transmitting a report entitled, ''Equal Educational Opportunity and Nondiscrimination for Girls in Advanced Mathematics, Science, and Technology Education: Federal Enforcement of Title IX July 2000''; jointly to the Committees on the Judiciary and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GOODLING: Committee on Education and the Workforce. H.R. 1441. A bill to amend section 8(a) of the National Labor Relations Act (Rept. 106–967). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Education and the Workforce. H.R. 2434. A bill to require labor organizations to secure prior, voluntary, written authorization as a condition of using any portion of dues or fees for activities not necessary to performing duties relating to the representation of employees in dealing with the employer of labor-management issues, and for other purposes (Rept. 106–968). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSS: Committee of Conference. Conference report on H.R. 4392. A bill to authorize appropriations for fiscal year 2001 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106–969). Ordered to be printed.

Mr. HYDE: Committee of Conference. Conference report on H.R. 2415. A bill to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes (Rept. 106–970). Ordered to be printed.

Mr. SESSIONS: Committee on Rules. House Resolution 624. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2415) to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes (Rept. 106–971). Referred to the House Calendar.

Mr. REYNOLDS: Committee on Rules. House Resolution 625. Resolution providing for consideration of the resolution (H. Res. 596) calling upon the President to ensure that the foreign policy of the United States reflects appropriate understanding and sensitivity concerning issues related to human rights, ethnic cleansing, and genocide documented in the United States record relating to the American Genocide, and for other purposes (Rept. 106–972). Referred to the House Calendar.

Mr. GOSS: Committee on Rules. House Resolution 626. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4392) to authorize appropriations for fiscal year 2001 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 106–973). Referred to the House Calendar.

Mr. LINDER: Committee on Rules. House Resolution 627. Providing for consideration of the joint resolution (H.J. Res. 111) making further continuing appropriations for the fiscal year 2001, and for other purposes (Rept. 106–974). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 628. Resolution providing for consideration of the Senate amendment to the bill (H.R. 4386) to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program, to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act with respect to surveillance and information concerning the relationship between cervical cancer and the human papillomavirus (HPV), and for other purposes (Rept. 106–975). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Texas: Committee on the Judiciary. S. 11. An act for the relief of Wei Jingsheng (Rept. 106–955). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 150. An act for the relief of Marina Khalina and her son, Albert Mifakhov (Rept. 106–956). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 199. an act for the relief of Alexandre Malofienko, Olga Matsko, and their son, Vladimir Malofienko (Rept. 106–957). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 276. An act for the relief of Sergio Lozano, Faurico Lozano and Ana Lozano (Rept. 106–958). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 785. An act for the relief of Frances Schochenmaier (Rept. 106–959). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 869. An act for the relief of Mina Vahedi Notash (Rept. 106–960). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 1078. An act for the relief of Mrs. Elizabeth Eka Bassey and her children, Emmanuel O. Paul Bassey, Jacob Paul Bassey, and Mary Idongesit Paul Bassey (Rept. 106–961). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 1513. An act for the relief of Jacqueline Salinas and her children Gabriela Salinas, Alejandro Salinas, and Omar Salinas (Rept. 106–962). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 2000. An act for the relief of Guy Taylor (Rept. 106–963). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 2002. An act for the relief of Tony Lara (Rept. 106–964). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 2019. An act for the relief of Malia Miller (Rept. 106–965). Referred to the Private Calendar.

Mr. SMITH of Texas: Committee on the Judiciary. S. 2289. An act for the relief of Jose Guadalupe Tellez Pinales (Rept. 106–966). Referred to the Private Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. EVANS (for himself, Mr. MASCARA, and Mr. GUTIERREZ):

H.R. 5438. A bill to amend title 38, United States Code, to add Diabetes Mellitus (Type 2) to the list of diseases presumed to be service-connected for veterans exposed to certain herbicide agents; to the Committee on Veterans' Affairs.

By Mr. DEFAZIO:

H.R. 5439. A bill to end taxpayer support of Federal Government contractors against whom repeated civil judgements or criminal convictions for certain offenses have been entered; to the Committee on Government Reform.

By Mr. ARMEY:

H.R. 5440. A bill to require large employers to notify their employees of the amount paid by the employer for employee health coverage; to the Committee on Education and the Workforce.

By Mr. CHAMBLISS:

H.R. 5441. A bill to transfer management of the Banks Lake Unit of the Okefenokee National Wildlife Refuge; to the Committee on Resources.

By Mr. HEFLEY (for himself and Mr. MCINNIS):

H.R. 5442. A bill to provide for a pilot program to enhance military recruiting through the use of recently retired enlisted personnel as recruiters; to the Committee on Armed Services.

By Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. EDWARDS, and Ms. STABENOW):

H.R. 5443. A bill to waive the time limitation specified by law for the award of certain military decorations in order to allow the posthumous award of the congressional medal of honor to Doris Miller for actions while a member of the Navy during World War II; to the Committee on Armed Services.

By Mr. SAM JOHNSON of Texas:

H.R. 5444. A bill to amend the Internal Revenue Code of 1986 to provide for capital gains treatment for certain termination payments received by former insurance salesmen; to the Committee on Ways and Means.

By Mr. LIPINSKI (for himself, Mr. DEFAZIO, and Mr. COSTELLO):

H.R. 5445. A bill to amend title 49, United States Code, to increase the amount of civil penalties and criminal fines for violations of requirements prohibiting the transportation of chemical oxygen generators on passenger-carrying aircraft in air commerce; to the Committee on Transportation and Infrastructure.

By Mr. OLVER (for himself, Mr. MEEHAN, Mr. TIERNEY, Mr. MCGOVERN, Mr. BASS, and Mr. MARKEY):

H.R. 5446. A bill to establish the Freedom's Way National Heritage Area in the Commonwealth of Massachusetts and in the State of New Hampshire, and for other purposes; to the Committee on Resources.

By Mr. SHAW (for himself and Mr. CARDIN):

H.R. 5447. A bill to amend the Social Security Act to prepare the Social Security Administration for the needs of the 21st century, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Texas:

H.R. 5448. A bill to amend the Immigration and Nationality Act to give priority for certain family-sponsored immigrants based upon educational attainment and to require diversity immigrants to have a bachelor's degree; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 5449. A bill to amend title XVIII of the Social Security Act to combat fraud and abuse under the Medicare Program with respect to partial hospitalization services; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TANNER:

H.R. 5450. A bill to amend section 13031 of the Consolidated Ominubus Budget Reconciliation Act of 1985 to provide for a user fee to cover the cost of customs inspections at express courier facilities; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.J. Res. 111. A joint resolution making further continuing appropriations for the fiscal year 2001, and for other purposes; to the Committee on Appropriations.

By Mr. CASTLE (for himself, Mr. WELDON of Pennsylvania, and Mr. WISE):

H.J. Res. 112. A joint resolution memorializing fallen firefighters by lowering the American flag to half-staff in honor of the National Fallen Firefighters Memorial Service in Emittsburg, Maryland; to the Committee on the Judiciary.

By Mr. DAVIS of Illinois:

H. Con. Res. 423. Concurrent resolution authorizing the use of the Capitol Grounds for the Million Family March; to the Committee on Transportation and Infrastructure.

By Mr. LAZIO:

H. Con. Res. 424. Concurrent resolution providing for corrections in the enrollment of the bill H.R. 4461; to the Committee on International Relations, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOWNS:

H. Res. 622. A resolution expressing the sense of the House of Representatives that the Government of Argentina should provide an immediate and final resolution to the Buenos Aires Yoga School case; to the Committee on International Relations.

By Mr. FRANKS of New Jersey (for himself, Mr. OSE, Mr. WEINER, Mr. SAXTON, Mr. BRADY of Texas, Mr. SWEENEY, Mr. SALMON, Mr. FRELINGHUYSEN, Mr. SMITH of New Jersey, Mrs. ROUKEMA, and Mr. LOBIONDO):

H. Res. 623. A resolution regarding the adoption of Resolution 1322 by the Security Council of the United Nations on October 7, 2000; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. LANTOS:

H.R. 5451. A bill for the relief of Marleen R. Delay; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 5452. A bill for the relief of Andrea Patricia Burton; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 5453. A bill for the relief of Laurence Wallace; to the Committee on the Judiciary.

By Mr. OWENS:

H.R. 5454. A bill for the relief of Louise Ingrid Wallace; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 488: Mr. COYNE.
H.R. 792: Mrs. BIGGERT.
H.R. 797: Mr. ROHRABACHER.
H.R. 827: Mr. ORTIZ.
H.R. 908: Mr. BLUMENAUER and Ms. NORTON.
H.R. 1144: Mr. STRICKLAND.
H.R. 1337: Mr. SHERWOOD.
H.R. 1494: Ms. PRYCE of Ohio.
H.R. 1515: Mr. INSLEE.
H.R. 2166: Ms. BROWN of Florida, Mr. PAYNE, Mr. LUTHER, and Mr. INSLEE.
H.R. 2335: Mr. COBLE, Mr. SPRATT, and Mr. INSLEE.
H.R. 2382: Ms. HOOLEY of Oregon.
H.R. 2594: Mr. MCGOVERN.
H.R. 2790: Ms. DANNER.
H.R. 3263: Mr. BARR of Georgia.
H.R. 3453: Mr. SHAYS.
H.R. 3514: Mr. COYNE.
H.R. 3901: Mr. EWING.
H.R. 3996: Mr. MINGE.
H.R. 4274: Mr. LIPINSKI, Mr. HALL of Ohio, Mr. SANDLIN, and Mrs. JONES of Ohio.
H.R. 4289: Mr. KENNEDY of Rhode Island and Mr. DAVIS of Florida.
H.R. 4497: Mr. MINGE.
H.R. 4594: Mr. DEAL of Georgia.
H.R. 4669: Mr. NORWOOD.
H.R. 4715: Mr. BECERRA.
H.R. 4728: Mr. LAFALCE, Mr. BALDACCI, Mrs. MALONEY of New York, Mr. MOORE, Mr. HUTCHINSON, Mr. HINCHEY, and Ms. GRANGER.
H.R. 4740: Mr. CRAMER, Mrs. TAUSCHER, and Mr. FORD.
H.R. 4751: Mr. GOODLATTE, Mr. KENNEDY of Rhode Island, Mr. NEY, Mr. WEYGAND, and Mr. NADLER.
H.R. 4825: Mr. MINGE, Mr. MOAKLEY, Mr. ROTHMAN, Mr. COYNE, and Mr. NORWOOD.
H.R. 4857: Ms. DEGETTE.
H.R. 4894: Mr. CASTLE.
H.R. 4926: Mr. MCGOVERN and Ms. MCKINNEY.
H.R. 5037: Mr. PAUL.
H.R. 5038: Mr. PAUL.
H.R. 5091: Mr. PAYNE and Mr. BAIRD.
H.R. 5101: Mr. EVANS and Mr. KUCINICH.
H.R. 5147: Mr. FRANK of Massachusetts, Mr. LANTOS, Mr. GEORGE MILLER of California, Mr. DELAHUNT, and Mr. COOK.
H.R. 5179: Ms. WOOLSEY.
H.R. 5208: Mr. EVANS, Ms. CARSON, Mr. PAYNE, and Mr. NADLER.
H.R. 5220: Mr. DEAL of Georgia and Mr. WICKER.

H.R. 5265: Mr. HALL of Texas.

H.R. 5277: Mr. UDALL of Colorado, Mr. HINCHEY, Mr. LAMPSON, and Mr. REYES.

H.R. 5306: Mr. SMITH of Texas, Mr. BRADY of Texas, and Mr. MANZULLO.

H.R. 5311: Mr. RANGEL, Mr. GORDON, and Mr. CONYERS.

H.R. 5324: Mr. UNDERWOOD and Mr. NADLER.

H.R. 5361: Mr. HOLT, Mr. DEFAZIO, and MCDERMOTT.

H.R. 5397: Mr. BACA and Mr. BALDACCI.

H.R. 5401: Mr. TANNER.

H.R. 5417: Mr. WELDON of Florida, Mr. HILL of Montana, Mr. JONES of North Carolina, and Mr. GREEN of Wisconsin.

H. Con. Res. 337: Mr. DOYLE.

H. Con. Res. 363: Mr. CUMMINGS and Mrs. MORELLA.

H. Con. Res. 416: Mr. GEKAS, Mr. STARK, Ms. DANNER, Ms. ROS-LEHTINEN, Mr. MENENDEZ, and Mr. KING.

H. Con. Res. 419: Mr. YOUNG of Alaska, Mr. CALLAHAN, Mr. EVERETT, Mr. HALL of Texas, and Ms. KAPTUR.

H. Res. 537: Mr. COYNE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1824: Mr. THOMPSON of California.

H.R. 4035: Mr. EVANS.